

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Circular has been reviewed by TA Securities Holdings Berhad, being the Sponsor of Catcha Digital Berhad (“**Company**”) and Adviser for the Proposals (as defined herein). Our Company’s admission to the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) was sponsored by TA Securities Holdings Berhad.

Bursa Securities takes no responsibility for the contents of this Circular, valuation certificate and report (if any), 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.

CATCHA DIGITAL

CATCHA DIGITAL BERHAD
(Registration No. 201001033020 (916943-W))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- (I) PROPOSED ACQUISITION OF FMS;**
- (II) PROPOSED ACQUISITION OF THETA; AND**
- (III) PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

 **TA SECURITIES**

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of our Company together with the Form of Proxy are enclosed in this Circular. The details of our EGM are as follows:

Venue of our EGM	:	Level 3, Uptown 3, Menara TH, Jalan SS21/39, Damansara Utama, 47400 Petaling Jaya, Selangor
Date and time of our EGM	:	Thursday, 18 September 2025 at 2:00 p.m. or at any adjournment thereof
Last date and time for lodging the Form of Proxy	:	Tuesday, 16 September 2025 at 2:00 p.m.

You are entitled to attend and vote at our EGM or appoint a proxy or proxies to attend and vote on your behalf. The completed Form of Proxy should be lodged at the office of the Poll Administrator of our Company, Mega Corporate Services Sdn Bhd, at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not later than 48 hours before the time of our EGM or any adjournment thereof.

Alternatively, members may deposit the Form of Proxy by electronic means directly at egm-support.catcha@megacorp.com not later than 48 hours before the time of our EGM or any adjournment thereof.

The Form of Proxy once deposited will not preclude you from attending and voting in person at our EGM should you subsequently wish to do so.

This Circular is dated 26 August 2025

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- (I) PROPOSED ACQUISITION BY IMEDIA ASIA SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF OUR COMPANY, OF 60% EQUITY INTEREST IN FRAMEMOTION STUDIO SDN BHD FOR A PURCHASE CONSIDERATION OF RM37,323,000 (SUBJECT TO THE ADJUSTMENTS SET OUT IN THE CONDITIONAL SHARE SALE AGREEMENT) TO BE SATISFIED ENTIRELY IN CASH;**
- (II) PROPOSED ACQUISITION BY CATCHA THETA HOLDINGS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF OUR COMPANY, OF 92.5% EQUITY INTEREST IN THETA SERVICE PARTNER SDN BHD FOR A PURCHASE CONSIDERATION OF RM34,959,294 (SUBJECT TO THE ADJUSTMENTS SET OUT IN THE CONDITIONAL SHARE SALE AGREEMENT) TO BE SATISFIED ENTIRELY IN CASH; AND**
- (III) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 90,120,544 NEW ORDINARY SHARES IN OUR COMPANY (“SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 4 SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER, TOGETHER WITH UP TO 180,241,088 FREE DETACHABLE WARRANTS IN OUR COMPANY (“WARRANTS”) ON THE BASIS OF 2 WARRANTS FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR**

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DEFINITIONS

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

“5D-VWAP”	:	5-day VWAP
“6M-FPE”	:	6-month financial period ended 30 June
“Acquisition of D2D”	:	Acquisition by iMedia of 36,000 D2D Shares, representing 60% equity interest in D2D, for the D2D Purchase Consideration to be satisfied entirely in cash, which was completed on 7 May 2025
“Acquisition of Nexible”	:	Acquisition by Catcha Nexible of 51,001 ordinary shares in Nexible, representing 51% equity interest in Nexible, for a cash purchase consideration of RM11,384,730, which was completed on 22 January 2025
“Acquisition of Tastefully”	:	Acquisition by iMedia of 700 ordinary shares in Tastefully, representing 70% equity interest in Tastefully, for a cash purchase consideration of RM7,609,910, which was completed on 18 June 2025
“Act”	:	Companies Act 2016
“AGM”	:	Annual General Meeting
“Announcement I”	:	The announcement dated 25 April 2025 in relation to the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement
“Announcement I LPD”	:	18 April 2025, being the latest practicable date prior to the Announcement I
“Announcement LPD-Proposed Acquisitions”	:	28 February 2025, being the latest practicable date prior to the announcements for each of the Proposed Acquisitions
“BNM”	:	Bank Negara Malaysia
“Board”	:	Board of Directors of our Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“CAGR”	:	Compounded annual growth rate
“Catcha Digital” or “Company”	:	Catcha Digital Berhad
“Catcha Digital Group” or “Group”	:	Collectively, our Company and our subsidiaries
“Catcha Digital Share” or “Share”	:	Ordinary share in our Company
“Catcha Group”	:	Catcha Group Pte. Ltd., a major shareholder of our Company
“Catcha Investments”	:	Catcha Investments Ltd, a major shareholder of our Company
“Catcha Nexible”	:	Catcha Nexible Holdings Sdn Bhd (a wholly-owned subsidiary of our Company)
“Catcha Theta”	:	Catcha Theta Holdings Sdn Bhd (a wholly-owned subsidiary of our Company)

DEFINITIONS (CONT'D)

“CEO”	:	Chief Executive Officer
“Circular”	:	This circular dated 26 August 2025 to our shareholders in relation to the Proposals
“Code”	:	Malaysian Code on Take-overs and Mergers 2016
“Comparable Companies to FMS”	:	Selected public companies listed on Bursa Securities and foreign stock exchanges within the East Asia region which have been profitable and operate in similar industry and/or carry out similar business activities as FMS Group
“Comparable Companies to Theta”	:	Selected companies listed on Bursa Securities which have been profitable and operate in similar industry and/or carry out similar business activities as Theta Group
“D2D”	:	Drive 2 Digital Sdn Bhd
“D2D Completion Date”	:	Completion date of the D2D SSA, i.e., 7 May 2025
“D2D Group”	:	Collectively, D2D and its subsidiaries
“D2D Purchase Consideration”	:	Purchase consideration of RM16,200,000 for the Acquisition of D2D (subject to adjustments as set out in the D2D SSA)
“D2D Share”	:	Ordinary share in D2D
“D2D SSA”	:	Conditional SSA dated 20 December 2024 entered into between iMedia and the D2D Vendors for the Acquisition of D2D, and as amended and supplemented by the D2D Supplemental Agreement
“D2D Supplemental Agreement”	:	Supplemental agreement dated 30 April 2025 entered into between iMedia and the D2D Vendors to vary certain provisions of the D2D SSA, as announced by our Company on 30 April 2025
“D2D Vendors”	:	Collectively, Tan Boon Fhong, Jackie Wong Yong Wee, Choy Ewi Liang, Lim Yoon Hooi and Lee Ying Hao
“Deed Poll”	:	Deed poll constituting the Warrants and governing the rights of the Warrants holders to be executed by our Company
“Digital Careta”	:	Digital Careta Sdn Bhd (a wholly-owned subsidiary of D2D)
“DNB”	:	Digital Nasional Berhad
“DS Pre-Transaction Restructuring”	:	A pre-transaction restructuring exercise to be completed within 120 days from the date of the DS Services SSA, or such other period as mutually agreed between iMedia and the DS Services Vendors: (i) the acquisition of 100% equity interest in Digital Symphony Solution Pte Ltd by DS Services from Kuhan for a cash consideration of RM1.00; and (ii) the transfer of ownership and the settlement/assignment of hire purchase facility for a motor vehicle (i.e., Porsche 911 Carrera 2S bearing the chassis no. WP0ZZZ99ZHS115550) from DS Services to Sarojah, and the settlement of any outstanding amount owed by DS Services under the hire purchase facility relating to the motor vehicle
“DS Services”	:	DS Services Sdn Bhd

DEFINITIONS (CONT'D)

“DS Services Group”	: Collectively, DS Services and its subsidiaries upon completion of the DS Pre-Transaction Restructuring
“DS Services Purchase Consideration”	: Purchase consideration of RM22,950,000 for the Proposed Acquisition of DS Services (subject to the adjustments as set out in DS Services SSA)
“DS Services SSA”	: Conditional SSA dated 17 March 2025 entered into between iMedia and the DS Services Vendors for the Proposed Acquisition of DS Services, as amended and supplemented by a letter of variation dated 15 July 2025
“DS Services Vendors”	: Collectively, Kuhan and Sarojah
“EGM”	: Extraordinary General Meeting
“Entitled Shareholder”	: Shareholder whose name appears in the Record of Depositors of our Company as at the close of business on the Entitlement Date in order to be entitled to participate in the Proposed Rights Issue of Shares with Warrants
“Entitlement Date”	: A date to be determined by our Board and announced later by our Company, on which the names of our shareholders must appear in our Company’s Record of Depositors in order to be entitled for the Proposed Rights Issue of Shares with Warrants
“EPS”	: Earnings per Share
“Exercise Price”	: The exercise price of the Warrant
“FM SG”	: Framemotion Pte Ltd (a wholly-owned subsidiary of FMS)
“FMD”	: Framemotion Digital Sdn Bhd (a 49.0% associated company of FMS)
“FMS”	: Framemotion Studio Sdn Bhd
“FMS Completion Date”	: The first business day of the subsequent calendar month following the date the FMS SSA becomes unconditional (in any event, no later than 30 days from the date the FMS SSA becomes unconditional), or such other date as may be mutually agreed upon by iMedia and the FMS Vendors upon which the Proposed Acquisition of FMS is deemed completed
“FMS Group”	: Collectively, FMS, FMD and FM SG
“FMS Group Expected PATAMI”	: Collectively, FMS Group Expected Year 1 Audited PATAMI and FMS Group Expected Year 2 Audited PATAMI, amounting to an aggregate of RM13,600,000 (as set out in Section 2.5 of this Circular)
“FMS Group Expected Year 1 Audited PATAMI”	: The expected PATAMI of FMS Group for the 12-month period after the FMS Completion Date, amounting to RM6,800,000 (as set out in Section 2.5 of this Circular)
“FMS Group Expected Year 2 Audited PATAMI”	: The expected PATAMI of FMS Group for the period from the 13 th to the 24 th month after the FMS Completion Date, amounting to RM6,800,000 (as set out in Section 2.5 of this Circular)
“FMS Group Year 1 Audited PATAMI”	: The audited PATAMI of FMS Group for the 12-month period after the FMS Completion Date
“FMS Group Year 2 Audited PATAMI”	: The audited PATAMI of FMS Group for the period from the 13 th to the 24 th month after the FMS Completion Date

DEFINITIONS (CONT'D)

“FMS Pre-Transaction Restructuring”	:	A pre-transaction restructuring exercise to be completed within 120 days from the date of the FMS SSA, or such other period as mutually agreed between iMedia and the FMS Vendors (refer to Section 2.1 of this Circular for further details)
“FMS Purchase Consideration”	:	Purchase consideration of RM37,323,000 for the Proposed Acquisition of FMS (subject to the adjustments as set out in Section 2.6 of this Circular)
“FMS SHA”	:	SHA dated 14 March 2025 entered into between iMedia, the FMS Vendors and FMS
“FMS Share”	:	Ordinary share in FMS
“FMS SSA”	:	Conditional SSA dated 14 March 2025 entered into between iMedia and the FMS Vendors for the Proposed Acquisition of FMS, as amended and supplemented by a letter of variation dated 10 July 2025
“FMS Vendors”	:	Collectively, Pua Yin Chye and Tan Eng Hong
“FPE”	:	Financial period ended
“FYE”	:	Financial year ended/ending, as the case may be
“GBP”	:	Pound Sterling
“Genesis”	:	Genesis Liegenschafts Verwaltung GmbH
“Government”	:	Government of Malaysia
“HKD”	:	Hong Kong Dollars
“iMedia”	:	iMedia Asia Sdn Bhd (a wholly-owned subsidiary of our Company)
“iMedia Group”	:	Collectively, iMedia and its subsidiaries
“ICT”	:	Information communication technology
“IMR Report”	:	Independent market research report on the outlook of the digital advertising market in Malaysia and the global enterprise IT solutions market as prepared by Providence dated 13 August 2025
“IoT”	:	Internet of Things, the aggregate collection of network-enabled devices, excluding traditional computers such as laptops and servers
“Issue Price-Rights Share”	:	The issue price of the Rights Share
“IT”	:	Information technology
“IT Solutions Business”	:	The provision of IT solutions such as trading of software, provision of consulting services in relation to computer equipment and software, software development and creative media technology, infrastructure for hosting, data processing services and related activities, ICT system security and other IT service-related activities
“JENDELA”	:	Jalanan Digital Negara
“JPY”	:	Japanese Yen
“Karester Resource”	:	Karester Resource Sdn Bhd

DEFINITIONS (CONT'D)

“Kuhan”	:	Kuhan Kumar A/L Palaniappan
“LAT”	:	Loss after tax
“LBT”	:	Loss before tax
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	13 August 2025, being the latest practicable date prior to the printing and despatch of this Circular
“LPS”	:	Loss per Share
“LTIP”	:	Long-term incentive plan of our Company, which became effective on 27 February 2025
“Management”	:	The management of our Group
“MARA”	:	Majlis Amanah Rakyat
“Mark”	:	Mark Leong Tse Ho
“Maximum Scenario”	:	Up to 90,120,544 Rights Shares together with up to 180,241,088 Warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants, after considering the following: <ul style="list-style-type: none">(i) 360,482,178 Shares in issue (without any treasury shares or convertible securities) as at the LPD;(ii) any New LTIP Awards will be subject to vesting period and vesting conditions that are to be fulfilled after the completion of the Proposed Rights Issue of Shares with Warrants; and(iii) all Entitled Shareholders subscribe in full for their entitlements under the Proposed Rights Issue of Shares with Warrants
“Mbps”	:	Megabits per second
“Mekanika Digital”	:	Mekanika Digital Sdn Bhd (a wholly-owned subsidiary of D2D)
“MFRS”	:	Malaysian Financial Reporting Standards
“Minimum Scenario”	:	Up to 46,056,000 Rights Shares together with 92,112,000 Warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants, after considering the following: <ul style="list-style-type: none">(i) 360,482,178 Shares in issue (without any treasury shares or convertible securities) as at the LPD;(ii) any New LTIP Awards will be subject to vesting period and vesting conditions that are to be fulfilled after the completion of the Proposed Rights Issue of Shares with Warrants; and(iii) subscription by the Undertaking Shareholders pursuant to the Undertakings to ensure the Minimum Subscription Level is raised on the basis that no other Entitled Shareholders subscribe for their entitlements under the Proposed Rights Issue of Shares with Warrants
“Minimum Subscription Level”	:	The minimum subscription level to raise minimum gross proceeds of RM11,514,000 from the Proposed Rights Issue of Shares with Warrants
“MOF”	:	Ministry of Finance Malaysia
“MPERS”	:	Malaysian Private Entities Reporting Standards

DEFINITIONS (CONT'D)

“N/A”	: Not applicable
“NA”	: Net assets attributable to the owners of the company
“New LTIP Awards”	: Options or Shares to be granted or awarded by our Company under the LTIP subsequent to the date of the Announcement I until the completion of the Proposed Rights Issue of Shares with Warrants
“Nexible”	: Nexible Solutions Sdn Bhd (an indirect 51%-owned subsidiary of our Company)
“One International”	: One International Exhibition Sdn Bhd
“One International Group”	: Collectively, One International and its group of companies
“OOH”	: Out-of-Home
“PAT”	: Profit after tax
“PATAMI”	: Profit after tax and minority interest
“PBT”	: Profit before tax
“PE Multiple”	: Price-to-earnings multiple
“Placement Shares”	: Up to 36,048,200 new Shares to be issued pursuant to the Proposed 10% Private Placement
“Proposals”	: Collectively, Proposed Rights Issue of Shares with Warrants, Proposed Acquisition of FMS and Proposed Acquisition of Theta
“Proposed 10% Private Placement”	: Proposed private placement of up to 36,048,200 new Shares, representing up to 10% of the total number of Shares in issue as at the Announcement I LPD, which was approved by Bursa Securities on 7 August 2025
“Proposed Acquisitions”	: Collectively, the Proposed Acquisition of FMS and Proposed Acquisition of Theta
“Proposed Acquisition of DS Services”	: Proposed acquisition by iMedia of 127,500 ordinary shares in DS Services, representing 51% equity interest in DS Services, for the DS Services Purchase Consideration to be satisfied entirely in cash
“Proposed Acquisition of FMS”	: Proposed acquisition by iMedia of 600,000 FMS Shares, representing 60% equity interest in FMS, for the FMS Purchase Consideration to be satisfied entirely in cash
“Proposed Acquisition of One International”	: Proposed acquisition by Catcha Connect Sdn Bhd (a wholly-owned subsidiary of our Company) of 300,000 ordinary shares in One International, representing 60% equity interest in One International, for a cash purchase consideration of RM11,377,598, subject to the adjustments as set out in the conditional SSA
“Proposed Acquisition of Theta”	: Proposed acquisition by Catcha Theta of 786,262 Theta Shares, representing 92.5% equity interest in Theta, for the Theta Purchase Consideration to be satisfied entirely in cash
“Proposed Rights Issue of Shares with Warrants”	: Proposed renounceable rights issue of up to 90,120,544 Rights Shares on the basis of 1 Rights Share for every 4 Shares held on the Entitlement Date, together with up to 180,241,088 Warrants on the basis of 2 Warrants for every 1 Rights Share subscribed for

DEFINITIONS (CONT'D)

“Providence” or “IMR”	:	Providence Strategic Partners Sdn Bhd
“Record of Depositors”	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
“Regularisation Plan”	:	The regularisation plan to regularise our Company’s Cash Company condition, involving amongst others, the acquisition of entire equity interest in iMedia by our Company which resulted in a significant change in the business direction or policy of our Company, which was completed on 31 July 2023
“Rights Shares”	:	Up to 90,120,544 new Shares to be issued pursuant to the Proposed Rights Issue of Shares with Warrants
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
“Sarojah”	:	Sarojah A/P Thandan
“SGD”	:	Singapore Dollar
“SHA”	:	Shareholders’ agreement
“SME”	:	Small and medium enterprise
“Special Issue”	:	Special issue of new Shares to Bumiputera investors identified by the Ministry of Investment, Trade and Industry, which was completed on 28 March 2025
“SSA”	:	Share sale agreement
“TA Securities” or “Adviser”	:	TA Securities Holdings Berhad
“Tastefully”	:	Tastefully Malaysia Sdn Bhd
“TEAP”	:	Theoretical ex-all price
“Theta”	:	Theta Service Partner Sdn Bhd
“Theta Completion Date”	:	The first business day of the subsequent calendar month following the date the Theta SSA becomes unconditional (in any event, no later than 30 days from the date the Theta SSA becomes unconditional), or such other date as may be mutually agreed upon by Catcha Theta and the Theta Vendors upon which, the Proposed Acquisition of Theta is deemed completed
“Theta Group”	:	Collectively, Theta, Theta SG and Theta UK
“Theta Group Expected FYE 2024 PAT”	:	The expected PAT of Theta Group for FYE 31 December 2024, amounting to RM3,500,000 (as set out in Section 3.5 of this Circular)
“Theta Group Expected FYE 2025 PAT”	:	The expected PAT of Theta Group for FYE 31 December 2025, amounting to RM4,000,000 (as set out in Section 3.5 of this Circular)
“Theta Group Expected FYE 2026 PAT”	:	The expected PAT of Theta Group for FYE 31 December 2026, amounting to RM5,000,000 (as set out in Section 3.5 of this Circular)
“Theta Group Expected PAT”	:	Collectively, Theta Group Expected FYE 2024 PAT, Theta Group Expected FYE 2025 PAT and Theta Group Expected FYE 2026 PAT, amounting to an aggregate of RM12,500,000 (as set out in Section 3.5 of this Circular)

DEFINITIONS (CONT'D)

- “Theta Group FYE 2024 Audited PAT” : The audited PAT of Theta Group for FYE 31 December 2024
- “Theta Group FYE 2025 Audited PAT” : The audited PAT of Theta Group for FYE 31 December 2025
- “Theta Group FYE 2026 Audited PAT” : The audited PAT of Theta Group for FYE 31 December 2026
- “Theta Purchase Consideration” : Purchase consideration of RM34,959,294 for the Proposed Acquisition of Theta (subject to the adjustments as set out in **Section 3.6** of this Circular)
- “Theta SG” : Theta Service Partner (SG) Pte Ltd (a wholly-owned subsidiary of Theta)
- “Theta SHA” : SHA dated 24 March 2025 entered into between Catcha Theta, Mark and Theta
- “Theta Share” : Ordinary share in Theta
- “Theta SSA” : Conditional SSA dated 24 March 2025 entered into between Catcha Theta and the Theta Vendors for the Proposed Acquisition of Theta, as amended and supplemented by a letter of variation dated 21 July 2025
- “Theta UK” : Theta Service Partner (UK) Limited (a wholly-owned subsidiary of Theta)
- “Theta Vendors” : Collectively, Mark, Genesis, Yap Siew Lan, Hew How Fong, Choy Chong Hwai and Chan Chong Yoong
- “Undertaking–Catcha Group” : The unconditional and irrevocable written undertaking dated 25 April 2025, as supplemented by an undertaking dated 26 August 2025 from Catcha Group in respect of the Proposed Rights Issue of Shares with Warrants
- “Undertaking–Catcha Investments” : The unconditional and irrevocable written undertaking dated 25 April 2025, as supplemented by an undertaking dated 26 August 2025 from Catcha Investments in respect of the Proposed Rights Issue of Shares with Warrants
- “Undertakings” : Collectively, Undertaking–Catcha Group and Undertaking–Catcha Investments
- “Undertaking Shareholders” : Collectively, Catcha Group and Catcha Investments
- “VWAP” : Volume weighted average market price
- “Warrants” : Up to 180,241,088 free detachable warrants in our Company to be issued pursuant to the Proposed Rights Issue of Shares with Warrants

All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, are to our Group or any of our subsidiaries. All references to “you” and “your” in this Circular are to our shareholders, who are entitled to attend and vote at our EGM.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

DEFINITIONS (CONT'D)

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

Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amounts stated in this Circular could have been or would have been converted into such other amounts or vice versa.

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NOTICE OF EGM**ENCLOSED****FORM OF PROXY****ENCLOSED**

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSALS. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY AND THE APPENDICES AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN ARRIVING AT A DECISION ON THE PROPOSALS BEFORE VOTING AT OUR FORTHCOMING EGM.

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

Key information	Description
Summary of the Proposals	<p><u>Proposed Acquisition of FMS</u> On 14 March 2025, iMedia and the FMS Vendors entered into the FMS SSA for the Proposed Acquisition of FMS. On even date, iMedia, the FMS Vendors and FMS also entered into the FMS SHA to regulate the rights, obligations and liabilities of iMedia and the FMS Vendors as shareholders of FMS upon the completion of the Proposed Acquisition of FMS. Refer to Section 2 of this Circular for further information.</p> <p><u>Proposed Acquisition of Theta</u> On 24 March 2025, Catcha Theta and the Theta Vendors entered into the Theta SSA for the Proposed Acquisition of Theta. On even date, Catcha Theta, Mark and Theta also entered into the Theta SHA to regulate the rights, obligations and liabilities of Catcha Theta and Mark as shareholders of Theta upon the completion of the Proposed Acquisition of Theta. Refer to Section 3 of this Circular for further information.</p> <p>Our Board is of the view that the purchase consideration for each of the Proposed Acquisitions is justifiable and attractive to our Group after considering that (i) the implied simple average forward PE Multiple for each of the Proposed Acquisitions is within and/or lower than the range and the average PE Multiples of their respective comparable companies; and (ii) the Proposed Acquisitions are expected to improve the profitability of our Group and enhance our shareholders' value in the long term. Refer to Sections 2 and 3 of this Circular for further information.</p> <p><u>Proposed Rights Issue of Shares with Warrants</u> It entails the issuance of up to 90,120,544 Rights Shares on the basis of 1 Rights Share for every 4 Shares held by our Entitled Shareholders, together with up to 180,241,088 Warrants on the basis of 2 Warrants for every 1 Rights Share subscribed for. Refer to Section 4 of this Circular for further information.</p> <p>The Issue Price-Rights Share and the Exercise Price shall be fixed and announced by our Board at a later date before the announcement of the Entitlement Date, with the Issue Price-Rights Share to be at a discount of not more than 20% to the TEAP of our Shares and the Exercise Price to be at a premium of between 30% to 50% to the TEAP of our Shares. Refer to Section 4.3 of this Circular for further information.</p>
Rationale and justification	<p><u>Proposed Acquisition of FMS</u></p> <ul style="list-style-type: none"> • Offers new advertising formats (especially for experiential, immersive digital marketing experience events, gallery or advertisement) to our Group's clients. • Strengthens our Group's position as a strong player in digital advertising space and ability to capture a larger share of advertising budgets from clients of our Group and FMS Group. <p><u>Proposed Acquisition of Theta</u></p> <ul style="list-style-type: none"> • Diversifies our Group's revenue stream by venturing into the global enterprise IT solutions industry, through the offering of Theta Group's flagship credit workflow solutions. • Allows our Group to tap into Theta Group's clientele (i.e., financial institutions) and cross-sell our Group's digital marketing solutions to Theta Group's customers. <p><u>Proposed Rights Issue of Shares with Warrants</u></p> <ul style="list-style-type: none"> • Raises funds (via issuance of Rights Shares and exercise of Warrants) to partially settle various value-accretive acquisitions and working capital requirements of our Group, without incurring interest costs; • Provides an opportunity for Entitled Shareholders to participate in equity offering of our Company on a pro-rata basis; and • Strengthens the financial position of our Group and capital base of our Company. <p>Refer to Section 5 of this Circular for further information.</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Description			
Utilisation of proceeds (based on an indicative Issue Price-Rights Share of RM0.25 each)	Purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected timeframe for utilisation of proceeds*
	Partial payment for the D2D Purchase Consideration	5,000	5,000	Within 36 months
	Partial payment for the Theta Purchase Consideration	5,734	5,734	Within 36 months
	Partial payment for the FMS Purchase Consideration	-	5,500	Within 36 months
	Potential strategic acquisitions	-	4,661	Within 36 months
	Working capital requirements for our Group	-	855	Within 36 months
	Estimated expenses for the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement	780	780	Within 1 month
	TOTAL	11,514	22,530	
<p><i>Note:</i> * From the date of completion of the Proposed Rights Issue of Shares with Warrants.</p>				
<p>Refer to Section 4.8 of this Circular for further information.</p>				
Risk factors	<p><u>Proposed Acquisitions</u> The Proposed Acquisitions are associated with acquisition risk, non-completion risk, risk on dependency of key management and technical personnel as well as risk on changes in political, economic and regulatory conditions of markets in which FMS Group and Theta Group operate.</p> <p>Refer to Section 7 of this Circular for further information.</p>			
Approvals required	<p>The Proposals are subject to the following approvals being obtained from:</p> <p>(i) Bursa Securities for the following: (a) admission of the Warrants to the Official List of the ACE Market of Bursa Securities; and (b) listing and quotation for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants on the ACE Market of Bursa Securities.</p> <p>We have obtained the approval from Bursa Securities for the above vide its letter dated 7 August 2025;</p> <p>(ii) Bursa Securities for the registration of the abridged prospectus in relation to the Proposed Rights Issue of Shares with Warrants;</p> <p>(iii) our shareholders at our forthcoming EGM to be convened for the Proposals; and (iv) any other relevant authorities, if required.</p> <p>Refer to Section 10 of this Circular for further information.</p>			
Inter-conditional	<p>Each of the Proposed Acquisitions is not inter-conditional upon each other. The Proposals are not inter-conditional upon each other and not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.</p> <p>Refer to Section 11 of this Circular for further information.</p>			
Interested parties	<p>None of Directors, major shareholders and/or CEO of our Company and/or any persons connected with them (as defined in the Listing Requirements) have any interest, direct and/or indirect, in the Proposals, save for their respective entitlements as shareholders of our Company under the Proposed Rights Issue of Shares with Warrants, for which all the existing shareholders of our Company are entitled to, including the rights to apply for additional Rights Shares with Warrants under the excess application.</p> <p>Refer to Section 12 of this Circular for further information.</p>			

CATCHA DIGITAL

CATCHA DIGITAL BERHAD
(Registration No. 201001033020 (916943-W))
(Incorporated in Malaysia)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia

26 August 2025

Board of Directors

Patrick YKin Grove (*Non-Independent Non-Executive Chairman*)
Lucas Robert Elliott (*Non-Independent Non-Executive Director*)
Dato' Justin Leong Ming Loong (*Independent Non-Executive Director*)
Shireen Chia Yin Ting (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir / Madam,

- (I) PROPOSED ACQUISITION OF FMS;**
 - (II) PROPOSED ACQUISITION OF THETA; AND**
 - (III) PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS**
-

1. INTRODUCTION

TA Securities had, on behalf of our Company, announced the following:

- (i) the Proposed Acquisition of FMS on 14 March 2025 and 10 July 2025;
- (ii) the Proposed Acquisition of Theta on 24 March 2025 and 21 July 2025; and
- (iii) the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement on 25 April 2025. For your information, at our 15th AGM which was held on 17 June 2025, we had obtained our shareholders' approval pursuant to Sections 75 and 76 of the Act to allot and issue new Shares at any time until the conclusion of the next AGM of our Company, provided that the aggregate number of new Shares issued does not exceed 10% of the total number of issued Shares for the time being.

On 7 August 2025, TA Securities announced, on behalf of our Board, that Bursa Securities had, vide its letter dated 7 August 2025, approved the following, subject to conditions as stated in **Section 10** of this Circular:

- (i) admission of the Warrants to the Official List of the ACE Market of Bursa Securities; and
- (ii) listing and quotation for the following on the ACE Market of Bursa Securities:
 - (a) up to 90,120,544 Rights Shares;
 - (b) up to 180,241,088 Warrants; and
 - (c) up to 180,241,088 new Shares to be issued pursuant to the exercise of Warrants.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE VIEWS AND RECOMMENDATIONS OF OUR BOARD AND TO SEEK YOUR APPROVALS FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS WHICH WILL BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

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

2. PROPOSED ACQUISITION OF FMS

2.1 Details of the Proposed Acquisition of FMS

On 14 March 2025, iMedia and the FMS Vendors entered into the FMS SSA for the Proposed Acquisition of FMS. On even date, iMedia, FMS and the FMS Vendors also entered into the FMS SHA to regulate the rights, obligations and liabilities of iMedia and the FMS Vendors as shareholders of FMS upon completion of the Proposed Acquisition of FMS.

The salient terms of the FMS SSA and FMS SHA are set out in **Appendix II** and **Appendix III** of this Circular, respectively.

The FMS Shares to be acquired pursuant to the FMS SSA shall be free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto and all dividends, rights and distributions declared paid or made in respect thereof as at the FMS Completion Date. The acquisition of FMS Shares from each of the FMS Vendors pursuant to the Proposed Acquisition of FMS shall be completed simultaneously in accordance with the FMS SSA.

The FMS Purchase Consideration is payable fully in cash to the FMS Vendors based on their respective number of FMS Shares to be acquired by iMedia as follows:

FMS Vendors	No. of FMS Shares to be acquired	Equity interest to be acquired (%)	FMS Purchase Consideration (RM)
Pua Yin Chye	420,000	42.0	26,126,100
Tan Eng Hong	180,000	18.0	11,196,900
TOTAL	600,000	60.0	37,323,000

Upon completion of the Proposed Acquisition of FMS, FMS will become a 60%-owned subsidiary of iMedia and an indirect 60%-owned subsidiary of our Company.

The following table sets out the shareholding structure in FMS before and after the completion of the Proposed Acquisition of FMS:

Name	Before the Proposed Acquisition of FMS		After the Proposed Acquisition of FMS	
	No. of FMS Shares	%	No. of FMS Shares	%
Pua Yin Chye	700,000	70.0	280,000	28.0
Tan Eng Hong	300,000	30.0	120,000	12.0
iMedia	-	-	600,000	60.0
TOTAL	1,000,000	100.0	1,000,000	100.0

Pursuant to the terms of the FMS SSA, the FMS Vendors had undertaken the FMS Pre-Transaction Restructuring, which includes the following:

- (i) the acquisition of 100% equity interest in FM SG by FMS from the FMS Vendors at a consideration amount to be determined later and to be paid by FMS at a nominal value. Save for such nominal payment, FMS shall not incur any further costs, issue any new FMS Shares and/or incur any borrowings related to or arising from this acquisition.

The acquisition of 100% equity interest in FM SG by FMS for a cash consideration of SGD100 was completed on 20 March 2025. As at the LPD, FM SG is a wholly-owned subsidiary of FMS;

- (ii) the disposal of the property located at I-Sovo, B-16-17, Persiaran Multimedia, Seksyen 7, Shah Alam 40000, Shah Alam, Selangor by FMS to Karester Resource at net book value.

The disposal of the property by FMS to Karester Resource for a cash consideration of RM330,447.10 was completed on 24 April 2025; and

- (iii) the disposal by FMS of the following non-operating company vehicles to the respective FMS Vendors at net book value:

- (a) 1 unit of reconditioned Ford Mustang 2.3 bearing the chassis no. IFA6P8TH6H5347973 to Tan Eng Hong, which was completed on 26 March 2025; and
- (b) 1 unit of Toyota Alphard 2.5 bearing the chassis no. AGH30-0290395 to Pua Yin Chye, which was completed on 29 March 2025.

The aggregate disposal consideration was RM105,419.47 and these company vehicles are registered under the respective FMS Vendors as at the LPD.

The FMS Pre-Transaction Restructuring was completed on 24 April 2025.

2.2 Background information on FMS Group

2.2.1 Information on FMS

FMS was incorporated in Malaysia as a private limited company under the Companies Act 1965 on 26 February 2008 and is deemed registered under the Act. FMS commenced its operations in February 2008 and is principally involved in the business of digital media advertising solutions, including experiential marketing, brand activations, production of digital content and physical events for immersive experiences leveraging on virtual reality and augmented reality technology. Refer to **Appendix VI** of this Circular for further information on the history and business of FMS Group.

As at the LPD:

- (i) the issued share capital of FMS is RM1,000,000 comprising 1,000,000 FMS Shares and without any convertible securities;
- (ii) the directors and shareholders of FMS (all of whom are Malaysians) as well as their respective shareholdings in FMS are as follows; and

Name	Designation	Direct		Indirect	
		No. of FMS Shares	%	No. of FMS Shares	%
Pua Yin Chye	Director / Shareholder	700,000	70.0	-	-
Tan Eng Hong	Director / Shareholder	300,000	30.0	-	-
TOTAL		1,000,000	100.0		

- (iii) save as disclosed below, FMS does not have any other subsidiary or associated company:

Name of company	Date / Place of incorporation	Share capital (value and number of issued shares)	Effective equity interest held by FMS	Principal activities
Subsidiary of FMS				
FM SG	11 May 2023 / Singapore	SGD100 (100 ordinary shares)	100.0%	Dormant*

Name of company	Date / Place of incorporation	Share capital (value and number of issued shares)	Effective equity interest held by FMS	Principal activities
Associated company of FMS				
FMD	23 September 2021 / Malaysia	RM50,000 (50,000 ordinary shares)	49.0%	Motion picture projection activities; other IT service activities; and activities of holding companies

Note:

* The intended business activities of FM SG are to provide digital media advertising solutions, including experiential marketing, brand activations, creation of digital content leveraging virtual reality and augmented reality technology, primarily for the customers and projects in Singapore.

The details of FM SG and FMD are set out in **Sections 2.2.2** and **2.2.3** of this Circular.

Further information on FMS Group is set out in **Appendix VI** of this Circular.

2.2.2 Information on FM SG

FM SG was incorporated in Singapore as a private limited company under the Companies Act 1967 of Singapore on 11 May 2023. As at the LPD, FM SG is a dormant company with no business operations.

As at the LPD:

- (i) the issued share capital of FM SG is SGD100 comprising 100 ordinary shares and without any convertible securities;
- (ii) the director and shareholder of FM SG as well as their respective shareholdings in FM SG are as follows; and

Name	Nationality / Place of incorporation	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Dennis Leong Ren Kang	Singaporean	Director	-	-	-	-
FMS	Malaysia	Shareholder	100	100.0	-	-
TOTAL			100	100.0		

- (iii) FM SG does not have any subsidiary and associated company.

2.2.3 Information on FMD

FMD was incorporated in Malaysia as a private limited company under the Act on 23 September 2021. FMD commenced its operations in September 2022 and is principally involved in motion picture projection activities; other IT service activities; and activities of holding companies.

As at the LPD:

- (i) the issued share capital of FMD is RM50,000 comprising 50,000 ordinary shares and without any convertible securities;
- (ii) the director and shareholders of FMD as well as their respective shareholdings in FMD are as follows; and

Name	Nationality / Place of incorporation	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Hasmi Bin Karim	Malaysian	Director / Shareholder	25,500	51.0	-	-
FMS	Malaysia	Shareholder	24,500	49.0	-	-
TOTAL			50,000	100.0		

(iii) FMD does not have any subsidiary and associated company.

FMD currently serves diverse clients from government linked agencies, property as well as oil and gas sectors. Its primary market is Malaysia and its principal place of business is located at A-2-6, Block A, No. 1 Jalan PJS 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor.

2.3 Information on the FMS Vendors

2.3.1 Pua Yin Chye (Male, Malaysian, aged 50)

He is a director cum CEO and shareholder of FMS with 70.0% equity interest in FMS as at the LPD. He co-founded FMS in February 2008 and has over 30 years of experience in the creative industry. As the CEO of FMS, he oversees the business development, digital content creation and interactive experiences for FMS' services. Following the completion of the Proposed Acquisition of FMS, he will continue to be involved in the day-to-day operations of FMS Group for a minimum period of 10 years, together with the management and operations team of iMedia.

As at the LPD, he does not hold any Catcha Digital Shares and he is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of FMS, he will not have any direct or indirect interest in our Company.

2.3.2 Tan Eng Hong (Male, Malaysian, aged 43)

He is a director cum Chief Operating Officer and shareholder of FMS with 30.0% equity interest in FMS as at the LPD. He co-founded FMS in February 2008 and has over 20 years of experience in the creative industry. As the Chief Operating Officer of FMS, he oversees the digital animation activities for FMS' services. Following the completion of the Proposed Acquisition of FMS, he will continue to be involved in the day-to-day operations of FMS Group for a minimum period of 10 years, together with the management and operations team of iMedia.

As at the LPD, he does not hold any Catcha Digital Shares and he is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of FMS, he will not have any direct or indirect interest in our Company.

2.4 Information on iMedia

iMedia was incorporated in Malaysia as a private limited company under the Act on 23 October 2017. iMedia is principally involved in the provision of online media advertising and social media marketing.

As at the LPD:

- (i) the issued share capital of iMedia is RM2,000,000 comprising 2,000,000 ordinary shares and without any convertible securities;
- (ii) the directors and shareholders of iMedia as well as their respective shareholdings in iMedia are as follows; and

Name	Designation	Nationality / Place of incorporation	Direct interest		Indirect interest	
			No. of shares	%	No. of shares	%
Patrick YKin Grove	Director	Australian	-	-	2,000,000 ⁽¹⁾	100.0
Lucas Robert Elliott	Director	Australian	-	-	2,000,000 ⁽¹⁾	100.0
Voon Tze Khay	Director	Malaysian	-	-	-	-
Tee Choon Wee	Director	Malaysian	-	-	-	-
Catcha Digital	Shareholder	Malaysia	2,000,000	100.0	-	-
Catcha Investments	Shareholder	British Virgin Island	-	-	2,000,000 ⁽²⁾	100.0
Catcha Group	Shareholder	Singapore	-	-	2,000,000 ⁽²⁾	100.0
TOTAL			2,000,000	100.0		

Notes:

(1) Deemed interested by virtue of his interests in Catcha Investments and Catcha Group pursuant to section 8 of the Act.

(2) Deemed interested by virtue of its interests in our Company pursuant to section 8 of the Act.

(iii) save as disclosed below, iMedia does not have any other subsidiary or associated companies:

Name of company	Date / Place of incorporation	Effective equity interest held by iMedia (%)	Principal activities
Subsidiaries of iMedia			
Oh Media Sdn Bhd	7 December 2017 / Malaysia	100	Provision of online media advertising and social media marketing
Ittify Sdn Bhd	3 August 2015 / Malaysia	100	Provision of online media advertising and social media marketing
Goody Technologies Sdn Bhd	30 September 2016 / Malaysia	100	Provision of online media advertising and social media marketing
Nara Media Sdn Bhd	27 March 2013 / Malaysia	100	Provision of online media advertising and social media marketing
Moretify Sdn Bhd	20 October 2017 / Malaysia	60	Provision of online media advertising and social media marketing
TR Media Bytes Sdn Bhd	9 June 2023 / Malaysia	70	Provision of online media advertising and social media marketing
D2D	7 December 2018 / Malaysia	60	Organisation, promotions and/or management of event as well as provisions of advertising and other business support activities
Tastefully	9 November 2021 / Malaysia	70	Retail sale of any kind of product over the internet, organisation, promotions and/or management of event and web portals
Associated companies of iMedia			
Headline Media Sdn Bhd	5 August 2021 / Malaysia	30	Provision of online media advertising and social media marketing

Name of company	Date / Place of incorporation	Effective equity interest held by iMedia (%)	Principal activities
Associated companies of iMedia (cont'd)			
KS Lagi Sdn Bhd	29 July 2024 / Malaysia	33	Motion picture, video and television programme production activities, television programming and broadcasting activities, and advertising
Subsidiaries of D2D			
Auto123 Media Sdn Bhd	25 January 2022 / Malaysia	100	Organisation, promotions and/or management of event, reproduction of recorded media, online publication, advertising and promotion
DTI Communications Sdn Bhd	24 July 2018 / Malaysia	100	Other business support service activities and other service activities
360 DCT Sdn Bhd	29 September 2016 / Malaysia	100	Provision of IT solutions, consulting and services, namely event management, advertising and promotion, online publication, printing, social media management and web development
Digital Careta	11 June 2024 / Malaysia	100	Organisation, promotions and/or management of event, reproduction of recorded media, online publication, advertising and promotion
Mekanika Digital	6 June 2024 / Malaysia	100	Organisation, promotions and/or management of event, television programming, broadcasting activities and advertising

2.5 Basis and justification of arriving at the FMS Purchase Consideration

The FMS Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the following:

- (i) the historical financial information of FMS for FYE 31 December 2023, as follows:

(AUDITED)			
Revenue (RM)	PAT (RM)	Total assets (RM)	NA (RM)
37,410,898	7,007,920	35,256,864	32,143,239

- (ii) the historical financial information of FMD, an associated company of FMS, which recorded an audited PAT of RM0.12 million for FYE 31 December 2023;
- (iii) iMedia and the FMS Vendors have agreed on the FMS Group Expected PATAMI to be achieved by FMS Group over the following periods:

Description	Amount (RM)
FMS Group Expected Year 1 Audited PATAMI	6,800,000
FMS Group Expected Year 2 Audited PATAMI	6,800,000
TOTAL (A)	13,600,000

Description	Amount (RM)
Simple average of FMS Group Expected PATAMI [B = A/2]	6,800,000
FMS Purchase Consideration (C)	37,323,000
Equity interest in FMS to be acquired (D)	60.0%
Implied valuation for 100% equity interest in FMS [E = C/D]	62,205,000
Implied simple average forward PE Multiple (times) [=E/B]	9.15

The FMS Purchase Consideration also reflects an implied weighted average forward PE Multiple of 9.05 times, derived based on table below:

Tranche	FMS Purchase Consideration (RM)	Tranche size ⁽¹⁾ (%)	Actual PAT/ FMS Group Expected PATAMI (RM)	Equity interest in FMS to be acquired	Valuation for 100% equity interest in FMS (RM)	PE Multiple (times)	Weighted average forward PE Multiple (times)
	A	B	C	D	E = A / B / D	F = E / C	G = F x B
First	13,063,050	35.0	7,007,920	60.0%	62,205,000	8.88	3.11
Second	12,129,975	32.5	6,800,000	60.0%	62,205,000	9.15	2.97
Third	12,129,975	32.5	6,800,000	60.0%	62,205,000	9.15	2.97
TOTAL	37,323,000	100.0	20,607,920				9.05

Note:

(1) *The FMS Purchase Consideration payable in tranches and the tranche sizes are based on commercial terms negotiated and agreed between the FMS Vendors and iMedia after considering, amongst others, mitigation of the acquisition risks faced by iMedia by deferring its payment obligations over a mutually agreed time period, which allows iMedia to monitor the business performance and growth of FMS Group over time as well as to incentivise the FMS Vendors to grow the business of FMS Group in order to be paid the FMS Purchase Consideration without any downward adjustment(s) due to shortfall in the FMS Group Expected PATAMI as set out in **Section 2.6** of this Circular.*

- (iv) the rationale and potential benefits arising from the Proposed Acquisition of FMS as set out in **Section 5.1** of this Circular; and
- (v) the outlook of digital advertising market in Malaysia and the prospects of FMS Group's business as set out in **Sections 6.2 and 6.4** of this Circular.

For the purposes of assessing the fairness of the FMS Purchase Consideration, peer analysis was carried out to benchmark the PE Multiples of Comparable Companies to FMS. However, it should be recognised that the Comparable Companies to FMS have been selected for illustrative and comparison purposes only and are not exhaustive. Please take note that the Comparable Companies to FMS may not be identical to FMS Group and the analysis may not take into account, amongst others, differences in accounting and tax policies, operating environment, business model, composition of business activities, scale of business operations, geographical coverage of business activities, risk profile, profit track record, future prospects, competitive environment, financial position, capital structure and other criteria.

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The details of the Comparable Companies to FMS and their respective PE Multiples are set out in the table below:

Comparable Companies to FMS / (Stock exchange)	Principal activities	Market capitalisation (A) (million)	PAT attributable to the company (B) (million)	PE Multiple (A/B) (times)
Catcha Digital / (Bursa Securities)	Principally involved in providing digital media and advertising solutions.	RM113.46 ⁽¹⁾	RM5.20 ⁽³⁾	21.82
Media Prima Berhad / (Bursa Securities)	Principally involved in the provision of commercial television and radio broadcasting, publishing, printing, sale and distribution of newspapers, home shopping network, provision of internet and digital-based media, provision of outdoor advertising space and related production services, media content production and distribution, property management services, and other media industry related services.	RM521.32 ⁽¹⁾	RM60.45 ⁽²⁾	8.62
New Media Lab Limited / (Hong Kong Stock Exchange)	Principally engaged in digital media, which include providing one-stop integrated advertising solutions to brand owners and advertising agencies through several digital media platforms.	HKD183.00 (RM104.89) ⁽¹⁾	HKD14.60 ⁽²⁾ (RM8.37) ⁽¹⁾	12.53
ITmedia Inc / (Tokyo Stock Exchange)	Principally involved in operating information portal web site, specialised in IT fields. The company provides advertising services through its web sites and mail magazines and runs support web sites for job search and IT related products and services.	JPY32,186.47 (RM953.14) ⁽¹⁾	JPY1,501.89 ⁽²⁾ (RM44.48) ⁽¹⁾	21.43
FMS	Refer to Section 2.2 of this Circular for principal activities of FMS.	RM62.21 ⁽⁴⁾	High Low Average RM6.80 ⁽⁵⁾	21.82 8.62 16.10 9.15

(Source: Bloomberg, latest annual reports and quarterly results of each of the Comparable Companies to FMS prior to the Announcement LPD-Proposed Acquisitions)

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Notes:

(1) *Computed based on the closing market prices of the Comparable Companies to FMS as at the Announcement LPD-Proposed Acquisitions multiplied by the number of issued shares (excluding treasury shares, if any) as at the Announcement LPD-Proposed Acquisitions. The middle foreign exchange rates as at the Announcement LPD-Proposed Acquisitions (Source: BNM) for the following currencies are as follows:*

100 JPY : RM2.9613
100 HKD : RM57.3192

(2) *Based on the latest published audited consolidated PAT attributable to owners of the respective Comparable Companies to FMS prior to the Announcement LPD-Proposed Acquisitions.*

(3) *Based on the unaudited consolidated PAT attributable to owners of our Company for FYE 31 December 2024, which was the latest published consolidated financial results of our Company prior to the Announcement LPD-Proposed Acquisitions.*

(4) *Being the implied valuation for 100% equity interest in FMS.*

(5) *Being the simple average of FMS Group Expected PATAMI.*

Premised on the above, the implied weighted average forward PE Multiple of 9.05 times and the implied simple average forward PE Multiple of 9.15 times for the Proposed Acquisition of FMS are:

- (i) within the PE Multiples of Comparable Companies to FMS range between 8.62 times to 21.82 times; and
- (ii) lower than the average PE Multiple of Comparable Companies to FMS of 16.10 times, implying that the valuation of FMS Group is relatively lower than its industry peers as our Group is paying less for the earning potential of FMS Group as compared to the industry average and thus, the Proposed Acquisition of FMS could be a good investment opportunity for our Group.

Our Board is of the view that the FMS Purchase Consideration is justifiable and attractive to our Group given that the implied weighted average forward PE Multiple of the Proposed Acquisition of FMS of 9.05 times and the implied simple average forward PE Multiple of the Proposed Acquisition of FMS of 9.15 times are within the range of the PE Multiples of Comparable Companies to FMS and the Proposed Acquisition of FMS is expected to improve the profitability of our Group via cross-selling opportunities with our Group's existing business and enhance our shareholders' value in the long term.

In consideration of iMedia acquiring the FMS Shares, iMedia and the FMS Vendors have agreed that FMS Group shall achieve a PATAMI of not less than RM6.80 million for FMS Group Year 1 Audited PATAMI and FMS Group Year 2 Audited PATAMI, respectively, after considering the historical financial performance of FMS Group for FYE 31 December 2021 to FYE 31 December 2024 and the expected growth of FMS Group's business as supported by outlook for the digital advertising industry in Malaysia as set out in **Section 6.2** of this Circular.

Our Board is of the view that the FMS Purchase Consideration is reasonable after taking into consideration the following:

- (i) the PAT of FMS for FYE 31 December 2023 of RM7.01 million;
- (ii) the FMS Purchase Consideration is payable in tranches and the adjustments to the Second and Third Tranche of the FMS Purchase Consideration payable to the FMS Vendors is based on the FMS Group Expected PATAMI;
- (iii) the continued involvement of the existing management team of FMS Group in the day-to-day operations of FMS Group; and
- (iv) the prospects of FMS Group and our enlarged Group upon completion of the Proposed Acquisition of FMS as set out in **Section 6.4** of this Circular, upon taking into consideration of, amongst others, the outlook of the digital advertising market in Malaysia (as set out in **Section 6.2** of this Circular).

2.6 Mode of settlement for the FMS Purchase Consideration

Subject to the adjustments below, the FMS Purchase Consideration will be fully satisfied in cash to the FMS Vendors in the following tranches, pursuant to the terms and conditions of the FMS SSA:

Tranche	FMS Purchase Consideration (RM)	Adjustments	Payment terms
First Tranche	13,063,050	<p><u>Adjustments to the First Tranche of the FMS Purchase Consideration</u></p> <p>First Tranche of the FMS Purchase Consideration will be adjusted upwards or downwards based on the following:</p> <p>(a) adjusted upwards, for all legal and other fees and costs incurred by iMedia in the course of conducting its due diligence review on FMS Group as well as the fees and costs associated with the preparation of the FMS SSA as at the FMS Completion Date, which is estimated at RM0.70 million.</p> <p>This arrangement (where iMedia incurs costs for due diligence process upfront and be reimbursed by the FMS Vendors in cash later) demonstrates iMedia's commitment to expedite the due diligence process to facilitate the completion of the transaction, and also reduces the FMS Vendors' risk in incurring substantial costs if the Proposed Acquisition of FMS does not materialise; and</p> <p>(b) adjusted downwards, based on an amount equal to the FMS Net Debt⁽¹⁾.</p>	On the FMS Completion Date.
Second Tranche	12,129,975	<p><u>Adjustments to the Second Tranche of the FMS Purchase Consideration</u></p> <p>(a) subject to the catch-up mechanism⁽²⁾ as set out in the FMS SSA, the Second Tranche of the FMS Purchase Consideration will be adjusted downwards based on the shortfall in the FMS Group Year 1 Audited PATAMI, calculated as follows:</p> <p><i>FMS Group Year 1 Audited PATAMI * Valuation Multiple⁽³⁾ * 60% (being the quantum of equity interest in FMS to be acquired by iMedia) * 32.5% (being the tranche size as mutually agreed between iMedia and the FMS Vendors)</i></p>	<p>Within 60 days, but in any event no later than 90 days, or such later date as iMedia and the FMS Vendors may mutually agree, after:</p> <p>(a) the audited financial statements of each of the companies within FMS Group and the audited consolidated financial statements of FMS Group for the financial period of 12 months from the FMS Completion Date (“Year 1 Special Audited Accounts – FMS Group”) are provided to and confirmed by iMedia in accordance with the FMS SSA; or</p>

Tranche	FMS Purchase Consideration (RM)	Adjustments	Payment terms
		<p>For the avoidance of doubt, in the event of surplus in the FMS Group Year 1 Audited PATAMI, the Second Tranche of the FMS Purchase Consideration will not be adjusted upwards and shall be capped at RM12,129,975.</p> <p>AND</p> <p>(b) downward adjustment for any liabilities of FMS Group and/or claims against FMS Group arising from events prior to the FMS Completion Date, excluding liabilities included in the FMS Completion Date Payables⁽⁴⁾ (“FMS Group Liabilities”), that are revealed, identified or discovered by iMedia after the FMS Completion Date and before the Second Tranche payment.</p>	<p>(b) in the event of a disagreement between iMedia and the FMS Vendors on the findings of the Year 1 Special Audited Accounts – FMS Group, the independent accountant’s written determination on the Year 1 Special Audited Accounts – FMS Group is delivered to iMedia and the FMS Vendors in accordance with the FMS SSA, whichever is later.</p>
Third Tranche	12,129,975	<p><u>Adjustments to the Third Tranche of the FMS Purchase Consideration</u></p> <p>(a) the Third Tranche of the FMS Purchase Consideration will be adjusted downwards based on the shortfall in the FMS Group Year 2 Audited PATAMI, calculated as follows:</p> <p><i>FMS Group Year 2 Audited PATAMI * Valuation Multiple⁽³⁾ * 60% (being the quantum of equity interest in FMS to be acquired by iMedia) * 32.5% (being the tranche size as mutually agreed between iMedia and the FMS Vendors)</i></p> <p>For the avoidance of doubt, in the event of surplus in the FMS Group Year 2 Audited PATAMI, the Third Tranche of the FMS Purchase Consideration will not be adjusted upwards and shall be capped at RM12,129,975.</p> <p>AND</p> <p>(b) downward adjustment for any remaining FMS Group Liabilities not fully accounted for in the adjustment to the Second Tranche of the FMS Purchase Consideration, and any FMS Group Liabilities that are revealed, identified or discovered by iMedia after the FMS Completion Date and before the Third Tranche payment.</p>	<p>Within 60 days, but in any event no later than 90 days, or such later date as iMedia and the FMS Vendors may mutually agree, after:</p> <p>(a) the audited financial statements of each of the companies within FMS Group and the audited consolidated financial statements of FMS Group for the financial period from the 13th to the 24th month after the FMS Completion Date (“Year 2 Special Audited Accounts – FMS Group”) are provided to and confirmed by iMedia; or</p> <p>(b) in the event of a disagreement between iMedia and the FMS Vendors on the findings of the Year 2 Special Audited Accounts – FMS Group, the independent accountant’s written determination on the Year 2 Special Audited Accounts – FMS Group is delivered to iMedia and the FMS Vendors in accordance with the FMS SSA, whichever is later.</p>
TOTAL	37,323,000		

Notes:

- (1) *FMS Net Debt is defined in the FMS SSA as the aggregate amount of all financial indebtedness of FMS Group, including but not limited to, bank loans, bonds, debentures, notes, and any other borrowed monies, minus the aggregate amount of all cash and cash equivalents held by FMS as set out in FMS Group's accounts as at the FMS Completion Date.*
- (2) *Pursuant to the FMS SSA, if the FMS Group Year 1 Audited PATAMI is less than the FMS Group Expected Year 1 Audited PATAMI of RM6,800,000, any shortfall may be compensated by any overachievement in the FMS Group Year 2 Audited PATAMI ("**FMS Catch-up Payment**"). The FMS Catch-up Payment shall be calculated based on the surplus in the FMS Group Year 2 Audited PATAMI and shall be applied to address the shortfall in the FMS Group Year 1 Audited PATAMI. Notwithstanding that the FMS Catch-up Payment is intended to compensate for the reduction in the Second Tranche of the FMS Purchase Consideration due to the shortfall in the FMS Group Year 1 Audited PATAMI, it shall be disbursed and added to the Third Tranche of the FMS Purchase Consideration.*
- (3) *Valuation Multiple shall be 9.15 times if the FMS Group Year 1 or Year 2 Audited PATAMI is equal to or above RM5,000,000; 5.00 times if the FMS Group Year 1 or Year 2 Audited PATAMI is between RM4,999,999 and RM2,500,000; or 0.00 times if the FMS Group Year 1 or Year 2 Audited PATAMI is below RM2,500,000, which is mutually agreed between iMedia and the FMS Vendors.*
- (4) *FMS Completion Date Payables is defined in the FMS SSA as any payables (including but not limited to trade payables, other payables, accruals, amounts due to directors and provision for taxation) of FMS Group as at the FMS Completion Date.*

The FMS Purchase Consideration may be subject to downward adjustments as set out in the table above based on the FMS Net Debt, the FMS Group Liabilities, and any shortfall in the FMS Group Expected PATAMI (all of which cannot be determined by our Management at this juncture as they depend on the future financial results of FMS Group as at the FMS Completion Date and at the time of payment of the respective tranches of the FMS Purchase Consideration). Assuming there is no FMS Net Debt, no FMS Group Liabilities and that FMS Group achieves less than RM2.50 million for both the FMS Group Year 1 Audited PATAMI and FMS Group Year 2 Audited PATAMI, respectively, the potential minimum purchase consideration payable to the FMS Vendors is estimated at RM13,763,050, as illustrated below:

Description	Amount (RM'000)
First Tranche of the FMS Purchase Consideration (A)	13,763 ⁽¹⁾
<i>Second Tranche of the FMS Purchase Consideration – Downward adjustment if FMS Group achieves less than RM2.50 million for the FMS Group Year 1 Audited PATAMI (B)</i>	-
<i>Third Tranche of the FMS Purchase Consideration – Downward adjustment if FMS Group achieves less than RM2.50 million for the FMS Group Year 2 Audited PATAMI (C)</i>	-
Potential minimum purchase consideration payable to the FMS Vendors [A + B + C]	13,763

Note:

- (1) *Being First Tranche of the FMS Purchase Consideration (RM13,063,050) plus legal and other fees incurred by iMedia for the due diligence review on FMS Group and preparation of the FMS SSA (estimated at RM0.70 million).*

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Further, in the event FMS Group records a PATAMI of RM5.00 million for the Year 1 Special Audited Accounts – FMS Group (which is lower than the FMS Group Expected Year 1 Audited PATAMI of RM6.80 million) and subsequently records a loss for the Year 2 Special Audited Accounts – FMS Group, the FMS Purchase Consideration will be subject to adjustments as illustrated below:

Description	Amount (RM'000)	
FMS Purchase Consideration (before adjustments) (A)		37,323
<i>First Tranche of the FMS Purchase Consideration - Upward adjustment for all legal and other fees incurred by iMedia for the due diligence review on FMS Group and preparation of the FMS SSA (B)</i>	700	
<i>Second Tranche of the FMS Purchase Consideration – Downward adjustment if FMS Group recorded PATAMI of RM5.00 million for the Year 1 Special Audited Accounts – FMS Group (C)</i>	(3,209)	
<u>Computation for (C):</u> $RM5,000,000 \times 9.15 \text{ times}^{(1)} \times 60\%$ (being the quantum of equity interest in FMS to be acquired by iMedia) $\times 32.5\%$ (being the tranche size as mutually agreed between iMedia and the FMS Vendors) = RM8,921,250 $RM12,129,975 - RM8,921,250 = RM3,208,725$		
<i>Third Tranche of the FMS Purchase Consideration – Downward adjustment if FMS Group recorded losses for the Year 2 Special Audited Accounts – FMS Group (D)</i>	(12,130)	
<u>Computation for (D):</u> $RM0 \times 0.00 \text{ times}^{(1)} \times 60\%$ (being the quantum of equity interest in FMS to be acquired by iMedia) $\times 32.5\%$ (being the tranche size as mutually agreed between iMedia and the FMS Vendors) = RM0 $RM12,129,975 - RM0 = RM12,129,975$		
Total potential downward adjustments for FMS Purchase Consideration [E = B + C + D]		(14,639)
Potential purchase consideration payable to the FMS Vendors [A + E]		22,684

Note:

- (1) Pursuant to the FMS SSA, the valuation multiple shall be 9.15 times if the FMS Group Year 1 or Year 2 Audited PATAMI is equal to or above RM5,000,000; 5.00 times if the FMS Group Year 1 or Year 2 Audited PATAMI is between RM4,999,999 and RM2,500,000; or 0.00 times if the FMS Group Year 1 or Year 2 Audited PATAMI is below RM2,500,000, which was mutually agreed between iMedia and the FMS Vendors.

The potential maximum purchase consideration payable to the FMS Vendors, after considering the upward adjustments for the First Tranche of the FMS Purchase Consideration as set out in the table above, will be up to RM38.02 million, which represents an additional sum of up to RM0.70 million over the FMS Purchase Consideration of RM37.32 million, as illustrated below:

Description	Amount (RM'000)	
FMS Purchase Consideration (before adjustments) (A)		37,323
<i>First Tranche of the FMS Purchase Consideration - Upward adjustment for all legal and other fees incurred by iMedia for the due diligence review on FMS Group and preparation of the FMS SSA (B)</i>	700	
<i>Second Tranche of the FMS Purchase Consideration – No upward adjustment in the event of surplus in the FMS Group Year 1 Audited PATAMI (C)</i>	-	
<i>Third Tranche of the FMS Purchase Consideration – No upward adjustment in the event of surplus in the FMS Group Year 2 Audited PATAMI (D)</i>	-	
Total potential upward adjustments for FMS Purchase Consideration [E = B + C + D]		700
Potential maximum purchase consideration payable to the FMS Vendors [A + E]		38,023

In the event FMS Group records losses for the Year 1 Special Audited Accounts – FMS Group and the Year 2 Special Audited Accounts – FMS Group, the FMS Vendors shall not be required to compensate iMedia for the losses recorded by FMS Group. In such a scenario, the FMS Vendors will not be entitled to receive the Second and Third Tranches of the FMS Purchase Consideration. As a result, iMedia will be acquiring 60% equity interest in FMS in consideration of the First Tranche of the FMS Purchase Consideration only.

Our Board is of the view that the FMS Group Expected PATAMI is reasonable and realistic after taking into consideration, amongst others, the historical financial performance of FMS Group; the experience and expertise of the management team of FMS Group in the digital advertising business as well as their continued involvement in the day-to-day operations of FMS Group; and the outlook of the digital advertising market in Malaysia as set out in **Section 6.2** of this Circular.

2.7 Source of funding

Considering the timing of payment of the FMS Purchase Consideration as set out in **Section 2.6** of this Circular, our Board expects the FMS Purchase Consideration to be funded via a combination of internally generated funds of our Group, bank borrowings to be obtained by our Group (if any) and proceeds to be raised from the Proposed Rights Issue of Shares with Warrants (as set out in **Section 4.8** of this Circular) and the Proposed 10% Private Placement (refer to the Announcement I). As at the LPD, our Group's cash and bank balances stood at RM9.68 million. The exact quantum of proceeds from each source of funds will be determined by our Management at a later stage depending on, amongst others, the level of cash and bank balances of our Group, availability of credit facilities for our Group, amount of proceeds to be raised from the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement as well as the timing of payment and amount payable for the FMS Purchase Consideration (as set out in **Section 2.6** of this Circular).

In the event we are unable to implement the Proposed Rights Issue of Shares with Warrants, the FMS Purchase Consideration will be funded via a combination of internally generated funds of our Group, bank borrowings to be obtained by our Group (if any) and/or proceeds from other fund raising exercise(s) to be undertaken by our Company in the future (if any).

2.8 Liabilities to be assumed

Save for the liabilities as stated in the latest audited financial statement of the respective companies within FMS Group, where applicable, prior to the date of the FMS SSA, that will be consolidated into the financial statements of our Group following the completion of the Proposed Acquisition of FMS, there are no other liabilities (including contingent liabilities and guarantees) to be assumed by our Group arising from the Proposed Acquisition of FMS.

2.9 Additional financial commitment

There is no additional financial commitment required by our Group to put FMS' business on-stream following the completion of the Proposed Acquisition of FMS in view that FMS is already in operations.

2.10 Percentage ratio

Pursuant to Rule 10.02(g) of the Listing Requirements, the highest percentage ratio applicable for the Proposed Acquisition of FMS is approximately 81.59%, computed based on 60% of the aggregate PAT of FMS and FMD of approximately RM4.24 million over the PAT of our Group of RM5.20 million for FYE 31 December 2024 (based on the latest announced interim report of our Group for FYE 31 December 2024, prior to the Announcement LPD-Proposed Acquisitions, as reviewed by our external auditors).

The Proposed Acquisition of FMS is not a related party transaction. The FMS Vendors are not persons connected with the Theta Vendors.

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3. PROPOSED ACQUISITION OF THETA

3.1 Details of the Proposed Acquisition of Theta

On 24 March 2025, Catcha Theta and the Theta Vendors entered into the Theta SSA for the Proposed Acquisition of Theta. On even date, Catcha Theta, Theta and Mark also entered into the Theta SHA to regulate the rights, obligations and liabilities of Catcha Theta and Mark as shareholders of Theta upon completion of the Proposed Acquisition of Theta.

The salient terms of the Theta SSA and Theta SHA are set out in **Appendix IV** and **Appendix V** of this Circular, respectively.

The Theta Shares to be acquired pursuant to the Theta SSA shall be free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto and all dividends, rights and distributions declared paid or made in respect thereof as at the Theta Completion Date. The acquisition of Theta Shares from each of the Theta Vendors pursuant to the Proposed Acquisition of Theta shall be completed simultaneously in accordance with the Theta SSA.

The Theta Purchase Consideration is payable fully in cash to the Theta Vendors based on their respective number of Theta Shares to be acquired by Catcha Theta as follows:

Thetas Vendors	No. of Theta Shares to be acquired	Equity interest to be acquired (%)	Theta Purchase Consideration (RM)
Mark	381,911	44.9	16,980,781
Genesis	285,356	33.6	12,687,681
Yap Siew Lan	42,501	5.0	1,889,707
Hew How Fong	33,999	4.0	1,511,685
Choy Chong Hwai	25,498	3.0	1,133,708
Chan Chong Yoong	16,997	2.0	755,732
TOTAL	786,262	92.5	34,959,294

Upon completion of the Proposed Acquisition of Theta, Theta will become a 92.5%-owned subsidiary of Catcha Theta and an indirect 92.5%-owned subsidiary of our Company.

The following table sets out the shareholding structure in Theta before and after the completion of the Proposed Acquisition of Theta:

Name	Before the Proposed Acquisition of Theta		After the Proposed Acquisition of Theta	
	No. of Theta Shares	%	No. of Theta Shares	%
Catcha Theta	-	-	786,262	92.5
Mark	445,662	52.4	63,751	7.5
Genesis	285,356	33.6	-	-
Yap Siew Lan	42,501	5.0	-	-
Hew How Fong	33,999	4.0	-	-
Choy Chong Hwai	25,498	3.0	-	-
Chan Chong Yoong	16,997	2.0	-	-
TOTAL	850,013	100.0	850,013	100.0

3.2 Background information on Theta Group

3.2.1 Information on Theta

Theta was incorporated in Malaysia on 3 May 1999 as a private limited company under the Companies Act 1965 and is deemed registered under the Act. It commenced its operations in May 1999 and is principally involved in the development and sales of computer software and the provision of consulting services in relation to computer equipment and software.

As at the LPD:

- (i) the issued share capital of Theta is RM850,013 comprising 850,013 Theta Shares and without any convertible securities;
- (ii) the directors and shareholders of Theta as well as their respective shareholdings in Theta are as follows; and

Name	Nationality / Place of incorporation	Designation	Direct		Indirect	
			No. of Theta Shares	%	No. of Theta Shares	%
Mark Genesis	Malaysian	Shareholder	445,662	52.4	-	-
Yap Siew Lan	Austria	Shareholder	285,356	33.6	-	-
Hew How Fong	Malaysian	Shareholder	42,501	5.0	-	-
Choy Chong Hwai	Malaysian	Shareholder / Director	33,999	4.0	-	-
Chan Chong Yoong	Malaysian	Shareholder	25,498	3.0	-	-
Leong Kwok Hung	Malaysian	Shareholder	16,997	2.0	-	-
	Malaysian	Director / Managing Director	-	-	445,662	52.4 ⁽¹⁾
Michael Schwarzenbacher	Austrian	Director	-	-	-	-
TOTAL			850,013	100.0		

Note:

- (1) Deemed interested by virtue of his son, Mark's interest in Theta pursuant to section 8 of the Act.

- (iii) save as disclosed below, Theta does not have any other subsidiaries or associated company:

Name of company	Date / Place of incorporation	Share capital (value and number of issued shares)	Effective equity interest held by Theta (%)	Principal activities
Theta UK	31 October 2019 / United Kingdom	GBP100,000 (100,000 ordinary shares)	100	Software product research and development, sales and projects implementation
Theta SG	6 June 2017 / Singapore	SGD100,000 (100,000 ordinary shares)	100	Software product research and development, sales and projects implementation

The details of these subsidiaries are set out in **Sections 3.2.2** and **3.2.3** of this Circular.

Further information on Theta Group are set out in **Appendix VII** of this Circular.

3.2.2 Information on Theta UK

Theta UK was duly incorporated in the United Kingdom as a private company limited by shares on 31 October 2019. It commenced its operations in July 2021 and is principally involved in the software product research and development, sales and projects implementation. It also provides support services to Theta (e.g., provisions of general management and advisory on strategy and business development) and earns management fee.

As at the LPD:

- (i) the issued share capital of Theta UK is GBP100,000 comprising 100,000 ordinary shares and without any convertible securities;
- (ii) the sole director of Theta UK is Leong Kwok Hung, a Malaysian;

- (iii) Theta UK does not have any subsidiary and associated company; and
- (iv) Theta UK is a wholly-owned subsidiary of Theta.

3.2.3 Information on Theta SG

Theta SG was duly incorporated in Singapore as a private limited liability company under the Companies Act 1967 of Singapore on 6 June 2017. It commenced its operations in August 2020 and is principally involved in the software product research and development, sales and projects implementation. It also provides support services to Theta (e.g., provisions of general management and advisory on strategy and business development) and earns management fee.

As at the LPD:

- (i) the issued share capital of Theta SG is SGD100,000 comprising 100,000 ordinary shares and without any convertible securities;
- (ii) the directors of Theta SG are Fong Siew Jean (a Singaporean) and Leong Kwok Hung (a Malaysian);
- (iii) Theta SG does not have any subsidiary and associated company; and
- (iv) Theta SG is a wholly-owned subsidiary of Theta.

3.3 Information on the Theta Vendors

3.3.1 Mark (Male, Malaysian, aged 37)

He is a shareholder of Theta with 52.4% equity interest in Theta as at the LPD. Currently, he is the Chief Commercial Officer of Theta Group and is responsible for developing and executing commercial strategy to drive revenue growth, expand market presence and enhance customer relationships of Theta Group. He will continue with his current involvement in the day-to-day operations of Theta Group and will enter into a new employment agreement with Theta for a minimum period of 3 years after the completion of the Proposed Acquisition of Theta.

As at the LPD, he does not hold any Catcha Digital Shares and he is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of Theta, he will not have any direct or indirect interest in our Company.

3.3.2 Genesis

Genesis, a company registered in Austria on 30 June 1988, is a shareholder of Theta with 33.6% equity interest in Theta as at the LPD. It is principally involved in the rental, leasing and management of developed and undeveloped real estate assets.

As at the LPD:

- (i) the issued share capital of Genesis is Austrian Schilling 500,000 comprising 500,000 ordinary shares and without any convertible securities;
- (ii) the directors and shareholders of Genesis as well as their respective shareholdings in Genesis are as follows; and

Name	Nationality / Place of incorporation	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Peter Urabl	Austrian	Director	-	-	-	-
Erhard Juritsch	Austrian	Director	-	-	-	-
Schwarzenbacher Holding und Vermog	Austria	Shareholder	495,500	99.1	-	-

Name	Nationality / Place of incorporation	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Roswitha Schwarzenbacher	Austrian	Shareholder	4,500	0.9	-	-

(iii) Genesis does not have any subsidiary or associated company.

As at the LPD, Genesis does not hold any Catcha Digital Shares and it is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of Theta, Genesis will not have any direct or indirect interest in our Company.

3.3.3 Yap Siew Lan (Female, Malaysian, aged 58)

She is a shareholder of Theta with 5.0% equity interest in Theta as at the LPD and she is a founding staff member of Theta who provides product and credit domain support to Theta's delivery teams.

As at the LPD, she does not hold any Catcha Digital Shares and she is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of Theta, she will not have any direct or indirect interest in our Company.

3.3.4 Hew How Fong (Male, Malaysian, aged 50)

He is a director and shareholder of Theta with 4.0% equity interest in Theta as at the LPD. He is the Chief Technology Officer of Theta and is responsible for the technology direction, architecture and technical skills development in Theta. He will continue with his current involvement in the day-to-day operations of Theta Group and will enter into a new employment agreement with Theta for a minimum period of 3 years after the completion of the Proposed Acquisition of Theta.

As at the LPD, he holds 20,000 Catcha Digital Shares or approximately 0.01% equity interest in our Company. Further, he is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of Theta, save for the shareholding of 20,000 Catcha Digital Shares, he will not have any other direct or indirect interest in our Company.

3.3.5 Choy Chong Hwai (Female, Malaysian, aged 50)

She is a shareholder of Theta with 3.0% equity interest in Theta as at the LPD. Currently, she is the Manager of Finance & Administration of Theta Group and is responsible for managing the accounting, finance and general administration functions of Theta Group. She will continue with her current involvement in the day-to-day operations of Theta Group and will enter into a new employment agreement with Theta for a minimum period of 3 years after the completion of the Proposed Acquisition of Theta.

As at the LPD, she does not hold any Catcha Digital Shares and she is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of Theta, she will not have any direct or indirect interest in our Company.

3.3.6 Chan Chong Yoong (Male, Malaysian, aged 32)

He is a shareholder of Theta with 2.0% equity interest in Theta as at the LPD. Currently, he is the Head of Technical Department of Theta Group, managing all systems development personnel and is responsible for the entire software development lifecycle of Theta Group, ensuring that projects are delivered in a timely and efficient manner and of a high quality. He will continue with his current involvement in the day-to-day operations of Theta Group and will enter into a new employment agreement with Theta for a minimum period of 3 years after the completion of the Proposed Acquisition of Theta.

As at the LPD, he does not hold any Catcha Digital Shares and he is not a person connected with the Directors, major shareholders or chief executive of our Company (as defined under the Listing Requirements). Upon completion of the Proposed Acquisition of Theta, he will not have any direct or indirect interest in our Company.

3.4 Information on Catcha Theta

Catcha Theta, an investment holding company, was incorporated in Malaysia as a private limited company under the Act on 4 March 2025.

As at the LPD:

- (i) the issued share capital of Catcha Theta is RM2 comprising 2 ordinary shares and without any convertible securities;
- (ii) the directors of Catcha Theta are Eric Tan Leong Yit and Ong Yuan Terq, both of whom are Malaysians;
- (iii) Catcha Theta does not have any subsidiary and associated company; and
- (iv) Catcha Theta is a wholly-owned subsidiary of our Company.

3.5 Basis and justification of arriving at the Theta Purchase Consideration

The Theta Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:

- (i) the historical financial track record of Theta Group for FYE 31 December 2021 to FYE 31 December 2023 as summarised below:

	Audited (FYE 31 December)		
	2021	2022	2023
	(RM'000)	(RM'000)	(RM'000)
Revenue	22,845	25,056	22,266
PAT attributable to owners of the company	2,776	2,651	3,662 ⁽¹⁾

Note:

- (1) Following the subsequent finalisation of the audited financial statements of Theta Group for FYE 31 December 2024 based on MFRS, there is a corresponding restatement for the comparative figures for FYE 31 December 2023 due to the transition from MPERS to MFRS, where the restated PAT attributable to owners of Theta is RM3,405,224 for FYE 31 December 2023. Further details of the restatement are disclosed in **Appendix VII** of this Circular.
- (ii) Catcha Theta and the Theta Vendors have agreed on the Theta Group Expected PAT to be achieved by Theta Group over the following periods:

Description	Amount (RM)
Theta Group Expected FYE 2024 PAT	3,500,000 ⁽¹⁾
Theta Group Expected FYE 2025 PAT	4,000,000
Theta Group Expected FYE 2026 PAT	5,000,000
TOTAL (A)	12,500,000
Simple average of Theta Group Expected PAT [B = A/3]	4,166,667
Theta Purchase Consideration (C)	34,959,294 ⁽²⁾
Equity interest in Theta to be acquired (D)	92.5%
Implied valuation for 100% equity interest in Theta [E = C/D]	37,793,831
Implied simple average forward PE Multiple (times) [=E/B]	9.07 ⁽²⁾

Notes:

- (1) Based on the audited financial statement of Theta Group for FYE 31 December 2024, Theta Group has recorded audited PAT of RM4,333,377.
- (2) As set out in **Section 3.6** of this Circular, as the Theta Group FYE 2024 Audited PAT exceeded the Theta Group Expected FYE 2024 PAT of RM3.50 million, the Second Tranche of the Theta Purchase Consideration shall increase proportionally to account for the surplus in the Theta Group FYE 2024 Audited PAT provided always that the maximum amount payable under the Second Tranche of Theta Purchase Consideration shall be 120% of the Second Tranche of the Theta Purchase Consideration or equivalent to RM7,938,000. As a result, the Theta Purchase Consideration will be adjusted upwards to RM36,282,294 (assuming without any other adjustments).

In view of the above, the implied simple average forward PE Multiple of the Proposed Acquisition of Theta after the adjustments relating to surplus in the Theta Group FYE 2024 Audited PAT is 9.41 times.

The Theta Purchase Consideration also reflects an implied weighted average forward PE Multiple of 9.24 times, as illustrated in the table below:

Tranche	Theta Purchase Consideration (RM)	Tranche size ⁽¹⁾ (%)	Actual PAT/ Theta Group Expected PAT (RM)	Equity interest in Theta to be acquired	Valuation for 100% equity interest in Theta (RM)	PE Multiple (times)	Weighted average forward PE Multiple (times)
	A	B	C	D	E = A / B / D	F = E / C	G = F x B
First	5,894,294	16.9	3,661,851 ⁽²⁾	92.5%	37,705,383	10.30	1.74
Second	6,615,000	18.9	3,500,000 ⁽²⁾	92.5%	37,837,838	10.81	2.04
Third	11,200,000	32.0	4,000,000	92.5%	37,837,838	9.46	3.03
Fourth	11,250,000	32.2	5,000,000	92.5%	37,706,690	7.54	2.43
TOTAL	34,959,294⁽³⁾	100.0					9.24⁽³⁾

Notes:

- (1) The Theta Purchase Consideration payable in tranches and the tranche sizes are based on commercial terms negotiated and agreed between the Theta Vendors and Catcha Theta after considering, amongst others, mitigation of the acquisition risks faced by Catcha Theta by deferring its payment obligations over a mutually agreed time period, which allows Catcha Theta to monitor the business performance and growth of Theta Group over time as well as to incentivise the Theta Vendors to grow the business of Theta Group in order to be paid the Theta Purchase Consideration without any downward adjustment(s) due to shortfall in Theta Group Expected PAT as set out in **Section 3.6** of this Circular.
 - (2) As stated in **Section 3.5, note (i)** of this Circular, the restated PAT attributable to the owners of Theta for FYE 31 December 2023 is RM3,405,224 and the Theta Group FYE 2024 Audited PAT is RM4,333,377, respectively.
 - (3) In accordance with **Section 3.6** of this Circular, as the Theta Group FYE 2024 Audited PAT exceeded the Theta Group Expected FYE 2024 PAT of RM3.50 million, the Theta Purchase Consideration will be adjusted upwards to RM36,282,294 pursuant to the Theta SSA (assuming without any other adjustments). In view of the above, the weighted average forward PE Multiple of the Proposed Acquisition of Theta after such adjustment is 9.31 times.
- (iii) the rationale and potential benefits arising from the Proposed Acquisition of Theta as set out in **Section 5.1** of this Circular; and
 - (iv) the industry outlook and prospects of global enterprise IT solutions market as set out in **Section 6.3** of this Circular.

For the purposes of assessing the fairness of Theta Purchase Consideration, peer analysis was carried out to benchmark the PE Multiples of Comparable Companies to Theta. However, it should be recognised that the Comparable Companies to Theta have been selected for illustrative and comparison purposes only and are not exhaustive. Please take note that the businesses of the Comparable Companies to Theta may not be identical to Theta Group and the analysis may not take into account, amongst others, differences in accounting and tax policies, operating environment, business model, composition of business activities, scale of business operations, geographical coverage of business activities, risk profile, profit track record, future prospects, competitive environment, financial position, capital structure and other criteria.

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The details of the Comparable Companies to Theta and their respective PE Multiples are set out in the table below:

Comparable Companies to Theta / (Stock exchange)	Principal activities	Market capitalisation (A) (RM' million)	PAT attributable to the company (B) (RM' million)	PE Multiple (A/B) (times)
Panda Eco System Bhd / (Bursa Securities)	Its subsidiaries are principally involved in providing software development, customisation, implementation and integration of IT solutions as well as IT solutions support, maintenance and training for the use of IT solutions, trading of IT hardware and software, IT technical support and maintenance as well as consultancy and business development for IT solutions.	194.64 ⁽¹⁾	4.30 ⁽²⁾	45.23
Excel Force MSC Bhd / (Bursa Securities)	Principally engaged in the business of development, provision and maintenance of software application solutions for the financial services industry.	140.27 ⁽¹⁾	8.28 ⁽²⁾	16.94
Autocount Berhad / (Bursa Securities)	Its subsidiaries are involved in the wholesale of computer hardware, software and peripherals, trading of software and services and development of software and programming activities.	556.01 ⁽¹⁾	12.98 ⁽²⁾	42.83
Kronologi Asia Berhad / (Bursa Securities)	Its subsidiaries are involved in the provisions of business consulting, designing of solutions and research and development relating to new and emerging IT software, applications, multimedia development, information systems, data management software, data protection solutions and processes, system back-up and disaster recovery systems and related businesses, provision of hybrid and cloud enterprise data management technology and solutions.	195.89 ⁽¹⁾	8.63 ⁽²⁾	22.70
Rexit Berhad / (Bursa Securities)	Principally engaged in providing software applications to the general insurance industry and it has also developed solutions for the financial services industry as evident by the suite of products and services offered to the unit trust companies and banks.	105.66 ⁽¹⁾	11.01 ⁽²⁾	9.60
Theta	Refer to Section 3.2 of this Circular for the principal activities of Theta Group.	37.79 ⁽³⁾	High Low Average 4.17 ⁽⁴⁾	45.23 9.60 27.46 9.07

(Source: Bloomberg and latest annual reports of each of the Comparable Companies to Theta prior to the Announcement LPD-Proposed Acquisitions)

Notes:

- (1) *Computed based on the closing market prices of the Comparable Companies to Theta as at the Announcement LPD-Proposed Acquisitions multiplied by the number of issued shares (excluding treasury shares, if any).*
- (2) *Computed based on the latest published audited consolidated PAT attributable to owners of the Comparable Companies to Theta prior to the Announcement LPD-Proposed Acquisitions.*
- (3) *Being the implied valuation for 100% equity interest in Theta.*
- (4) *Being the simple average of Theta Group Expected PAT.*

Premised on the above, the implied weighted average forward PE Multiple of 9.24 times and the implied simple average forward PE Multiple of 9.07 times for the Proposed Acquisition of Theta are:

- (i) lower than the PE Multiples of Comparable Companies to Theta which range between 9.60 times and 45.23 times; and
- (ii) lower than the average PE Multiple of Comparable Companies to Theta of 27.46 times, implying that the valuation of Theta Group is relatively lower than its industry peers as our Group is paying less for the earning potential of Theta Group as compared to the industry average and thus, the Proposed Acquisition of Theta could be a good investment opportunity for our Group.

Our Board is of the view that the Theta Purchase Consideration is justifiable and reasonable given that the implied weighted average forward PE Multiple of the Proposed Acquisition of Theta of 9.24 times and the implied simple average forward PE Multiple of the Proposed Acquisition of Theta of 9.07 times are lower than the PE Multiples of Comparable Companies to Theta and the Proposed Acquisition of Theta is expected to improve the profitability of our Group by venturing into global enterprise IT solutions industry and expanding Theta Group's product offerings beyond traditional banks to include non-bank financial institutions globally, aiming to diversify our Group's revenue streams and enhance our shareholders' value in the long term.

Furthermore, following the updated PAT attributable to owners of Theta for FYE 31 December 2023 and FYE 31 December 2024 (upon finalisation of the audited financial statements of Theta Group for FYE 31 December 2024) and corresponding adjustments to Theta Purchase Consideration as set out in **Section 3.5** of this Circular, the implied weighted average forward PE Multiple of the Proposed Acquisition of Theta of 9.31 times and the implied simple average forward PE Multiple of the Proposed Acquisition of Theta of 9.41 times are still lower than the PE Multiples of Comparable Companies to Theta.

In consideration of Catcha Theta acquiring the Theta Shares, Catcha Theta and the Theta Vendors have agreed that Theta Group shall achieve not less than RM3.50 million for the Theta Group Expected FYE 2024 PAT, not less than RM4.00 million for the Theta Group Expected FYE 2025 PAT and not less than RM5.00 million for the Theta Group Expected FYE 2026 PAT, after considering the historical financial performance of Theta Group for the FYE 31 December 2021 to FYE 31 December 2024 and the expected further growth of Theta Group's business derived from the provision of the ORIGINS solutions and the consulting services to financial institutions in various countries.

Our Board is of the view that the Theta Purchase Consideration is reasonable after taking into consideration the following:

- (i) the latest audited PAT attributable to the owners of Theta prior to the date of the Theta SSA of RM3.66 million;
- (ii) the Theta Purchase Consideration is payable in tranches and the adjustments to the Second, Third and Fourth Tranches of the Theta Purchase Consideration payable to the Theta Vendors is based on the Theta Group Expected PAT;
- (iii) the continued involvement of the existing management team of Theta Group in the day-to-day operations of Theta Group; and
- (iv) the prospects of Theta Group and our enlarged Group upon completion of the Proposed Acquisition of Theta as set out in **Section 6.4** of this Circular, upon taking into consideration of, amongst others, the outlook of the global enterprise IT solutions market (as set out in **Section 6.3** of this Circular).

3.6 Mode of settlement for the Theta Purchase Consideration

Subject to the adjustments set out below, the Theta Purchase Consideration will be fully satisfied in cash to the Theta Vendors in the following tranches, in accordance with the terms and conditions of the Theta SSA:

Tranche	Theta Purchase Consideration (RM)	Adjustments	Payment terms
First Tranche	5,894,294	<p><u>Adjustments to the First Tranche of the Theta Purchase Consideration</u></p> <p>The First Tranche of the Theta Purchase Consideration will be adjusted upwards or downwards based on the following:</p> <p>(a) adjusted upwards, for all legal and other fees and costs incurred by Catcha Theta in the course of conducting its due diligence review on Theta Group as well as the fees and costs associated with the preparation of the Theta SSA as at the Theta Completion Date, which is estimated at RM0.80 million.</p> <p>This arrangement (wherein Catcha Theta incurs costs for due diligence process upfront and be reimbursed by the Theta Vendors in cash later) demonstrates Catcha Theta's commitment to expedite the due diligence process to facilitate the completion of the transaction, and also reduces the Theta Vendors' risk in incurring substantial costs if the Proposed Acquisition of Theta does not materialise; and</p> <p>(b) adjusted downwards, by an amount equal to the Theta Net Debt⁽¹⁾ on the Theta Completion Date; or</p> <p>(c) adjusted upwards, by an amount equal to the Theta Net Cash⁽²⁾ on the Theta Completion Date.</p>	On the Theta Completion Date.
Second Tranche	6,615,000	<p><u>Adjustments to the Second Tranche of the Theta Purchase Consideration</u></p> <p>The Second Tranche of the Theta Purchase Consideration will be adjusted upwards or downwards based on the following:</p>	<p>No later than 90 days, or such later date as Catcha Theta and the Theta Vendors may mutually agree, after:</p> <p>(a) the audited financial statements of each of the companies within Theta Group and the audited consolidated financial statements of Theta Group for FYE 31 December 2024 ("FYE 2024 Audited Accounts") are provided to and confirmed by Catcha Theta in accordance with Theta SSA; or</p>

Tranche	Theta Purchase Consideration (RM)	Adjustments	Payment terms
		<p>(a) Shortfall or surplus in the Theta Group FYE 2024 Audited PAT;</p> <p>(i) <u>Shortfall in the Theta Group FYE 2024 Audited PAT</u></p> <p>Subject to the catch-up mechanism⁽³⁾ as set out in the Theta SSA, if the Theta Group FYE 2024 Audited PAT is less than the Theta Group Expected FYE 2024 PAT of RM3,500,000, the Second Tranche of the Theta Purchase Consideration shall be reduced proportionally** to account for the shortfall in the Theta Group FYE 2024 Audited PAT;</p> <p>** <i>The adjustment is calculated as follows:</i></p> $\frac{\text{Second Tranche shortfall} / \text{surplus}}{\text{Theta Group Expected FYE 2024 PAT}} \times \text{Second Tranche of Theta Purchase Consideration}$ <p>OR</p> <p>(ii) <u>Surplus in the Theta Group FYE 2024 Audited PAT</u></p> <p>If the Theta Group FYE 2024 Audited PAT exceeds the Theta Group Expected FYE 2024 PAT of RM3,500,000, the Second Tranche of the Theta Purchase Consideration shall be increased proportionally*** to account for the surplus in the Theta Group FYE 2024 Audited PAT provided always that the maximum amount payable under the Second Tranche shall be 120%* of the Second Tranche of the Theta Purchase Consideration, which is equivalent to a maximum amount of RM7,938,000;</p>	<p>(b) in the event of a disagreement between Catcha Theta and the Theta Vendors on the findings of the FYE 2024 Audited Accounts, the independent accountant's written determination on the FYE 2024 Audited Accounts is delivered to Catcha Theta and the Theta Vendors in accordance with the Theta SSA,</p> <p>whichever is later.</p>

Tranche	Theta Purchase Consideration (RM)	Adjustments	Payment terms
		<p>* <i>This is a commercially negotiated term between Catcha Theta and the Theta Vendors where additional 20% of the Second Tranche of the Theta Purchase Consideration is payable to the Theta Vendors upon Theta Group achieving more than the Theta Group Expected FYE 2024 PAT.</i></p> <p>***Refer to formula sets out in note ** above.</p> <p>AND</p> <p>(b) downward adjustment for any liabilities of Theta Group and/or claims against Theta Group arising from events prior to the Theta Completion Date, excluding liabilities included in the Theta Completion Date Payables⁽⁴⁾ (“Theta Group Liabilities”), that are revealed, identified or discovered by Catcha Theta after the Theta Completion Date and before payment of the Second Tranche of the Theta Purchase Consideration.</p>	
Third Tranche	11,200,000	<p><u>Adjustments to the Third Tranche of the Theta Purchase Consideration</u></p> <p>The Third Tranche of the Theta Purchase Consideration will be adjusted upwards or downwards based on the following:</p> <p>(a) Shortfall or surplus in the Theta Group FYE 2025 Audited PAT:</p> <p>(i) <u>Shortfall in the Theta Group FYE 2025 Audited PAT</u></p> <p>If the Theta Group FYE 2025 Audited PAT is less than the Theta Group Expected FYE 2025 PAT of RM4,000,000, the Third Tranche of the Theta Purchase Consideration shall be reduced proportionally[^] to account for the shortfall in the Theta Group FYE 2025 Audited PAT;</p>	<p>No later than 90 days, or such later date as Catcha Theta and the Theta Vendors may mutually agree, after:</p> <p>(a) the audited financial statement of each of the companies within Theta Group and the audited consolidated financial statements of Theta Group for FYE 31 December 2025 (“FYE 2025 Audited Accounts”) are provided to and confirmed by Catcha Theta in accordance with Theta SSA; or</p> <p>(b) in the event of a disagreement between Catcha Theta and the Theta Vendors on the findings of the FYE 2025 Audited Accounts, the independent accountant’s written determination on the FYE 2025 Audited</p>

Tranche	Theta Purchase Consideration (RM)	Adjustments	Payment terms
		<p data-bbox="212 965 236 1435">^ The adjustment is calculated as follows:</p> $\frac{\text{Third Tranche shortfall / surplus}}{\text{Theta Group Expected FYE 2025 PAT}} \times \text{Third Tranche of Theta Purchase Consideration}$ <p data-bbox="363 1391 387 1435">OR</p> <p data-bbox="427 875 451 1507">(ii) <u>Surplus in the Theta Group FYE 2025 Audited PAT</u></p> <p data-bbox="472 779 775 1435">Subject to the catch-up mechanism⁽³⁾ as set out in the Theta SSA, if the Theta Group FYE 2025 Audited PAT exceeds the Theta Group Expected FYE 2025 PAT of RM4,000,000, the Third Tranche of the Theta Purchase Consideration shall be increased proportionally^^ to account for the surplus in the Theta Group FYE 2025 Audited PAT provided always that the maximum amount payable under the Third Tranche shall be 120%** of the Third Tranche of the Theta Purchase Consideration, which is equivalent to a maximum amount of RM13,440,000;</p> <p data-bbox="810 954 834 1435">^^ Refer to formula sets out in note ^ above.</p> <p data-bbox="874 801 1023 1435">** This is a commercially negotiated term between Catcha Theta and the Theta Vendors where additional 20% of the Third Tranche of the Theta Purchase Consideration is payable to the Theta Vendors upon Theta Group achieving more than the Theta Group Expected FYE 2025 PAT.</p> <p data-bbox="1058 1447 1082 1507">AND</p>	<p data-bbox="212 192 360 752">Accounts is delivered to Catcha Theta and the Theta Vendors in accordance with the Theta SSA, whichever is later.</p>

Tranche	Theta Purchase Consideration (RM)	Adjustments	Payment terms
		<p>(b) downward adjustment for any remaining Theta Group Liabilities not fully accounted for in the adjustment to the Second Tranche of the Theta Purchase Consideration, and any Theta Group Liabilities of Theta Group that are revealed, identified or discovered by Catcha Theta after the payment of the Second Tranche of the Theta Purchase Consideration and before the payment of the Third Tranche of the Theta Purchase Consideration.</p>	
Fourth Tranche	11,250,000	<p><u>Adjustments to the Fourth Tranche of the Theta Purchase Consideration</u></p> <p>The Fourth Tranche of the Theta Purchase Consideration will be adjusted upwards or downwards based on the following:</p> <p>(a) Shortfall or surplus in the Theta Group FYE 2026 Audited PAT:</p> <p>(i) <u>Shortfall in the Theta Group FYE 2026 Audited PAT</u></p> <p>If the Theta Group FYE 2026 Audited PAT is less than the Theta Group Expected FYE 2026 PAT of RM5,000,000, the Fourth Tranche of the Theta Purchase Consideration shall be reduced proportionally[#] to account for the shortfall in the Theta Group FYE 2026 Audited PAT;</p> <p># <i>The adjustment is calculated as follows:</i></p> $\frac{\text{Fourth Tranche shortfall} / \text{surplus}}{\text{Theta Group Expected FYE 2026 PAT}} \times \text{Fourth Tranche of Theta Purchase Consideration}$ <p>OR</p>	<p>No later than 90 days, or such later date as Catcha Theta and the Theta Vendors may mutually agree, after:</p> <p>(a) the audited financial statement of each of the companies within Theta Group and the audited consolidated financial statements of Theta Group for FYE 31 December 2026 (“FYE 2026 Audited Accounts”) are provided to and confirmed by Catcha Theta in accordance with Theta SSA; or</p> <p>(b) in the event of a disagreement between Catcha Theta and the Theta Vendors on the findings of the FYE 2026 Audited Accounts, the independent accountant’s written determination on the FYE 2026 Audited Accounts is delivered to Catcha Theta and the Theta Vendors in accordance with the Theta SSA,</p> <p>whichever is later.</p>

Tranche	Theta Purchase Consideration (RM)	Adjustments	Payment terms
		<p>(ii) <u>Surplus in the Theta Group FYE 2026 Audited PAT</u></p> <p>Subject to the catch-up mechanism⁽³⁾ as set out in the Theta SSA, if the Theta Group FYE 2026 Audited PAT exceeds the Theta Group Expected FYE 2026 PAT of RM5,000,000, the Fourth Tranche of the Theta Purchase Consideration shall be increased proportionally^{##} to account for the surplus in the Theta Group FYE 2026 Audited PAT provided always that the maximum amount payable under the Fourth Tranche shall be 120%^{***} of the Fourth Tranche of the Theta Purchase Consideration, which is equivalent to a maximum amount of RM13,500,000;</p> <p>^{##} <i>Refer to formula sets out in note # above.</i></p> <p>^{***} <i>This is a commercially negotiated term between Catcha Theta and the Theta Vendors where additional 20% of the Fourth Tranche of the Theta Purchase Consideration is payable to the Theta Vendors upon Theta Group achieving more than the Theta Group Expected FYE 2026 PAT.</i></p> <p>AND</p> <p>(b) downward adjustment for any remaining Theta Group Liabilities not fully accounted for in the adjustment to the Third Tranche of the Theta Purchase Consideration, and any Theta Group Liabilities that are revealed, identified or discovered by Catcha Theta after the payment of the Third Tranche of the Theta Purchase Consideration and before the payment of the Fourth Tranche of the Theta Purchase Consideration.</p>	
TOTAL	34,959,294		

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Notes:

- (1) *Theta Net Debt is defined in the Theta SSA as the aggregate amount of all financial indebtedness of Theta Group, including but not limited to, bank loans, bonds, debentures, notes, and any other borrowed monies, minus the aggregate amount of all cash and cash equivalents held by Theta Group in excess of RM4,000,000, as set out in the unaudited financial statements of Theta Group as at the Theta Completion Date.*
- (2) *Theta Net Cash is defined in the Theta SSA as the aggregate amount of all cash and cash equivalents held by Theta Group in excess of RM4,000,000, minus the aggregate amount of all financial indebtedness of Theta Group, including but not limited to, bank loans, bonds, debentures, notes, and any other borrowed monies, as set out in the unaudited financial statements of Theta Group as at the Theta Completion Date.*
- (3) *Pursuant to the Theta SSA, if the Theta Group FYE 2024 Audited PAT is less than the Theta Group Expected FYE 2024 PAT, any shortfall may be compensated by any overachievement in the Theta Group Expected FYE 2025 PAT (“**Theta Catch-up Payment**”). The Theta Catch-up Payment shall be calculated based on the surplus in the Theta Group FYE 2025 Audited PAT and shall first be applied proportionally to address the shortfall in the Second Tranche of the Theta Purchase Consideration. Any remaining surplus in the Theta Group FYE 2025 Audited PAT, after applying the Catch-up Payment to the Second Tranche of the Theta Purchase Consideration, shall be applied to adjust the Third Tranche of the Theta Purchase Consideration (“**Theta Catch-up Mechanism**”). Notwithstanding that the Theta Catch-up Payment is intended to compensate for any shortfall in the Second Tranche of the Theta Purchase Consideration, it will be disbursed and added to the Third Tranche of the Theta Purchase Consideration.*
- (4) *Theta Completion Date Payables is defined in the Theta SSA as any payables (including but not limited to trade payables, other payables, accruals, any amounts due to directors, deferred income and provision for taxation) as at the Theta Completion Date.*

The Theta Purchase Consideration may be subject to downward adjustments as set out in the table above based on the Theta Net Debt, the Theta Group Liabilities, and any shortfall in the Theta Group Expected PAT (some of which cannot be determined by our Management at this juncture as they depend on the future financial results of Theta Group as at the Theta Completion Date and at the time of payment of the respective tranches of the Theta Purchase Consideration). Considering that Theta Group recorded a PAT attributable to owners of RM4,333,377 for FYE 31 December 2024 and assuming there is no Theta Net Debt, no Theta Group Liabilities, no other adjustments under the Theta SSA and that Theta Group fails to record any PAT for FYE 31 December 2025 and FYE 31 December 2026, the potential minimum purchase consideration payable to the Theta Vendors is estimated at RM14,632,294, as illustrated below:

Description	Amount (RM'000)
First Tranche of the Theta Purchase Consideration (A)	6,694 ⁽¹⁾
Second Tranche of the Theta Purchase Consideration – Upward adjustment as Theta Group recorded a PAT attributable to owners of RM4,333,377 for the FYE 2024 Audited Accounts (B)	7,938 ⁽²⁾
Third Tranche of the Theta Purchase Consideration – Downward adjustment if Theta Group fails to record any PAT for the FYE 2025 Audited Accounts (C)	-
Fourth Tranche of the Theta Purchase Consideration – Downward adjustment if Theta Group fails to record any PAT for the FYE 2026 Audited Accounts (D)	-
Potential minimum purchase consideration payable to the Theta Vendors [A + B + C + D]	14,632

Notes:

- (1) *Being First Tranche of the Theta Purchase Consideration (RM5,894,294) plus legal and other fees incurred by Catcha Theta for the due diligence review on Theta Group and preparation of the Theta SSA (estimated at RM0.80 million).*
- (2) *Being the maximum amount in view that Theta Group recorded a PAT attributable to owners for FYE 31 December 2024 in excess of the Theta Group Expected FYE 2024 PAT of RM3.50 million and subject to the adjustment threshold set out in the Theta SSA (as set out in **Section 3.6** of this Circular).*

Further, considering that Theta Group records a PAT attributable to owners of RM4,333,377 for the FYE 2024 Audited Accounts (which is higher than the Theta Group Expected FYE 2024 PAT of RM3.50 million) and assuming a loss for the FYE 2025 Audited Accounts and subsequently records a PAT of RM3.00 million for the FYE 2026 Audited Accounts (which is less than the Theta Group Expected FYE 2026 PAT of RM5.00 million), the Theta Purchase Consideration will be subject to adjustments as illustrated below:

Description	Amount (RM'000)	
Theta Purchase Consideration (before adjustments) (A)		34,959
<i>First Tranche of the Theta Purchase Consideration - Upward adjustment for all legal and other fees incurred by Catcha Theta in relation to due diligence review on Theta Group and preparation of Theta SSA (B)</i>	800	
<i>Second Tranche of the Theta Purchase Consideration – Upward adjustment as Theta Group recorded PAT attributable to owners of RM4,333,377 for the FYE 2024 Audited Accounts (C)</i>	1,323	
<u>Computation for (C):</u> $[(RM4,333,377 / RM3,500,000) \times RM6,615,000]$, subject to a maximum amount of RM7,938,000 = RM7,938,000 RM7,938,000 – RM6,615,000 = RM1,323,000		
<i>Third Tranche of the Theta Purchase Consideration – Downward adjustment if the Theta Group recorded losses for the FYE 2025 Audited Accounts (D)</i>	(11,200)	
<u>Computation for (D):</u> $(RM0 / RM4,000,000) \times RM11,200,000 = RM0$ RM11,200,000 – RM0 = RM11,200,000		
<i>Fourth Tranche of the Theta Purchase Consideration – Downward adjustment if Theta Group recorded PAT of RM3.00 million for the FYE 2026 Audited Accounts (E)</i>	(4,500)	
<u>Computation for (E):</u> $(RM3,000,000 / RM5,000,000) \times RM11,250,000 = RM6,750,000$ RM11,250,000 – RM6,750,000 = RM4,500,000		
Total potential downward adjustments for Theta Purchase Consideration [F = B + C + D + E]		(13,577)
Potential purchase consideration payable to the Theta Vendors [A + F]		21,382

The potential maximum purchase consideration payable to the Theta Vendors, after considering the upward adjustments as set out in the table above and assuming no Theta Net Cash as at the Theta Completion Date⁽¹⁾, will be up to RM41.57 million, which represents an additional sum of up to RM6.61 million over the Theta Purchase Consideration (before adjustments) of RM34.96 million, as illustrated below:

Description	Amount (RM'000)	
Theta Purchase Consideration (before adjustments) (A)		34,959
<i>First Tranche of the Theta Purchase Consideration - Upward adjustment for all legal and other fees incurred by Catcha Theta in relation to due diligence review on Theta Group and preparation of Theta SSA (B)</i>	800	
<i>Second Tranche of the Theta Purchase Consideration - Upward adjustment as the Theta Group FYE 2024 Audited PAT exceeds Theta Group Expected FYE 2024 PAT (being RM7,938,000⁽²⁾ minus RM6,615,000) (C)</i>	1,323	
<i>Third Tranche of the Theta Purchase Consideration - Upward adjustment if the Theta Group FYE 2025 Audited PAT exceeds Theta Group Expected FYE 2025 PAT (being RM13,440,000⁽³⁾ minus RM11,200,000) (D)</i>	2,240	

Description	Amount (RM'000)	
<i>Fourth Tranche of the Theta Purchase Consideration - Upward adjustment if the Theta Group FYE 2026 Audited PAT exceeds Theta Group Expected FYE 2026 PAT (being RM13,500,000⁽⁴⁾ minus RM11,250,000) (E)</i>	2,250	
Total potential upward adjustments for Theta Purchase Consideration [F = B + C + D + E]		6,613
Potential maximum purchase consideration payable to the Theta Vendors [A + F]		41,572

Notes:

- (1) *Theta intends to declare and pay dividend to its shareholders prior to the Theta Completion Date, resulting in Theta having no Theta Net Cash on the Theta Completion Date.*
- (2) *Being the maximum amount for Second Tranche of the Theta Purchase Consideration as set out in Section 3.6 of this Circular.*
- (3) *Being the maximum amount for Third Tranche of the Theta Purchase Consideration as set out in Section 3.6 of this Circular.*
- (4) *Being the maximum amount for Fourth Tranche of the Theta Purchase Consideration as set out in Section 3.6 of this Circular.*

In the event Theta Group records losses for the FYE 2025 Audited Accounts and FYE 2026 Audited Accounts, the Theta Vendors shall not be required to compensate Catcha Theta for the losses recorded by Theta Group. In such a scenario, the Theta Vendors will not be entitled to receive the Third and Fourth Tranches of the Theta Purchase Consideration. As a result, Catcha Theta will be acquiring 92.5% equity interest in Theta in consideration of the First and Second Tranches of the Theta Purchase Consideration only.

Our Board is of the view that the Theta Group Expected PAT is reasonable and realistic after taking into consideration, amongst others, the historical financial performance of Theta Group; the experience and expertise of the management team of Theta Group in the global enterprise IT solutions market as well as their continued involvement in the day-to-day operations of Theta Group; and the outlook of the global enterprise IT solutions market as set out in **Section 6.3** of this Circular.

3.7 Source of funding

Considering the timing of payment of the Theta Purchase Consideration as set out in **Section 3.6** of this Circular, our Board expects the Theta Purchase Consideration to be funded via a combination of internally generated funds of our Group, bank borrowings to be obtained by our Group (if any) and proceeds to be raised from the Proposed Rights Issue of Shares with Warrants as set out in **Section 4.8** of this Circular. As at the LPD, our Group's cash and bank balances stood at RM9.68 million. The exact quantum of proceeds from each source of funds will be determined by our Management at a later stage depending on, amongst others, the level of cash and bank balances of our Group, availability of credit facilities for our Group, amount of proceeds to be raised from the Proposed Rights Issue of Shares with Warrants as well as the timing of payment and amount payable for the Theta Purchase Consideration (as set out in **Section 3.6** of this Circular).

In the event we are unable to implement the Proposed Rights Issue of Shares with Warrants, the Theta Purchase Consideration will be funded via a combination of internally generated funds of our Group, bank borrowings to be obtained by our Group (if any) and/or proceeds from other fund raising exercise(s) to be undertaken by our Company in the future (if any).

3.8 Liabilities to be assumed

Save for the liabilities as stated in latest audited financial statement of Theta Group prior to the date of the Theta SSA, that will be consolidated into the financial statements of our Group following the completion of the Proposed Acquisition of Theta, there are no other liabilities (including contingent liabilities and guarantees) to be assumed by our Group arising from the Proposed Acquisition of Theta.

3.9 Additional financial commitment

There is no additional financial commitment required by our Group to put Theta Group's business on-stream following the completion of the Proposed Acquisition of Theta Group in view that Theta Group is already in operations.

3.10 Percentage ratio

Pursuant to Rule 10.02(g) of the Listing Requirements, the highest percentage ratio applicable for the Proposed Acquisition of Theta is approximately 73.51%, computed based on the potential maximum purchase consideration of approximately RM41.57 million (as set out in **Section 3.6** of this Circular) over the unaudited consolidated NA of our Group of approximately RM56.55 million for FYE 31 December 2024 (based on the latest announced interim report of our Group for FYE 31 December 2024, prior to the Announcement LPD-Proposed Acquisitions, as reviewed by our external auditors).

The Proposed Acquisition of Theta is not a related party transaction. The Theta Vendors are not persons connected with the FMS Vendors.

4. PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS

4.1 Details of the Proposed Rights Issue of Shares with Warrants

The Proposed Rights Issue of Shares with Warrants, which is to be undertaken on a renounceable basis, entails the issuance of up to 90,120,544 Rights Shares, on the basis of 1 Rights Share for every 4 Shares held by our Entitled Shareholders on the Entitlement Date, together with up to 180,241,088 Warrants on the basis of 2 Warrants for every 1 Rights Share subscribed for.

4.2 Basis and number of Rights Shares and Warrants to be issued

As at the LPD:

- (i) the issued share capital of our Company was RM62,046,871.96 comprising 360,482,178 Shares in issue (without any treasury shares);
- (ii) our Company has established a LTIP which involves the granting of options or awarding of Shares to the directors, employees or senior management of our Group (excluding dormant subsidiaries, if any) who fulfil the eligibility criteria for participation in the LTIP as set out in the by-laws governing the LTIP. The maximum number of Shares that may be made available under the LTIP shall not in aggregate exceed 30% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the LTIP. For the avoidance of doubt, all the New LTIP Awards shall be subject to vesting period and vesting conditions that are to be fulfilled after the completion of the Proposed Rights Issue of Shares with Warrants; and
- (iii) our Company does not have any convertible securities.

The basis of 1 Rights Share for every 4 Shares held on the Entitlement Date was arrived at after considering, amongst others, the following:

- (i) the rationale for the Proposed Rights Issue of Shares with Warrants as set out in **Section 5.2** of this Circular; and
- (ii) the amount of proceeds that our Company wishes to raise as set out in **Section 4.8** of this Circular.

The basis of 2 Warrants for every 1 Rights Share subscribed for was arrived at after considering, amongst others, the following:

- (i) such basis shall enhance the attractiveness of the Proposed Rights Issue of Shares with Warrants;
- (ii) the rationale for the Proposed Rights Issue of Shares with Warrants as set out in **Section 5.2** of this Circular; and

- (iii) compliance with Rule 6.51 of the Listing Requirements which stipulates that the number of new shares which will arise from the exercise or conversion of all outstanding convertible securities does not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible securities) at all times.

The Proposed Rights Issue of Shares with Warrants will be implemented based on the following scenarios:

Minimum Scenario or Minimum Subscription Level	Up to 46,056,000 Rights Shares together with 92,112,000 Warrants, after considering the following: <ul style="list-style-type: none"> (i) 360,482,178 Shares in issue (without any treasury shares or convertible securities) as at the LPD; (ii) any New LTIP Awards will be subject to vesting period and vesting conditions that are to be fulfilled after the completion of the Proposed Rights Issue of Shares with Warrants; and (iii) subscription by the Undertaking Shareholders pursuant to the Undertakings to ensure minimum gross proceeds of RM11,514,000 is raised on the basis that no other Entitled Shareholders subscribe for their entitlements under the Proposed Rights Issue of Shares with Warrants.
Maximum Scenario	Up to 90,120,544 Rights Shares together with up to 180,241,088 Warrants, after considering the following: <ul style="list-style-type: none"> (i) 360,482,178 Shares in issue (without any treasury shares or convertible securities) as at the LPD; (ii) any New LTIP Awards will be subject to vesting period and vesting conditions that are to be fulfilled after the completion of the Proposed Rights Issue of Shares with Warrants; and (iii) all Entitled Shareholders subscribe in full for their entitlements under the Proposed Rights Issue of Shares with Warrants.

The actual number of Rights Shares and Warrants to be issued will depend on the total number of issued Shares held by our Entitled Shareholders on the Entitlement Date, the final Issue Price-Rights Share and the eventual level of subscription for the Proposed Rights Issue of Shares with Warrants.

Our Entitled Shareholders can fully or partially subscribe for and/or renounce their entitlements to the Rights Shares with Warrants. Any unsubscribed Rights Shares with Warrants shall be made available for excess applications by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). Our Board intends to reduce the incidence of odd lots and to allocate any excess Rights Shares with Warrants in a fair and equitable manner on a basis to be determined by our Board and announced thereupon by our Company at a later date.

The entitlements for the Rights Shares with Warrants are renounceable in full or in part. However, the Rights Shares and Warrants cannot be renounced separately. If our Entitled Shareholders renounce all their Rights Shares entitlements, they will not be entitled to any Warrants. If our Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they will be entitled to the Warrants in proportion to their acceptances of their Rights Shares entitlements. Any fractional entitlements to the Rights Shares with Warrants, if any, will be disregarded and/or dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interest of our Company.

The Warrants are attached to the Rights Shares without any cost and will only be issued to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who subscribe for the Rights Shares. The Warrants will be immediately detached from the Rights Shares upon allotment and issuance. The Warrants will be separately listed and traded from the Rights Shares on the ACE Market of Bursa Securities if our Company meets the condition under the Listing Requirements that at least 100 holders holding not less than 1 board lot of Warrants each (i.e., comprising 100 Warrants) or any threshold as may be prescribed by Bursa Securities. The Warrants will not be listed if such condition is not met. The Warrants will be issued in a registered form and to be constituted by the Deed Poll. Refer to **Appendix I** of this Circular for the indicative salient terms of the Warrants.

4.3 Basis of determining and justification for the Issue Price-Rights Share and the Exercise Price

(i) Issue Price-Rights Share

The Issue Price-Rights Share shall be fixed and announced by our Board at a later date before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:

- (a) the historical share price of our Company;
- (b) the amount of proceeds that our Company intends to raise as set out in **Section 4.8** of this Circular;
- (c) the rationale for the Proposed Rights Issue of Shares with Warrants as set out in **Section 5.2** of this Circular; and
- (d) the TEAP of our Shares based on the 5D-VWAP of our Shares up to and including the last trading day prior to the price-fixing date for the Proposed Rights Issue of Shares with Warrants, with the Issue Price-Rights Share to be at a discount of not more than 20% to the TEAP of our Shares.

Our Board is of the opinion that the aforementioned quantum of discount is deemed sufficiently attractive to entice subscription of the Rights Shares.

The Issue Price-Rights Share is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

For illustrative purposes, an indicative Issue Price-Rights Share of RM0.25 each, representing a discount of RM0.0062 or approximately 2.44% to the TEAP of our Shares of RM0.2562 each (computed based on 5D-VWAP of our Shares up to and including the LPD of RM0.2578 each (*Source: Bloomberg*)) is used in this Circular.

(ii) Exercise Price

The Warrants will be issued at no cost to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who successfully subscribe for the Rights Shares.

The Exercise Price shall be fixed and announced by our Board at a later date before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:

- (a) the historical share prices of our Company;
- (b) the prospects and future plans of our Group as set out in **Section 6.4** of this Circular; and
- (c) the TEAP of our Shares based on the 5D-VWAP of our Shares up to and including the last trading day prior to the price-fixing date for the Proposed Rights Issue of Shares with Warrants, with the Exercise Price to be at a premium of between 30% to 50% to the TEAP of our Shares.

The Warrants will be issued at no cost and exercisable into new Shares over a tenure of 5 years from the date of issuance of the Warrants. Our Board is of the view that the Exercise Price, which shall be at a premium to the TEAP of our Share, is reasonable after considering the long-term prospects of our Group which will encourage the Warrants holders to have a longer investment horizon in our Company and make their investment decisions based on the long-term prospects of our Group rather than focusing on short-term market fluctuations. Further, it also allows our Company to raise a greater amount of proceeds upon exercise of Warrants in the future for purposes as set out in **Section 4.8** of this Circular.

The Exercise Price is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company. During the tenure of the Warrants, the Exercise Price and the number of outstanding Warrants may be adjusted due to alteration in the capital structure of our Company in the future, whether by way of rights issue, bonus issue, consolidation or subdivision of Shares or any other variation of capital, in accordance with the Deed Poll.

For illustrative purpose, an indicative Exercise Price of RM0.35 each, representing a premium of RM0.0938 or approximately 36.59% to the TEAP of our Shares of RM0.2562 each (computed based on 5D-VWAP of our Shares up to and including the LPD of RM0.2578 each (*Source: Bloomberg*)) is used in this Circular.

4.4 Minimum Subscription Level and Undertakings

Our Board has resolved to undertake the Proposed Rights Issue of Shares with Warrants on the Minimum Subscription Level, after considering, amongst others, the funding requirements of our Group as set out in **Section 4.8** of this Circular.

To meet the Minimum Subscription Level, our Company has obtained the Undertakings from the following Undertaking Shareholders:

- (i) Catcha Group has undertaken that it:
 - (a) will not sell, transfer, dispose of or reduce its existing shareholding in our Company from the date of the Undertaking-Catcha Group up to the completion of the Proposed Rights Issue of Shares with Warrants;
 - (b) will partially subscribe for its entitlements to the Rights Shares with Warrants for a total subscription amount of not less than RM700,000 to meet the Minimum Subscription Level;
 - (c) will renounce all the balance of its entitlements pursuant to the Proposed Rights Issue of Shares with Warrants to Catcha Investments (“**Renounced Rights Shares**”), thereby enabling Catcha Investments to subscribe for such Renounced Rights Shares to meet the Undertaking-Catcha Investments;
 - (d) has and will continue to have sufficient financial means and resources to fulfil its commitments under the Undertaking-Catcha Group;
 - (e) will observe and comply with the provisions of the Code, the Rules and the Listing Requirements at all times; and
 - (f) will vote in favour of the Proposed Rights Issue of Shares with Warrants at our EGM to be convened.

The number of Rights Shares with Warrants subject to the Undertaking-Catcha Group (computed based on the indicative Issue Price-Rights Share of RM0.25 each), which represents a subscription of 8.02% of Catcha Group’s entitlements under the Proposed Rights Issue of Shares with Warrants, is determined after considering (i) the availability of financial resources of Catcha Group to subscribe for the Rights Shares with Warrants; and (ii) Catcha Group and persons acting in concert with it do not intend to undertake a mandatory take-over offer for our Company upon subscription of the Rights Shares and the exercise of Warrants into new Shares, where applicable, under the Minimum Scenario; and

- (ii) Catcha Investments has undertaken that it:
 - (a) will not sell, transfer, dispose of or reduce its existing shareholding in our Company from the date of the Undertaking-Catcha Investments up to the completion of the Proposed Rights Issue of Shares with Warrants;

- (b) will subscribe for all of its entitlements to the Rights Shares with Warrants and all the Renounced Rights Shares, for a total subscription amount of not less than RM10,814,000 to meet the Minimum Subscription Level;
- (c) has and will continue to have sufficient financial means and resources to fulfil its commitments under the Undertaking-Catcha Investments;
- (d) will observe and comply with the provisions of the Code, the Rules and the Listing Requirements at all time; and
- (e) will vote in favour of the Proposed Rights Issue of Shares with Warrants at our EGM to be convened.

The Undertakings demonstrate the Undertaking Shareholders' commitments and support towards our Company and the Proposed Rights Issue of Shares with Warrants.

TA Securities, being the Adviser for the Proposed Rights Issue of Shares with Warrants, has verified that each of the Undertaking Shareholders has sufficient financial resources to fulfil respective obligations under the Undertakings.

Given that the Minimum Subscription Level will be fully satisfied via the Undertakings, there will be no underwriting arrangement to be entered into by our Company pursuant to the Proposed Rights Issue of Shares with Warrants.

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The details of the Undertakings, based on the assumption that the Entitlement Date is as at the LPD and the indicative Issue Price-Rights Share of RM0.25 each, are as follows:

	Direct shareholding		No. of Rights Shares and Warrants under entitlements and to be subscribed pursuant to the Undertakings				
	As at the LPD		Entitlements		Total subscription (via Undertakings)		
	No. of Shares	% ⁽¹⁾	No. of Rights Shares	% ⁽²⁾	No. of Rights Shares	Amount (RM'000) ⁽³⁾	No. of Warrants
Catcha Group	139,643,874	38.74	34,910,968	8.59	2,800,000	700	5,600,000
Catcha Investments	47,520,000	13.18	11,880,000	2.92	43,256,000	10,814	86,512,000
TOTAL	187,163,874	51.92	46,790,968	11.51	46,056,000	11,514	92,112,000
	Direct shareholding						
	(II)		(III)		(IV)		
	After (I) and Proposed Rights Issue of Shares with Warrants (Minimum Scenario)		After (II) and Proposed 10% Private Placement		After (III) and assuming full exercise of Warrants		
No. of Shares	% ⁽²⁾	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁵⁾		
Catcha Group	142,443,874	35.04	142,443,874	32.18	148,043,874	27.69	
Catcha Investments	90,776,000	22.33	90,776,000	20.51	177,288,000	33.15	
TOTAL	233,219,874	57.37	233,219,874	52.69	325,331,874	60.84	

Notes:

- (1) Based on 360,482,178 Shares in issue as at the LPD.
- (2) Based on pro forma 406,538,178 Shares in issue after the completion of the Proposed Rights Issue of Shares with Warrants (Minimum Scenario).
- (3) Based on the indicative Issue Price-Rights Share of RM0.25 each.
- (4) Based on pro forma up to 442,586,378 Shares in issue after the completion of the Proposed Rights Issue of Shares with Warrants (Minimum Scenario) and Proposed 10% Private Placement.
- (5) Based on pro forma up to 534,698,378 Shares in issue after completion of the Proposed Rights Issue of Shares with Warrants (Minimum Scenario) and Proposed 10% Private Placement as well as full exercise of Warrants by the Undertaking Shareholders.

In the event the Minimum Subscription Level is achieved via subscription by other Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) of their respective entitlements and any excess Rights Shares with Warrants, the Undertaking Shareholders are still obliged to subscribe for the Rights Shares with Warrants for a total subscription amount of not less than RM11,514,000 pursuant to the Undertakings (i.e., not less than RM700,000 based on the Undertaking-Catcha Group and not less than RM10,814,000 based on the Undertaking-Catcha Investments).

The final number of Rights Shares and Warrants to be issued under the Minimum Scenario to arrive at the Minimum Subscription Level will depend on the final Issue Price-Rights Share.

4.5 Takeover implication and public shareholding spread

The subscription of the Rights Shares with Warrants by the Undertaking Shareholders pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules. The Undertaking Shareholders have respectively undertaken to observe and comply, at all times, with the provisions of the Code and the Rules, if required.

The Undertakings are not expected to result in non-compliance with the public shareholding spread requirement by our Company pursuant to Rule 8.02(1) of the Listing Requirements, under both the Minimum Scenario and Maximum Scenario, as illustrated below:

(i) Minimum Scenario

	As at the LPD		(I)		(II)		(III)	
			After Proposed Rights Issue of Shares with Warrants		After (I) and Proposed 10% Private Placement		After (II) and assuming full exercise of Warrants	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Share capital	360,482	100.00	406,538	100.00	442,586	100.00	534,698	100.00
Less: Shareholdings of Directors of our Group, our substantial shareholders and their associates ⁽¹⁾	214,098	59.39	260,154	63.99	296,202	66.93	388,314	72.62
Public shareholding spread	146,384	40.61	146,384	36.01	146,384	33.07	146,384	27.38

Note:

(1) The number of Rights Shares with Warrants to be subscribed by each of the Undertaking Shareholders is computed based on the indicative Issue Price-Rights Share of RM0.25 each (refer to **Section 4.4** of this Circular for further information).

(ii) Maximum Scenario

	As at the LPD		(I)		(II)		(III)	
			After Proposed Rights Issue of Shares with Warrants		After (I) and Proposed 10% Private Placement		After (II) and assuming full exercise of Warrants	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Share capital	360,482	100.00	450,603	100.00	486,651	100.00	666,892	100.00
Less: Shareholdings of Directors of our Group, our substantial shareholders and their associates	214,098	59.39	267,622	59.39	303,670	62.40	410,719	61.59
Public shareholding spread	146,384	40.61	182,981	40.61	182,981	37.60	256,173	38.41

4.6 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants

The Rights Shares and new Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with our then existing Shares, save and except that the Rights Shares and new Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or other form of distributions that may be declared, made or paid to our shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants.

The Warrants holders will not be entitled to any voting rights or participation in any form of distributions and/or offer of further securities in our Company until and unless they exercise their Warrants into new Shares and the new Shares have been issued and allotted to such Warrants holders.

4.7 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out in **Appendix I** of this Circular:

4.8 Utilisation of proceeds

Based on an indicative Issue Price-Rights Share of RM0.25 each, the Proposed Rights Issue of Shares with Warrants is expected to raise total gross proceeds of up to RM11.51 million and up to RM22.53 million under the Minimum Scenario and Maximum Scenario, respectively, which is intended to be utilised by our Group in the following manner:

Purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected timeframe for utilisation of proceeds*
Partial payment for the D2D Purchase Consideration ⁽¹⁾	5,000	5,000	Within 36 months
Partial payment for the Theta Purchase Consideration ⁽²⁾	5,734	5,734	Within 36 months
Partial payment for the FMS Purchase Consideration ⁽³⁾	-	5,500	Within 36 months
Potential strategic acquisitions ⁽⁴⁾	-	4,661	Within 36 months
Working capital requirements for our Group ⁽⁵⁾	-	855	Within 36 months
Estimated expenses for the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement ⁽⁶⁾	780	780	Within 1 month
TOTAL	11,514	22,530	

The actual proceeds to be raised from the Proposed Rights Issue of Shares with Warrants is dependent on the final Issue Price-Rights Share and subscription level of the Proposed Rights Issue of Shares with Warrants. Any additional proceeds raised in excess of RM11.51 million under the Minimum Scenario will be allocated in the following order:

- (i) estimated expenses for the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement;
- (ii) partial payment for the FMS Purchase Consideration;
- (iii) working capital requirements for our Group; and
- (iv) potential strategic acquisitions.

Pending utilisation, the proceeds to be raised from the Proposed Rights Issue of Shares with Warrants will be placed in interest bearing account(s) or short-term money market instrument(s) with financial institution(s), as our Management may deem fit. Any interest income arising from the interest-bearing account(s) or any gains from the short-term money market instrument(s) will be used for the working capital requirements of our Group as stated below.

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Notes:

* From the date of completion of the Proposed Rights Issue of Shares with Warrants.

(1) On 20 December 2024, iMedia entered into the D2D SSA for the Acquisition of D2D. Subsequently on 30 April 2025, iMedia and the D2D Vendors entered into the D2D Supplemental Agreement, whereby they mutually agreed to vary the payment terms of the Tranche 1 of the D2D Purchase Consideration amounting to RM6.96 million by introducing a deferred payment structure with interest accruing at the rate of 4% per annum on the deferred balance (as illustrated in the table below). Save for the variation to the payment terms, all other terms and conditions of the D2D SSA remain unchanged and continue to be in full force and effect. These variations are not considered material and are accordingly not subject to our shareholders' approval. Refer to the announcements by our Company dated 20 December 2024 and 30 April 2025 as well as the circular to shareholders of our Company dated 12 March 2025 for further details of the Acquisition of D2D and the D2D Supplemental Agreement.

Subject to the adjustments set out in the D2D SSA, the D2D Purchase Consideration shall be settled in the following manners pursuant to the D2D SSA and the D2D Supplemental Agreement:

D2D Purchase Consideration	Amount payable^(aa) (RM)	Payment terms
Tranche 1	6,960,000	<p>(a) RM2,500,000 shall be paid on the D2D Completion Date; and</p> <p>(b) the remaining balance of RM4,460,000, less or add any adjustment to the Tranche 1 of D2D Purchase Consideration (as the case may be) ("Remaining Balance First Tranche Purchase Consideration"), shall be paid to the D2D Vendors within 4 months from the D2D Completion Date. The Remaining Balance First Tranche Purchase Consideration shall accrue interest at the rate of 4% per annum, calculated daily from the D2D Completion Date until the date of actual payment and full and final settlement. Such interest shall be payable to the D2D Vendors on the date of actual payment and full and final settlement of the Remaining Balance First Tranche Purchase Consideration.</p>
Tranche 2	4,200,000	<p>(a) a sum of RM3,094,080, less or add any adjustment to the Tranche 2 of the D2D Purchase Consideration (as the case may be), shall be paid to the D2D Vendors within 90 days, or such later date as iMedia and the D2D Vendors may mutually agree, after:</p> <p>(i) the Year 1 Special Audited Accounts^(bb) are provided to and confirmed by iMedia in accordance with the D2D SSA; or</p> <p>(ii) in the event of a disagreement between iMedia and the D2D Vendors on the findings of the Year 1 Special Audited Accounts, the independent accountant's written determination on the Year 1 Special Audited Accounts is delivered to iMedia and the D2D Vendors in accordance with the D2D SSA,</p> <p>whichever is later; and</p> <p>(b) a sum of RM1,105,920 shall be retained by iMedia as a retention sum ("Tranche 2 Retention Sum"). Subject to the adjustment to the Tranche 2 Retention Sum, the Tranche 2 Retention Sum shall be paid to the D2D Vendors within 90 days, or such later date as iMedia and the D2D Vendors may mutually agree, after:</p>

D2D Purchase Consideration	Amount payable^(aa) (RM)	Payment terms
		<p>(i) the Year 3 Special Audited Accounts of Mekanika Digital^(cc) are provided to and confirmed by iMedia in accordance with the D2D SSA; or</p> <p>(ii) in the event of a disagreement between iMedia and the D2D Vendors on the findings of the Year 3 Special Audited Accounts of Mekanika Digital, the independent accountant's written determination on the Year 3 Special Audited Accounts of Mekanika Digital is delivered to iMedia and the D2D Vendors in accordance with the D2D SSA,</p> <p>whichever is later.</p>
Tranche 3	5,040,000	<p>(a) a sum of RM4,210,560, less or add any adjustment to the Tranche 3 of the D2D Purchase Consideration (as the case may be), shall be paid to the D2D Vendors within 90 days or such later date as iMedia and the D2D Vendors may mutually agree, after:</p> <p>(i) the Year 2 Special Audited Accounts^(dd) are provided to and confirmed by iMedia in accordance with the D2D SSA; or</p> <p>(ii) in the event of a disagreement between iMedia and the D2D Vendors on the findings of the Year 2 Special Audited Accounts, the independent accountant's written determination on the Year 2 Special Audited Accounts is delivered to iMedia and the D2D Vendors in accordance with the D2D SSA,</p> <p>whichever is later; and</p> <p>(b) a sum of RM829,440 shall be retained by iMedia as a retention sum ("Tranche 3 Retention Sum"). Subject to the adjustment to the Tranche 3 Retention Sum, the Tranche 3 Retention Sum shall be paid to the D2D Vendors within 90 days or such later date as iMedia and the D2D Vendors may mutually agree, after:</p> <p>(i) the Year 3 Special Audited Accounts of Digital Careta^(ee) are provided to and confirmed by iMedia in accordance with the D2D SSA; or</p> <p>(ii) in the event of a disagreement between iMedia and the D2D Vendors on the findings of the Year 3 Special Audited Accounts of Digital Careta, the independent accountant's written determination on the Year 3 Special Audited Accounts of Digital Careta is delivered to iMedia and the D2D Vendors in accordance with the D2D SSA,</p> <p>whichever is later.</p>
TOTAL	16,200,000	

Notes:

(aa) Being the amount payable to the D2D Vendors prior to any adjustments to the D2D Purchase Consideration pursuant to the D2D SSA. The potential maximum purchase consideration payable to the D2D Vendors, after considering the upward adjustments due to overachievement on the D2D Group's expected PAT for the 24-month period commencing from the D2D Completion Date pursuant to the terms of the D2D SSA, will be up to RM17.78 million.

- (bb) *Year 1 Special Audited Accounts is defined in the D2D SSA as the audited financial statements of each of the companies within D2D Group and audited consolidated financial statements of D2D Group for the financial period of 12 months after the D2D Completion Date, prepared in accordance with the accounting practice and accounting bases adopted by iMedia, to determine the year 1 audited net PAT of D2D Group.*
- (cc) *Year 3 Special Audited Accounts of Mekanika Digital is defined in the D2D SSA as the audited financial statements of Mekanika Digital for the financial period from the 25th to 36th month after the D2D Completion Date, prepared in accordance with the accounting practice and accounting bases adopted by iMedia, to determine the year 3 audited PAT of Mekanika Digital.*
- (dd) *Year 2 Special Audited Accounts is defined in the D2D SSA as the audited financial statements of each of the companies within D2D Group and audited consolidated financial statements of D2D Group for the financial period from the 13th to 24th month after the D2D Completion Date, prepared in accordance with the accounting practice and accounting bases adopted by iMedia, to determine the year 2 audited PAT of D2D Group.*
- (ee) *Year 3 Special Audited Accounts of Digital Careta is defined in the D2D SSA as the audited financial statements of Digital Careta for the financial period from the 25th to 36th month after the D2D Completion Date, prepared in accordance with the accounting practice and accounting bases adopted by iMedia, to determine the year 3 audited PAT of Digital Careta.*

Our Company obtained approval from our shareholders for the Acquisition of D2D at our EGM held on 27 March 2025. Subsequently, iMedia had, on 7 May 2025, made a payment of RM2,500,000 towards the D2D Purchase Consideration in accordance with the D2D Supplemental Agreement and accordingly, the Acquisition of D2D was completed on 7 May 2025.

Other than the proceeds from the Proposed Rights Issue of Shares with Warrants, our Management intends to use a combination of our Group's internal funds and/or bank borrowings to settle the remaining balance of the D2D Purchase Consideration (including any adjustments to the D2D Purchase Consideration pursuant to the D2D SSA). In this regard, our Management will determine the breakdown of sources of funding for the payment of the remaining balance or tranche(s) of the D2D Purchase Consideration at a later stage as it shall depend upon, amongst others, the subscription level of the Proposed Rights Issue of Shares with Warrants, the timing of payment as well as our Group's funding requirements and capital structure at the relevant time.

In the event there is a surplus of proceeds, the surplus thereof will be re-allocated for any of the categories of the working capital requirements of our Group, such as general administration and operating expenses as well as event marketing expenses.

- (2) *Our Management intends to allocate part of the proceeds to partially settle the Theta Purchase Consideration. Refer to **Section 3.6** of this Circular for details on the payment terms for the Proposed Acquisition of Theta.*

Other than the proceeds from the Proposed Rights Issue of Shares with Warrants, our Management intends to use a combination of our Group's internal funds and/or bank borrowings to settle the remaining balance of the Theta Purchase Consideration. In this regard, our Management will determine the breakdown of sources of funding for the payment of the remaining balance or tranche(s) of the Theta Purchase Consideration at a later stage as it shall depend upon, amongst others, the subscription level of the Proposed Rights Issue of Shares with Warrants, the timing of payment as well as our Group's funding requirements and capital structure at the relevant time.

In the event the Proposed Acquisition of Theta is aborted or cannot be completed or there is a surplus of proceeds, the proceeds earmarked for this purpose or any surplus thereof will be re-allocated firstly as part payment for the FMS Purchase Consideration and any remaining surplus thereafter will be re-allocated for any of the categories of the working capital requirements of our Group such as general administration and operating expenses as well as event marketing expenses.

- (3) *Our Management intends to allocate part of the proceeds to partially settle the FMS Purchase Consideration. Refer to **Section 2.6** of this Circular for details on the payment terms for the Proposed Acquisition of FMS.*

Other than the proceeds from the Proposed Rights Issue of Shares with Warrants, our Management intends to use a combination of the proceeds to be raised from the Proposed 10% Private Placement, our Group's internal funds and/or bank borrowings to settle the remaining balance of the FMS Purchase Consideration. In this regard, our Management will determine the breakdown of sources of funding for the payment of the remaining balance or tranche(s) of the FMS Purchase Consideration at a later stage as it shall depend upon, amongst others, the subscription level of the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement, the timing of payment as well as our Group's funding requirements and capital structure at the relevant time.

In the event the Proposed Acquisition of FMS is aborted or cannot be completed or there is a surplus of proceeds, the proceeds earmarked for this purpose or any surplus thereof will be re-allocated, firstly, as part payment for the Theta Purchase Consideration and any remaining surplus thereafter will be re-allocated for any of the categories of the working capital requirements of our Group, such as general administration and operating expenses as well as event marketing expenses.

- (4) *Our Management intends to allocate up to RM4.66 million (under the Maximum Scenario and based on the indicative Issue Price-Rights Share of RM0.25 each) to fund potential strategic acquisitions to be undertaken by our Group.*

*Our Management continues to seek business opportunities to expand our Group's core business and to diversify our Group's revenue streams and business risks. As set out in **Section 6.4** of this Circular, our Group has signed conditional SSA for the Proposed Acquisition of DS Services and Proposed Acquisition of One International, both of which are not related party transactions.*

For the avoidance of doubt, the Proposed Acquisition of DS Services and the Proposed Acquisition of One International are not inter-conditional with the Proposals. Furthermore, save for the above, our Management is also currently in negotiations for multiple potential acquisitions of companies principally involved in the provision of event management consultancy services, and OOH advertising company and digital media publisher.

These potential acquisitions, if materialise, will allow our Group to expand our range of online and offline advertising solutions to customers; expand our market reach to a wider spectrum of industries; and diversify our Group's revenue streams and business risks, which in turn is expected to improve our Group's financial performance and enhance shareholders' value in the long term.

Where required, we will make the necessary announcements and seek the approvals from our shareholders and/or other relevant authorities or parties (if required) in accordance with the Listing Requirements once our Management has finalised the terms for such potential strategic acquisitions. Other than the proceeds from the Proposed Rights Issue of Shares with Warrants, our Management intends to use a combination of our Group's internal funds and/or bank borrowings to fund these potential strategic acquisitions. In this regard, our Management will determine the breakdown of sources of funding for the payment for potential strategic acquisitions at a later stage as it shall depend upon, amongst others, the signing of definitive agreements, the subscription level of the Proposed Rights Issue of Shares with Warrants, the timing of payment as well as our Group's funding requirements and capital structure at the relevant time.

If our Management is unable to finalise or complete any potential strategic acquisitions within 36 months from the completion of the Proposed Rights Issue of Shares with Warrants, the proceeds earmarked for this purpose will be re-allocated, firstly, as part payment for purchase consideration for any of the Proposed Acquisitions and any remaining surplus thereafter will be re-allocated for any of the categories of the working capital requirements of our Group, such as general administration and operating expenses as well as event marketing expenses.

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- (5) Our Management intends to use part of the proceeds to finance the day-to-day operations of the existing businesses of our Group as follows:

Category	Description	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
General administration and operating expenses	Office related expenses (including utilities expenses, office rental, and upkeep of office and office equipment); staff related expenses (such as salaries, allowances, statutory contribution and staff welfare); and other miscellaneous items (such as audit fees, professional fees, consultancy fees and secretarial fees)	-	700
Event marketing	Expenses for event marketing, including costs associated with organising, promoting, and executing of events	-	155
TOTAL		-	855

The above allocation of proceeds is indicative at this juncture and is subject to revision depending on the operating and funding requirements of our Group at the time of utilisation. Any surplus or shortfall for any category under working capital requirements of our Group will be adjusted against the other category under working capital requirements of our Group as set out above.

- (6) The estimated expenses in relation to the Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement, for both Minimum and Maximum Scenarios, comprise the following:

Purposes	(RM'000)
Professional fees payable to adviser, placement agent, solicitors, auditors and reporting accountants, share registrar, company secretaries and independent market researcher	495
Fees to relevant authorities	92
Other incidental expenses (e.g., expenses to convene our EGM, printing and advertising), other ancillary expenses (e.g., out-of-pocket expenses and relevant taxes) and contingencies	193
TOTAL	780

Any surplus or shortfall of proceeds to be used to defray the estimated expenses of the Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement will be re-allocated to or from any of the categories of the working capital requirements for our Group, such as general administration and operating expenses as well as event marketing expenses.

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants would depend on the eventual subscription level of the Proposed Rights Issue of Shares with Warrants, the actual number of Warrants exercised during the tenure of Warrants and the final Exercise Price. Based on an indicative Exercise Price of RM0.35 each, the gross proceeds that may be raised from the exercise of the Warrants is up to approximately RM32.24 million or RM63.08 million for the Minimum Scenario and Maximum Scenario, respectively, which shall be used for our Group's working capital purposes requirements as stated above and/or other strategic acquisitions of and/or collaborations with companies involved in exhibition organisation, advertising and media industry related services to be undertaken by our Group. The exact breakdown and timeframe for the utilisation from receipt of proceeds cannot be determined by our Management at this juncture as it shall depend on, amongst others, our Group's funding requirements at the relevant time and the timing of exercise of the Warrants.

Pending utilisation, the proceeds from the exercise of Warrants will be placed in interest-bearing deposit(s) with licensed financial institution(s) or short-term money market instrument(s) as our Management may deem fit to earn interest income or gain on investments, which shall be used by our Group for our working capital requirements as stated above and/or other strategic acquisitions of and/or collaborations with companies involved in exhibition organisation, advertising and media industry related services to be undertaken by our Group.

4.9 Previous fund-raising exercise

Save as disclosed below, our Company has not undertaken any other fund-raising exercises in the past 12 months preceding the date of the Announcement I and any other equity fund-raising exercises undertaken of which proceeds raised have yet to be fully utilised as at the LPD:

- (i) on 6 February 2025, our Company issued and allotted of 8,099,400 new Shares at an issue price of RM0.36 each pursuant to the Special Issue, which was completed on 28 March 2025. It raised total proceeds of approximately RM2.92 million and the status of utilisation as at the LPD is as follows:

	Actual proceeds raised (RM'000)	Amount utilised as at the LPD (RM'000)	Balance un-utilised (RM'000)	Estimated timeframe for utilisation from the completion of Special Issue on 28 March 2025
Utilisation of proceeds				
Partial payment for the DS Services Purchase Consideration ⁽¹⁾	2,626	-	2,626	Within 24 months
Estimated expenses for the Special Issue and LTIP ⁽²⁾	290	286	4 ⁽³⁾	Immediately
TOTAL	2,916	286	2,630	

Notes:

- (1) Our Management intends to use a combination of the proceeds from the Proposed Rights Issue of Shares with Warrants and the Special Issue, our Group's internal funds and/or bank borrowings to settle the DS Services Purchase Consideration. In the event the Proposed Acquisition of DS Services cannot be completed or the DS Services SSA is terminated or there is a surplus of proceeds, the proceeds earmarked for this purpose or any surplus thereof will be re-allocated for any of the categories of the working capital requirements of our Group as stated in **Section 4.8, note (5)** of this Circular.
- (2) Being the expenses incidental to the Special Issue and LTIP, such as professional fees, fees to the relevant authorities, placement fees and other miscellaneous expenses which include the expenses for our EGM and printing of the circular in relation to the Special Issue and LTIP.
- (3) The un-utilised balance will be re-allocated for the working capital requirements of our Group as stated in **Section 4.8, note (5)** of this Circular.

5. RATIONALE FOR THE PROPOSALS

5.1 Proposed Acquisitions

Our Group is currently involved in the provision of digital media advertising solutions to our clients in Malaysia, primarily in the fast-moving consumer goods, retail, property and entertainment industries.

The Proposed Acquisitions are in line with our Group's vision to expand our offering of digital advertising formats; expand clientele and our presence in the digital media industry; diversify revenue stream and business risks; and contribute to the growth and development of the digital economy of Malaysia and the Southeast Asia region. These acquisitions will strengthen our Group's competitive advantages and thereby, strengthen our Group's reputation as a stronger player in the digital advertising spaces and digital economy and to secure a larger share of our clients' advertising budgets.

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(i) Proposed Acquisition of FMS

FMS is principally involved in the provision of immersive digital marketing services, specialising in the production of digital content leveraging on virtual reality and augmented reality technology for its clients. Its services include the production and integration of animation and digital content to create immersive digital marketing effects across digital OOH billboards, digital platforms like social media and websites, as well as event spaces, enhancing both online and offline advertising experiences. FMS Group serves a diverse portfolio of enterprise clients across Southeast Asia and other countries, including property developers, consumer product retailers and distributors, oil and gas companies and telecommunications operators etc.

The Proposed Acquisition of FMS expands the digital advertising solutions of our Group as FMS offers new advertising formats, especially for experiential, immersive digital marketing experience events, gallery or advertisement. This will enable our Group to secure a larger share of clients' advertising budgets. FMS has a strong track record of successfully executing both international and local projects for large clients, it has also demonstrated strong financial and profitability track record.

The Proposed Acquisition of FMS also complements our Group's existing advertising solutions by expanding beyond online advertising to meet the growing demand for integrated online-to-offline strategies. While iMedia has a strong digital advertising presence, the addition of FMS Group's immersive digital marketing capabilities enhances our enlarged Group's services offerings and strengthens our Group's ability to capture a larger share of the advertising budgets from agencies and brand owners. This move strengthens client retention and drives revenue growth, thereby positioning our Group as a stronger player in the digital advertising space.

The Proposed Acquisition of FMS also aligns with our Group's long-term objective of expanding our client base within the existing digital media and advertising sector by entering the immersive digital marketing segment. Upon completion of the Proposed Acquisition of FMS, our enlarged Group will be able to offer a broader range of bundled advertising packages to brand owners and advertising agencies, integrating products and services from our Group and FMS Group. This synergistic approach is expected to enhance sales and profit margins for both entities.

(ii) Proposed Acquisition of Theta

Theta Group's flagship credit workflow solutions, ORIGINS, is a solution which allows straight-through-processing loan applications without manual approver intervention as well as integration with data analytics, artificial intelligence and risk assessments functionalities in assessing borrowers' credit worthiness vis-à-vis the risk appetite of Theta Group's customers and other support functionalities such as exposure aggregation (which helps financial institutions to manage their credit risks) and document generation engine (which enables automated document generation with hassle-free maintenance). Leveraging on its current management team's experience in loan origination and expertise in IT solutions, Theta Group had managed to develop ORIGINS to support loan applications for all segments including consumer/retail, corporate/commercial and small medium sized enterprise, as well as to install and integrate ORIGINS with other core banking solutions of its customers. As at the LPD, Theta Group has successfully implemented more than 20 sites with its ORIGINS system globally. Besides its flagship products, Theta Group also provides consultancy services to recommend business processes for credit processing and best practices for credit and risk management, which shall be complemented by automation and integration with other core banking solutions and IT solutions.

The Proposed Acquisition of Theta is a business opportunity for our Group to diversify our revenue stream by venturing into the global enterprise IT solutions industry which is expected to be value accretive to our Group and our shareholders in the long-term. Theta Group's ORIGINS system is well-positioned to help financial institutions in their digital transformation involving digital lending solutions and data-driven decision making. Further, the Proposed Acquisition of Theta also paves the way for our Group to tap into Theta Group's existing clientele (i.e., financial institutions) and cross-sell our Group's digital marketing solutions to Theta Group's customers.

Our Management has proven track record in digital advertising solutions industry in Malaysia and our Board believes our Management is capable to customise advertising solutions to financial institutions for brand building and awareness campaigns.

Our Management has decided to acquire 92.5% equity stake in Theta through the Theta SSA, in which Catcha Theta will emerge as the single largest shareholder of Theta whilst allowing the existing management team of Theta Group to continue to manage the business of Theta Group. This approach ensures business continuity and talent retention.

Theta Group currently has a management team with a wealth of experience and expertise in the loan origination and IT solutions business. Based on the Theta SSA, certain Theta Vendors, who are the current management team of Theta Group (as set out in **Section 3.3** of this Circular), will continue their employment with Theta Group for a minimum period of 3 years upon the completion of the Proposed Acquisition of Theta. Upon completion of the Proposed Acquisition of Theta, our Group can leverage on their expertise to expand our Group's businesses to include IT Solutions Business.

Our Board is of the view that the Proposed Acquisition of Theta will diversify the source of income of our Group as Theta Group has reputable clientele which includes major financial institutions across the United Kingdom, India, the Philippines, Singapore, Hong Kong, Malaysia, Taiwan, Canada, Indonesia and the United States of America. This geographically diversified revenue stream reduces our Group's reliance on any single market and enhances our financial stability.

The Proposed Acquisitions shall be satisfied entirely in cash and thus, they will not result in the emergence of any new shareholder in our Company and there will be no changes to the shareholding structure of our Company. Furthermore, the Proposed Acquisitions will not result in a change in our Board as no new director will be appointed to our Board as a result of the Proposed Acquisitions.

In view of the above, our Board believes that the Proposed Acquisitions are in the best interest of our Company as they provide avenue for our Group to pursue value-accretive acquisitions and align with our Group's long-term growth plan to strengthen our foothold in digital advertising spaces and digital economy in Malaysia and the Southeast Asia region.

(Source: Our Management)

5.2 Proposed Rights Issue of Shares with Warrants

After due consideration of various fund-raising options, our Board is of the view that the Proposed Rights Issue of Shares with Warrants is an appropriate avenue to raise funds for our Company at this juncture for purposes as set out in **Section 4.8** of this Circular based on the following key considerations:

- (i) it allows our Company to raise funds without incurring interest costs associated with bank borrowings or issuance of debt instruments that will result in cash outflow arising from interest servicing costs. Moreover, our Group will be able to preserve our existing cash and bank balances, which otherwise would be used to pay the interest costs, for our Group's daily operations;
- (ii) it provides an opportunity for our Entitled Shareholders to participate in the equity offering of our Company on a pro-rata basis, assuming all Entitled Shareholders fully subscribe for their respective entitlements under the Proposed Rights Issue of Shares with Warrants and exercise the Warrants into new Shares;
- (iii) it strengthens the financial position of our Group and capital base of our Company, reduces the gearing level and increasing the NA of our Group (as illustrated in **Section 8.4** of this Circular), thereby providing greater financial flexibility to our Group;
- (iv) it allows our Company to raise funds to partially settle various value-accretive acquisitions and for working capital requirements of our Group, which are expected to diversify our Group's revenue streams and business risks, improve the financial performance of our Group, contribute to the future growth of our Group and enhance our shareholders' value in the long run; and

- (v) it allows our Company to raise additional funds as and when the Warrants are exercised into new Shares over the tenure of the Warrants for our Group's working capital requirements. In addition, the exercise of the Warrants will also increase our shareholders' funds, thereby strengthening the financial position of our Company over time.

6. INDUSTRY OUTLOOK AND PROSPECTS OF OUR GROUP

6.1 Overview and outlook of the Malaysian economy

For the year as a whole, the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), due to continued expansion in domestic demand and a rebound in exports. On the domestic front, growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. This provided support to the current account, leading to a continued surplus of 1.7% of gross domestic product in 2024 (1.5% in 2023) (*Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, BNM*)

The Malaysian economy expanded by 4.4% in the second quarter of 2025 (1Q 2025: 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower commodities-related exports. This was partially offset by continued electrical and electronics exports and robust tourism activity. At the same time, import growth was higher, driven by strong demand for capital goods, reflecting higher investment activities. On the supply side, growth was driven by the services and manufacturing sectors. The services sector was supported by consumer-related and Government services. Steady growth in domestic-oriented clusters underpinned the performance in the manufacturing sector. Overall growth was weighed down by a contraction in the mining sector amid lower commodities production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%). (*Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2025, BNM*)

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronic goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is Government-Linked Enterprises Activation and Reform Program, will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. (*Source: Budget 2025 – Economic Outlook, MOF*)

6.2 Overview and outlook of the digital advertising industry in Malaysia

Digital advertising expenditure in Malaysia grew from RM0.94 billion in 2019 to RM1.42 billion in 2024 at a CAGR of 8.6%. In 2025, the IMR expects the digital advertising market in Malaysia to experience a year-on-year growth rate of 8.5%.

Over the longer term, the IMR projects digital advertising expenditure in Malaysia to rise from RM1.42 billion in 2024 to RM1.83 billion in 2027 at a CAGR of 8.8% supported by the convergence of mobile and digital devices in consumer lifestyles, the rise of social media, strong connectivity services and improving internet infrastructure as well as stimulus packages announced by the Government which would contribute to the recovery in consumer sentiment and spending.

Mobile and digital devices play an important role in consumer lifestyles today, among both the urban and rural population. Consumers use and interact with their devices on a daily basis for communication, entertainment as well as for business use. Mobile and digital devices have altered the landscape, changing the way Malaysians communicate, obtain news and shop. Although personal computers are frequently used to shop online, smartphones are fast becoming the device of choice for Malaysians to remain connected.

The demand drivers supporting the further growth of digital advertising expenditure in Malaysia include:

(i) Convergence of mobile and digital devices in consumer lifestyles create digital and social media advertising opportunities for brand owners and advertisers

According to latest available statistics from the International Telecommunication Union (ITU), the percentage of households in Malaysia with a computer increased from 31.3% in 2005 to 91.6% in 2023. The percentage of households in Malaysia with access to the internet increased from 15.2% in 2005 to 96.8% in 2024.

In Malaysia, smartphone penetration has increased from 51.0% in 2014 to 99.3% in 2024. Mobile devices, and particularly smartphones, are becoming part of the lifestyle for Malaysians who use it for communication, and as a platform for obtaining information, socialising, entertainment, shopping and performing banking activities.

(ii) Rise of social media has led to new digital advertising opportunities

According to We Are Social in their latest Digital 2025 report, Malaysia had 25.1 million active social media users in February 2025 who spend an average of 2 hours and 46 minutes on social media consumption daily. Social media penetration in Malaysia stood at 95.5% in February 2025.

Social media provides brands with an intimate platform to connect with customers and shape their perceptions, whether through timely and targeted promotions, responsive customer service or the creation of communities of interest.

(iii) Strong connectivity services support the growth of digital and social media advertising

Connectivity services is a driver for digital advertising expenditure growth. Total broadband subscriptions in Malaysia grew from 43.4 million in 2019 to reach 49.6 million in 2024 at a CAGR of 2.7%. Malaysia's broadband market is predominantly mobile based with subscriptions, totalling 44.8 million and penetration rate of 131.1% in 2024, supported by 4G and 5G LTE population coverage. Wider coverage along with more affordable mobile data packages have increased usage of data-intensive content to suit digital lifestyle of Malaysians.

(iv) Improving internet infrastructure increases the adoption of mobile and digital devices, thereby creating digital and social media advertising opportunities for brand owners and advertisers

Malaysia launched the JENDELA digital infrastructure plan in 2020 to provide wider coverage and better quality of broadband experience through various initiatives, especially in the rural, remote as well as urban poor areas.

JENDELA was implemented in phases with Phase 1 from 2020 to 2022 and Phase 2 targeted from 2023 to 2025. Phase 1 focused on maximising the use of existing resources and infrastructure to achieve 7.5 million premises passed with fibre connectivity, 96.9% 4G coverage at populated areas and 35 Mbps average mobile broadband speed by 2022.

JENDELA Phase 2 aspires to continue benefitting all Malaysians by achieving the targets under the 12th Malaysia Plan (RMK-12) which are 9.0 million premises passed with fibre connectivity, 100% internet coverage in populated areas and 100 Mbps average mobile broadband speed. According to Communications Minister Datuk Fahmi Fadzil, JENDELA Phase 2 is expected to commence in September 2025 involving nearly 3,000 sites nationwide.

JENDELA Phase 1 focused on the development of digital infrastructure to increase access with fibre optic and to enhance 4G coverage and quality of experience nationwide. JENDELA Phase 1 succeeded in expanding the coverage and improving the quality of experience through:

- (a) an additional 2,780,580 premises nationwide have access to fibre optic;
- (b) a total of 37,977 existing base stations have been upgraded to improve the speed and quality of 4G services;
- (c) a total of 1,778 new 4G towers have been built to enhance 4G coverage in populated areas; and
- (d) a total of 839 locations have access to wireless broadband via satellite to provide internet coverage in rural areas.

In 2023, 389 new communications towers were deployed to provide public cellular services and broadband access services in rural and suburban areas nationwide. From the 389 new communications towers that were deployed in 2023, 98 towers were deployed in Sarawak, 80 in Sabah, while the remaining 211 towers were deployed in Peninsular Malaysia.

The fiberisation of towers is one of the key initiatives identified under the JENDELA, with the aim of connecting or upgrading the existing base stations' backhaul with fibre optic cables to increase network capacity and reliability, and resulting in better quality of services to end users. This would also enable these communications towers to be used for the delivery of 5G services in the future. In 2023, 88 towers were fiberised comprising 3 in Sabah, 9 in Sarawak and the remaining 76 in Peninsular Malaysia.

The implementation of 5G is also part of the main projects under JENDELA in line with the goals for the Malaysian Digital Economy Blueprint to drive digitalisation across the country. DNB, a wholly owned subsidiary of the Ministry of Finance, was mandated to implement 5G infrastructure and networks nationwide. DNB will provide 5G services wholesale to service providers at a transparent and competitive rate.

The 5G rollout which was initially scheduled to commence under JENDELA Phase 2, had been accelerated to commence in the last quarter of 2021. As at the end of 2024, 82.4% of Malaysia had 5G mobile broadband coverage.

(v) Efforts by the Government to improve consumer wellbeing and raise the standards of living are anticipated to support the digital and social media advertising industry

Improvements in the level of consumer wellbeing promote consumer confidence and spending. The population that benefits from the financial support under Budget 2025 has greater disposable income for discretionary and non-discretionary products and services, thereby supporting consumer confidence and spending. This can create a corresponding effect where brands and businesses are likely to invest in advertising to create awareness and promote their products and services to these consumers. Brands and businesses are more likely to increase spending on advertising, including digital advertising, to attract consumers when there is positive consumer sentiment.

Further, incentives and financial support by the Government under Budget 2025 support the operations and cash flows of businesses and brands, thereby enabling them to invest in advertising to promote their products and services.

The Government has announced several initiatives under Budget 2025 to drive reforms, reinvigorate the economy and prosper Malaysians, and this includes several measures that support boosting the cash flows of businesses as well as spending power of the population. These initiatives will collectively boost consumer sentiment and promote spending in line with the growth of Malaysia's economy and encourage brands and businesses to invest in advertising to increase awareness and promote sales while consumer sentiment is positive. Among others, these initiatives include:

- (a) Overall, RM40.0 billion is provided as loan facilities and business financing guarantees under Government agencies:
- (i) Micro-sized loans amounting to RM3.2 billion are available, including through Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN) Nasional and Bank Simpanan Nasional, to assist small traders, including the special needs community, the Chinese community, and the Bumiputera;
 - (ii) Bank Pembangunan Malaysia Berhad provides RM6.4 billion in financing funds, among others, to support the financing of infrastructure development, digitalisation, tourism, logistics, transportation, renewable energy, and the energy transition;
 - (iii) The Government, through Syarikat Jaminan Pembiayaan Perniagaan Berhad, will continue to guarantee small and medium enterprise (“SME”) financing up to RM20.0 billion, including a special RM5.0 billion guarantee for Bumiputera SMEs;
 - (iv) An RM3.8 billion SME loan fund is provided by BNM to support entrepreneurs transitioning to digitalisation and automation, in addition to continuing to assist the agri-food sector and sustainable practices;
 - (v) RM650.0 million will also be allocated to support women and youth in venturing into entrepreneurship; and
 - (vi) To preserve the human capital, social, and welfare aspects of the Indian community, RM130.0 million is specifically allocated to implement various programmes, including business financing for the Indian community;
- (b) In 2025, RM800.0 million in financing under MARA and Perbadanan Usahawan Nasional Berhad will be made available for more Bumiputera entrepreneurs, including to support local artisans;
- (c) The Government has agreed to raise the minimum wage from RM1,500 currently to RM1,700 per month, effective 1 February 2025;
- (d) The Government has also decided that the enforcement of a minimum wage of RM1,700 per month for employers with fewer than five workers will have a grace period of six months, effective 1 August 2025;
- (e) Additionally, the Progressive Wage Policy is an effort by the MADANI Government to reform the labour market with the aim of increasing workers' income. This policy was piloted in June 2024 and will be fully enforced in 2025. The Progressive Wage Policy, with an allocation of RM200.0 million, will benefit 50,000 workers;
- (f) DNB has been taken over by private entities after the nation’s 5G coverage has exceeded 80% of populated areas. Moving forward, the Government will announce a second 5G network in an effort to enhance the competitiveness of the ICT sector, and continue to promote the use of 5G especially in driving 5G use cases by industries ahead of Malaysia’s Chairmanship of ASEAN in 2025.
- Subsequently on 1 November 2024, the Malaysian Communications and Multimedia Commission announced that U Mobile Sdn Bhd had been selected to implement the second 5G network in Malaysia; and
- (g) With a total fund of more than RM300.0 million, the Malaysian Communications and Multimedia Commission has agreed to enhance Internet coverage at public universities, schools, Armed Forces Camps and MARA institutes.

(Source: IMR Report)

6.3 Overview and outlook of global enterprise IT solutions market

The global enterprise IT solutions market grew from RM0.92 trillion in 2019 to RM1.42 trillion in 2024 at a CAGR of 9.1%. In 2025, the IMR expects the global enterprise IT solutions market to experience a year-on-year growth rate of 6.8%. Over the longer term, Providence projects the global enterprise IT solutions market to further increase from RM1.42 trillion in 2024 to RM1.79 trillion in 2027 at a CAGR of 8.0% supported by rapid pace of technological evolution, rise of cloud computing, evolving supply chains and technology adoption.

The demand drivers supporting the further growth of the global enterprise IT solutions market include:

(i) Rapid pace of technological evolution creates demand for robust enterprise IT solutions to support organisations in adapting to technological changes

In the last decade, technology has been reshaping banking and financial services, health and life sciences, material sciences, energy, transportation, public services and a wide range of other industries and domains.

During the COVID-19 pandemic, technology further lowered barriers to digital disruption, paving the way for more rapid, technology-driven changes driven by the combination of artificial intelligence, 5G, quantum computing, big data, IoT and blockchain. To stay competitive, governments and corporations are utilising these technologies as part of their business operations in the wake of globalisation and to improve efficiency. The use of these technologies has also led to increasing amount of data due to digitalisation.

The COVID-19 pandemic has also forced organisations to adapt to remote working arrangements as countries around the world had to impose lockdowns to curb the spread of this disease. Realising the need for the flexibility of allowing their employees to work from home, organisations have harnessed the use of technology such as file sharing, messaging platforms, project management and video conferencing. The increased popularity of electronic commerce platforms during this time has also encouraged organisations to take their business online as an additional revenue channel.

The technological changes that organisations face are significant and rapidly taking place, almost simultaneously. Many organisations are evaluating their technology needs in order to identify and adopt the relevant technologies and systems that will allow them to remain competitive.

(ii) The rise of cloud computing creates demand for supporting enterprise IT solutions

Cloud computing is used to drive the automation of different work streams. It involves significant amount of data traffic and the establishment and operation of data centres requires the deployment of enterprise IT solutions comprising hardware, software and IT related services.

In order to customise the cloud computing products to the business needs and operating requirements of the organisations, enterprise IT solutions facilitate efficient data transition and interactions across various platforms. Further, IoT creates value by facilitating the joint functioning of various devices or platforms, which involves a significant amount of private user information and it is important to create a sophisticated information security mechanism to protect such information from inappropriate and/or unauthorised use. The development of such security management system requires the deployment of enterprise IT solutions. By leveraging cloud computing and IoT techniques, there are opportunities for enterprise IT solution providers to provide more extensive client support and provide more tailored supply chain management solutions for the clients.

It is expected that it will be a future trend for the companies to lease IT software or systems with the aid of the cloud technology from enterprise IT solution providers for the use in their business operations and pay service fees on a periodic basis instead of developing their own IT software or systems by making a substantial investment upfront. The shift from capital expenditure to operational expenditure model in respect of IT investments provides a number of advantages to organisations:

- (a) alleviating the need to incur a large amount of investment costs at one time;

- (b) provides flexibility for clients to procure the rental services on an as-needed basis and to switch to other systems in light of any change in their business operations or advancement in technology; and
- (c) savings on maintenance costs, staff costs and other administrative expenses in relation to the operation of the IT systems.

These advantages which arise from the shift to operational expenditure model encourage organisations to upgrade their IT software or systems, which presents growth opportunities for the enterprise IT solutions market. At the same time, the operational expenditure model provides a relatively more stable and sustainable source of income to IT solutions providers as they would be engaged in provision of ongoing services to their clients rather than a one-off project of non-recurring nature.

(iii) Evolving supply chains create demand for enterprise IT solutions

Due to the COVID-19 pandemic, governments worldwide have imposed tight movement restrictions, causing business disruptions at a near-unprecedented scale. As such, leveraging technology to develop better business practices and approaches has never been more urgent. Organisations are undertaking research and development and innovation activities, including adopting automation and smart manufacturing technology to increase productivity and competitiveness.

The supply chain disruption that occurred amid the COVID-19 pandemic affected multiple industries from automotive production to consumer appliances and medical devices, and even toys. With critical chips and components in short supply throughout 2020 and 2021, many organisations experienced significant shipment and order delays.

Amid such a dynamic and fluid environment, organisations are beginning to prepare for the next wave of unknowns as part of risk management, taking into consideration supply chain disruptions, systemic risks, and other uncertainties, including natural disasters and geopolitical instabilities that could create impacts of even greater magnitude.

To effectively deal with future and potentially greater supply chain challenges, organisations are building their supply networks with the ability to offer granular visibility across all tiers and levels. Incorporating advanced technologies such as 5G, robotic automation, blockchain, and artificial intelligence can provide sales, distribution, and channel executives with near-real-time insight, and better visibility into diverse areas across their supply chain, logistics, and channel operations.

As part of digitising their supply networks, organisations have an opportunity to revamp traditional organisational silos in order to better connect research and development, sales and marketing, indirect channels, suppliers, internal operations and other facilities.

The adoption of connectivity, automation, and digitalisation, as the industry transitions from being labour-intensive, will increase efficiency and productivity, enabling organisations to be more competitive and agile in transforming their manufacturing landscape. Revamping supply chain operations to make them more agile and flexible will require the adoption of enterprise IT solutions.

(iv) Demand arising from the use of technologies which require enterprise IT solutions

Organisations rely on the use of various technologies to improve their operations, processes and productivity. In particular, technologies to facilitate data analytics, data processing and data exchange require appropriate enterprise IT solutions to run effectively and securely.

An increasing number of industries are incorporating different levels of IT solutions and technologies into their own daily business operations in order to enhance business development. For instance, with the rising popularity of e-trading and mobile-trading platforms for retail businesses, an increasing number of traditional retail stores and companies have started to engage in e-trading and mobile-trading businesses by building their own-trading platforms and transaction systems.

Big data management involves the process of collecting, organising and analysing large sets of data for analytical purposes, becomes more popular. An increasing number of business establishments, especially from the retail, financial, and logistics industries, are adopting big data management in order to gain insights from data, and improve productivity and profitability. It is expected that the increasing popularity of big data management will bring more business opportunities to the enterprise IT solutions industry in Malaysia, especially those providing services in data migration and consolidation.

Virtualisation facilitates the connectivity of people to computing systems and resources, leading to a number of benefits such as raising labour productivity, improving production efficiency and data security. Virtualisation will become an essential strategy for boosting IT efficiency, and will lead to greater adoption of such technology by both the private and public sectors, thereby increasing the demand for enterprise IT solutions.

Further, there is increasing popularity of cloud-based services such as Dropbox, Google Drive, Slack and Office 365, as well as video conferencing applications such as Zoom and Microsoft Teams. These applications have experienced high usage particularly during the COVID-19 pandemic whereby national lockdowns were imposed in many countries, forcing employees to work from home. The proliferation of wireless technologies such as IoT, WiFi and Bluetooth also require supporting enterprise IT solutions. As the adoption of these technologies increase, the demand for enterprise IT solutions is expected to rise correspondingly.

(Source: IMR Report)

6.4 Prospects and future plans of our Group

iMedia Group is a one-stop omnichannel media and advertising solutions provider, which offers a spectrum of media advertising solutions, comprising digital media advertising, performance marketing, social influencer marketing, OOH advertising solution and event marketing. Through its subsidiaries, iMedia Group owns several websites such as www.ohmedia.my, www.goody25.com, www.beautifulnara.com, www.kimchidaily.my, www.moretify.com and <https://www.thereporter.my/> that primarily focus on providing advertising solutions, cross-platform services and integrating information of its editorial website as well as www.ittify.com which provides social influencer marketing solutions. Further to the completion of the acquisition of 30% equity interest in Headline Media Sdn Bhd, iMedia Group expanded into publishing of digital content, in particular relating exclusively to WeirdKaya (including WeirdKaya BM), LokLokWords, LokLokTalk, EzLokal and OnlyFoodKL and/or OnlyFood. On 18 January 2024, iMedia launched its first digital OOH billboard near Jalan Tun Razak, marking its formal foray into the industry. In addition, iMedia has started cross-selling event marketing to its client as an integrated online-to-offline omnichannel advertising solution.

By leveraging on the social media and content websites, our Group captures a wide and diverse target audience for its digital advertising engagements. The platforms encompass Malay, English and Chinese language portals that feature latest news, entertainment, trending lifestyle, fashion, art, travel and food. Apart from their content websites, our Group also resells advertising space from other leading news sites, and digital media assets and OOH billboards, such as Keluar Sekejap, Newsway, Oriental Daily and Malaysia Gazette to complement their own social media and content websites to provide a comprehensive online media advertising solutions to their customers. For FYE 31 December 2024, the online media segment (i.e., advertising through digital marketing) was the sole revenue contributor to our Group. As online video and content monetisation will continue to be the key focus in driving revenue alongside with the influencer marketing platform, digital OOH advertisement and event marketing in the coming years, our Company hopes to be the market leaders in all these segments through its strategic partnerships and acquisitions.

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Besides expanding our core business and the Proposed Acquisitions, our Group is also strategically pursuing various value-accretive acquisitions to enhance our financial performance, as follows:

- on 22 January 2025, Catcha Nexible completed the Acquisition of Nexible. Nexible is principally engaged in the provision of business-to-business software product to its customer. Nexible's flagship product, OutPerform, is an artificial intelligence-powered sales automation software for its clients to manage new sales leads and customer relationships. The Acquisition of Nexible is in line with our Group's vision to expand beyond the digital media industry and represents our Group's first foray into the global enterprise IT solutions industry by leveraging on the positive outlook of the global enterprise IT solutions market as set out in **Section 6.3** of this Circular.

Following the completion of the Acquisition of Nexible, our Group has been working closely with the management team of Nexible to ensure the execution of its business plan to meet the financial targets and to adopt good corporate governance practices. While Nexible has achieved success in the real estate industry through its product offerings, we plan to support Nexible's expansion into other industries such as the automotive, banking and education industries by leveraging our Group's network of clients and business relationships. We do not anticipate any additional funding to realise these synergies, as the internally generated funds of Nexible is sufficient to support our business plans moving forward;

- on 17 March 2025, iMedia and the DS Services Vendors entered into the DS Services SSA for the Proposed Acquisition of DS Services. DS Services Group is principally involved in the provision of digital media advertising solutions to clientele from the property development, automotive and education industries. DS Services Group offers data driven performance marketing solutions integrated with automation and machine learning capabilities to create better and impactful advertising solutions to its clients.

Upon completion of the Proposed Acquisition of DS Services, our Group will be able to offer DS Services Group's data driven performance marketing solutions to our Group's clientele, broadening our Group's service offerings and strengthening our ability to capture a larger share of advertising budgets from our clientele.

On 15 July 2025, our Company announced that iMedia and the DS Services Vendors had, vide a letter of variation dated 15 July 2025, mutually agree to extend the conditional period to a period not later than 14 November 2025 to fulfil the conditions precedent, in view of the additional time required to fulfil the conditions precedent in accordance with the DS Services SSA.

On 26 August 2025, our Company announced that our Board has resolved to renegotiate the terms of the DS Services SSA with the DS Services Vendors. This action is in response to the broader shifts in the economic environment, market condition and industry dynamics pertaining to the business operations of DS Services Group following the execution of a letter of intent since 28 November 2023. In this regard, the Proposed Acquisition of DS Services will not be tabled for our shareholders' approval at the forthcoming EGM of our Company. We will make the necessary announcement(s) on the status of the Proposed Acquisition of DS Services upon, amongst others, finalisation of the revised terms for the Proposed Acquisition of DS Services with the DS Services Vendors, where applicable.

The Proposed Acquisition of DS Services is not inter-conditional with any other corporate proposals undertaken or to be undertaken by our Company;

- on 18 June 2025, iMedia completed the Acquisition of Tastefully. Tastefully is principally engaged in the planning, coordination and management of exhibitions, expos and events focusing on showcasing food-related products and services tailored for the business-to-consumer and business-to-business markets. The Acquisition of Tastefully aligns with our Group's long-term objective of expanding our client base within the existing digital media and advertising sector by providing omnichannel online-to-offline advertising solutions to our clients. Upon completion of the Acquisition of Tastefully, our Group will be able to offer a wider range of bundled advertising packages to brand owners and advertising agencies, combining event sponsorship via Tastefully and incorporating products and services from both our Group and Tastefully.

Following the completion of the Acquisition of Tastefully, our Group has been working closely with the existing management team of Tastefully to devise integration strategies to enable an effective cross-selling to our customers post-acquisition. We anticipate the synergy of the two businesses to contribute positively to our Group within 12 months post-acquisition and we do not anticipate any additional funding to realise these synergies, as the internally generated funds of Tastefully is sufficient to support our business plans moving forward;

- on 7 May 2025, iMedia completed the Acquisition of D2D. D2D Group is principally involved in digital publication for the automotive industry, providing content marketing and influencer solutions that specifically target the Chinese and Malay audiences via its various automotive websites. The Acquisition of D2D will expand our Group's digital media business into the automotive sector, allowing for cross-selling opportunities between our Group's existing digital media business with that of D2D Group.

Our Group has been working closely with the existing management team of D2D Group to devise integration strategies to enable an effective cross-selling to our customers post-acquisition. We anticipate the synergy of the two businesses to contribute positively to our Group within 12 months post-acquisition and we do not anticipate any additional funding to realise these synergies, as the internally generated funds of D2D Group is sufficient to support our business plans moving forward; and

- on 14 August 2025, our Company announced the Proposed Acquisition of One International. One International Group is principally involved in organising and managing intellectual property based trade exhibitions, mainly focused on connecting trade buyers and exhibitors in the agriculture and construction sectors. The Proposed Acquisition of One International is not a related party transaction and is not subject to our shareholders' approval as the highest percentage ratio applicable is approximately 23.46%, computed based on the potential maximum purchase consideration of approximately RM13.26 million over the audited consolidated NA of our Group of approximately RM56.53 million for FYE 31 December 2024.

The Proposed Acquisition of One International is expected to be completed by end of August 2025, after which One International Group can leverage on our Group's digital media advertising solutions to promote exhibitions to be organised by One International Group and improving long-term retention of exhibitors. Our Board also expects cost synergies between One International Group and Tastefully via operational efficiencies through transfer of industry know-how and bulk procurement.

Our Group has started working closely with the existing management team of One International Group to devise integration strategies to enable an effective cross-selling to our customers and cost-synergies post-acquisition. We anticipate the synergy of the two businesses to contribute positively to our Group within 12 months post-acquisition and we do not anticipate any additional funding to realise these synergies, as the internally generated funds of One International Group is sufficient to support its business plans moving forward. As at the date of this Circular, the Proposed Acquisition of One International has not been completed as it is pending the fulfilment of the conditions precedent under the conditional share sale agreement.

For further information on the Proposed Acquisition of One International, refer to our Company's announcements dated 14 August 2025 and 18 August 2025.

Upon completion of the Proposed Acquisitions, our future plans for FMS Group and Theta Group will be supported without the need for additional financial resources from our Group, as the internally generated funds of these entities are sufficient to sustain and support their respective business plans moving forward. These business plans include, amongst others, the following:

- expanding Theta Group's product offerings beyond traditional banks to include non-bank financial institutions globally, aiming to diversify revenue streams and support long-term sustainable growth of our Group;
- expanding cross-selling opportunities with FMS Group to increase revenue through synergies with our Group and to strengthen our overall market position. The initial focus will be on integrating the customer base of FMS Group with our Group by introducing bundled offerings to our existing pool of customers; and

- streamlining shared services (e.g., human resources, finance and administrative functions) to achieve streamlined reporting and drive operational efficiency. The initial focus will be on streamlining the financial budgeting and reporting as well as ensuring adherence to the applicable accounting standards of our Group.

Further, we had obtained approval from our shareholders at our EGM held on 27 March 2025 for our Group to diversify our Group's businesses to include the IT Solutions Business ("**Diversification**"). The Diversification is a strategic initiative by our Group to enter the global enterprise IT solutions industry via the Acquisition of Nexible and Proposed Acquisition of Theta and reinforces our Group's commitment to expand our digital footprint beyond media into a broader spectrum of technology services.

The Proposed Acquisitions and various value-accretive acquisitions as set out above are expected to position our Group as a strong player in the digital advertising space and the digital economy and thereby, strengthens our Group's ability to capture a larger share of advertising budgets from agencies and brand owners. The promising outlook of digital advertising industry in Malaysia and the global enterprise IT solutions market as set out in **Sections 6.2** and **6.3** of this Circular shall augur well for our Group's abovementioned expansion plans.

(Source: Our Management)

7. RISKS FACTORS IN RELATION TO PROPOSED ACQUISITIONS

The Proposed Acquisitions are not expected to materially change the risk profile of our Group's businesses as we are already operating in the digital media and advertising industry via iMedia Group and the IT Solutions Business via Nexible. However, there may be additional risks associated with the Proposed Acquisitions, which are not exhaustive, as set out below:

7.1 Acquisition risk

The Proposed Acquisitions, upon completion, are expected to contribute positively to the future earnings of our Group due to the potential additional earnings contribution from FMS Group and Theta Group. However, there is no assurance that FMS Group and Theta Group will continue to record profits in the future and/or the expected benefits arising from the Proposed Acquisitions will be realised in the future.

To mitigate such risk, iMedia and Catcha Theta (being the purchasers) and respective FMS Vendors and the Theta Vendors have agreed to the expected PAT or PATAMI to be achieved by FMS Group and Theta Group as set out in **Sections 2.5** and **3.5** of this Circular, alongside the potential adjustments to the respective purchase consideration (as set out in **Sections 2.6** and **3.6** of this Circular) based on the achievement of the expected PAT or PATAMI of FMS Group and Theta Group, respectively.

7.2 Non-completion risk

There is a possibility that each of the Proposed Acquisitions may not be completed due to non-fulfilment of the conditions precedent as set out in the respective FMS SSA and Theta SSA within the timeframe prescribed in the respective SSAs for the Proposed Acquisitions. If the conditions precedent are not fulfilled or waived, as the case may be, the Proposed Acquisitions may not be completed, which may result in the failure of our Group to achieve the intended objectives and benefits of the Proposed Acquisitions.

Notwithstanding the above, iMedia, Catcha Theta and our Company will take reasonable steps to ensure that the conditions precedent as set out in the respective SSAs for the Proposed Acquisitions are met within the stipulated timeframe and that every effort is made to obtain all the necessary approvals for the Proposed Acquisitions as set out in **Section 10** of this Circular as well as mitigate the occurrence of any of the termination events that are within our Group's control to facilitate the completion of the Proposed Acquisitions.

7.3 Dependency on key management and technical personnel

The continued success and sustainability of FMS Group and Theta Group are highly dependent on the abilities, knowledge, skills and experience of respective existing key management and technical personnel. In this regard, the loss of any key management and technical personnel without suitable and timely replacement, or the inability of FMS Group and Theta Group to attract, recruit, motivate and retain such skilled and experienced personnel, could adversely affect the overall business, operations and financial performance of FMS Group and Theta Group, respectively.

Recognising the importance of such key management and technical personnel, FMS and Theta will enter into new employment or service contracts with such key management and technical personnel, as set out in **Sections 2.3** and **3.3** of this Circular. Further, our Group will continuously offer competitive and performance-based remuneration packages to retain talent within FMS Group and Theta Group, work closely with the operational team of FMS Group and Theta Group to familiarise with their operational process as well as leveraging on the existing management team of our Group to operate the business together with the existing management team of FMS Group and Theta Group. These efforts are further bolstered by the FMS SHA and Theta SHA, which regulate the rights, obligations and liabilities of the shareholders of FMS and Theta upon completion of each of the Proposed Acquisitions. These SHAs ensure structured oversight and continuity in leadership and operations within FMS Group and Theta Group.

7.4 Political, economic and regulatory factors

Any adverse developments in the political, economic and regulatory conditions in countries in which FMS Group and Theta Group operate, could materially and adversely affect the business and financial performance of such companies. Political and economic uncertainties include changes in political leadership and/or changes in the government's policies, banking regulations, licensing regulations and economic downturn. These factors affect all the players in the market in which FMS Group and Theta Group operate and are beyond our Management's control.

In mitigating such risk, our Group will implement effective measures, including efficient operating procedures such as cost control strategies, contingency planning to address political or regulatory changes and ensuring compliance with regulatory requirements, where required. However, there can be no assurance that adverse economic, political and regulatory changes will not materially affect the business, operations and financial performances of FMS Group and Theta Group in the future.

8. EFFECTS OF THE PROPOSALS

8.1 Share capital

(i) Proposed Acquisitions

The Proposed Acquisitions will not have any effect on the share capital of our Company, as they will be satisfied entirely in cash and do not involve the issuance of new Shares to the respective vendors.

(ii) Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement

The pro forma effects of the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement on the share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at LPD	360,482,178	62,046,872	360,482,178	62,046,872
Issuance of Rights Shares	46,056,000	10,734,000 ⁽¹⁾	90,120,544	21,750,136 ⁽¹⁾
Issuance of Placement Shares	406,538,178	72,780,872	450,602,722	83,797,008
	36,048,200	9,012,050 ⁽²⁾	36,048,200	9,012,050 ⁽²⁾
Assuming exercise of Warrants	442,586,378	81,792,922	486,650,922	92,809,058
	92,112,000	32,239,200 ⁽³⁾	180,241,088	63,084,381 ⁽³⁾
Enlarged issued share capital (up to)	534,698,378	114,032,122	666,892,010	155,893,439

Notes:

- (1) Computed based on the indicative Issue Price-Rights Share of RM0.25 each and after deducting the estimated expenses for the Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement of RM0.78 million.
- (2) Computed based on the indicative issue price of RM0.25 per Placement Share.
- (3) Computed based on the indicative Exercise Price of RM0.35 each.

The Proposed Rights Issue of Shares with Warrants will not result in non-compliance with Rule 6.51 of the Listing Requirements, under both the Minimum Scenario and Maximum Scenario as illustrated below:

		Minimum Scenario	Maximum Scenario
		No. of Shares	No. of Shares
Number of Shares in issue after the issuance of Rights Shares	[A]	406,538,178	450,602,722
Number of Shares to be issued assuming full exercise of Warrants	[B]	92,112,000	180,241,088
	[B] / [A]	22.66%	40.00%

8.2 Earnings and EPS

(i) Proposed Acquisitions

For illustration purposes only, the pro forma effects of the Proposed Acquisitions on our Group's earnings and EPS based on the latest audited financial statements of our Group for FYE 31 December 2024 and assuming that the Proposed Acquisitions had been completed at the beginning of FYE 31 December 2024, are as follows:

	Audited for FYE 31 December 2024 (RM)	After the Proposed Acquisitions (RM)
PAT attributable to owners of our Company	5,196,682	5,196,682
(+) PAT for FMS	-	4,204,752 ⁽¹⁾
(+) PAT for FMD	-	35,519 ⁽²⁾
(+) PAT for Theta Group	-	4,008,374 ⁽³⁾
(-) estimated expenses for the Proposed Acquisitions	-	-(4)
Pro forma PAT of our enlarged Group	5,196,682	13,445,327
No. of Shares in issue	352,085,278	352,085,278
EPS (sen)	1.48	3.82

Notes:

- (1) Based on the PAT of FMS of approximately RM7.01 million for FYE 31 December 2023 and after taking into consideration the 60% equity interest to be acquired and held by our Group upon completion of the Proposed Acquisition of FMS.
- (2) Based on the PAT of FMD of approximately RM0.12 million for FYE 31 December 2023 and after taking into consideration the 49% effective equity interest to be held by our Group.
- (3) Based on the audited PAT attributable to the owner of Theta for FYE 31 December 2024 of approximately RM4.33 million and after taking into consideration the 92.5% equity interest to be acquired and held by our Group upon completion of the Proposed Acquisition of Theta.
- (4) The estimated expenses for the Proposed Acquisitions will be borne by each of the vendors for the Proposed Acquisitions pursuant to the terms of the respective SSAs as set out in Sections 2.6 and 3.6 of this Circular.

Upon completion of the Proposed Acquisitions, we will be able to consolidate the earnings of FMS Group and Theta Group. Hence, the impact on the consolidated EPS of our Group will depend upon, among others, the financial performance and contribution of FMS Group and Theta Group. Barring any unforeseen circumstances and assuming FMS Group and Theta Group are able to achieve the expected PAT or expected PATAMI (as set out in **Sections 2.5** and **3.5** of this Circular), the Proposed Acquisitions are expected to contribute positively to the future earnings and EPS of our Group.

(ii) Proposed Rights Issue of Shares with Warrants

The Proposed Rights Issue of Shares with Warrants is not expected to have an immediate effect on the earnings and EPS of our Group for FYE 31 December 2025 as the proceeds from the Proposed Rights Issue of Shares with Warrants is only expected to be utilised within 36 months from the date of completion of the Proposed Rights Issue of Shares with Warrants. Nevertheless, the Proposed Rights Issue of Shares with Warrants is expected to contribute positively to the future earnings and EPS of our Group as and when the benefits of the utilisation of proceeds are realised.

The EPS of our Group shall be correspondingly diluted as a result of the increase in the number of Shares in issue arising from the issuance of Rights Shares and new Shares pursuant to the exercise of the Warrants in the future. However, such dilutive impact maybe mitigated with the returns to be generated by our Group from the utilisation of proceeds from the Proposed Rights Issue of Shares with Warrants and the exercise of the Warrants.

8.3 Convertible securities

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

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8.4 NA and gearing

The pro forma effects of the Proposals and the Proposed 10% Private Placement on the NA and gearing of our Group, based on the audited financial statements of our Group for FYE 31 December 2024 are as follows:

Minimum Scenario

	(Audited) As at 31 December 2024 (RM)	(I) After subsequent events up to the LPD ⁽¹⁾ (RM)	(II) After (I) and the Proposed Rights Issue of Shares with Warrants (RM)	(III) After (II) and the Proposed 10% Private Placement (RM)	(IV) After (III) and the Proposed Acquisition of FMS (RM)	(V) After (IV) and the Proposed Acquisition of Theta (RM)	(VI) After (V) and the Proposed Acquisition of One International* (RM)	(VII) After (VI) and the Proposed Acquisition of DS Services* (RM)	(VIII) After (VII) and assuming full exercise of Warrants (RM)
Share capital	59,044,367	62,046,872	72,780,872 ⁽²⁾⁽³⁾	81,792,922 ⁽⁶⁾	81,792,922	81,792,922	81,792,922	81,792,922	114,032,122 ⁽¹¹⁾
Merger reserve	775,174	775,174	775,174	775,174	775,174	775,174	775,174	775,174	775,174
Warrant reserve	-	-	8,520,360 ⁽⁴⁾	8,520,360	8,520,360	8,520,360	8,520,360	8,520,360	-
Other reserve	-	-	(8,520,360) ⁽⁴⁾	(8,520,360)	(8,520,360)	(8,520,360)	(8,520,360)	(8,520,360)	-
Accumulated losses	(3,266,504)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)
Shareholders' funds/ NA	56,553,037	59,468,821	70,202,821	79,214,871	79,214,871	79,214,871	79,214,871	79,214,871	111,454,071
Non-controlling interest	881,622	2,539,707	2,539,707	2,539,707	10,289,401 ⁽⁶⁾	11,513,879 ⁽⁷⁾	12,079,102 ⁽⁸⁾	12,989,735 ⁽⁹⁾	12,989,735
Total equity	57,434,659	62,008,528	72,742,528	81,754,578	89,504,272	90,728,750	91,293,973	92,204,606	124,443,806
No. of Shares in issue	352,085,278	360,482,178	406,538,178	442,586,378	442,586,378	442,586,378	442,586,378	442,586,378	534,698,378
NA per Share ⁽¹²⁾ (RM)	0.16	0.16	0.17	0.18	0.18	0.18	0.18	0.18	0.21
Total borrowings (RM)	2,655,693	4,054,205	4,054,205	4,054,205	4,054,205	4,054,205	4,054,205	4,184,806 ⁽¹⁰⁾	4,184,806
Gearing ⁽¹³⁾ (times)	0.05	0.07	0.06	0.05	0.05	0.04	0.04	0.05	0.03

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Maximum Scenario

	(Audited) As at 31 December 2024 (RM)	(I) After subsequent events up to the LPD ⁽¹⁾ (RM)	(II) After (I) and the Proposed Rights Issue of Shares with Warrants (RM)	(III) After (II) and the Proposed 10% Private Placement (RM)	(IV) After (III) and the Proposed Acquisition of FMS (RM)	(V) After (IV) and the Proposed Acquisition of Theta (RM)	(VI) After (V) and the Proposed Acquisition of One International* (RM)	(VII) After (VI) and the Proposed Acquisition of DS Services* (RM)	(VIII) After (VII) and assuming full exercise of Warrants (RM)
Share capital	59,044,367	62,046,872	83,797,008 ⁽²⁾⁽³⁾	92,809,058 ⁽⁵⁾	92,809,058	92,809,058	92,809,058	92,809,058	155,893,439 ⁽¹¹⁾
Merger reserve	775,174	775,174	775,174	775,174	775,174	775,174	775,174	775,174	775,174
Warrant reserve	-	-	16,582,180 ⁽⁴⁾	16,582,180	16,582,180	16,582,180	16,582,180	16,582,180	-
Other reserve	-	-	(16,582,180) ⁽⁴⁾	(16,582,180)	(16,582,180)	(16,582,180)	(16,582,180)	(16,582,180)	-
Accumulated losses	(3,266,504)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)	(3,353,225)
Shareholders' funds/ NA	56,553,037	59,468,821	81,218,957	90,231,007	90,231,007	90,231,007	90,231,007	90,231,007	153,315,388
Non-controlling interest	881,622	2,539,707	2,539,707	2,539,707	10,289,401 ⁽⁶⁾	11,513,879 ⁽⁷⁾	12,079,102 ⁽⁸⁾	12,989,735 ⁽⁹⁾	12,989,735
Total equity	57,434,659	62,008,528	83,758,664	92,770,714	100,520,408	101,744,886	102,310,109	103,220,742	166,305,123
No. of Shares in issue	352,085,278	360,482,178	450,602,722	486,650,922	486,650,922	486,650,922	486,650,922	486,650,922	666,892,010
NA per Share ⁽¹²⁾ (RM)	0.16	0.16	0.18	0.19	0.19	0.19	0.19	0.19	0.23
Total borrowings (RM)	2,655,693	4,054,205	4,054,205	4,054,205	4,054,205	4,054,205	4,054,205	4,184,806 ⁽¹⁰⁾	4,184,806
Gearing ⁽¹³⁾ (times)	0.05	0.07	0.05	0.04	0.04	0.04	0.04	0.04	0.03

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Notes:

* *Our Company had, on 17 March 2025 and 14 August 2025, announced the Proposed Acquisition of DS Services and the Proposed Acquisition of One International, respectively. As at the date of this Circular, the Proposed Acquisition of DS Services and the Proposed Acquisition of One International have yet to be completed. The illustration of the pro forma effects for the Proposed Acquisition of DS Services and Proposed Acquisition of One International is included in this Circular solely for the information of our shareholders and assuming the completion of these proposed acquisitions. Further details on the Proposed Acquisition of DS Services and the Proposed Acquisition of One International are set out in **Section 6.4** of this Circular.*

- (1) *After taking into account the following:*
 - *non-controlling interest of 49% of the net liabilities of Nexible as at 31 January 2025 of RM18,655 pursuant to the Acquisition of Nexible, which was announced by our Company on 28 November 2024 and completed on 22 January 2025;*
 - *the allotment and issuance of 8,099,400 new Shares at RM0.36 per Share pursuant to the Special Issue on 6 February 2025;*
 - *the issuance and allotment of 297,500 new Shares under the LTIP at RM0.2915 each on 14 April 2025;*
 - *non-controlling interest of 40% of the pro forma combined NA of D2D Group of approximately RM1.65 million as at 31 May 2025 pursuant to the Acquisition of D2D, which was announced by our Company on 20 December 2024 and completed on 7 May 2025;*
 - *the total hire purchase amount of D2D Group as at 31 May 2025 of approximately RM1.40 million; and*
 - *non-controlling interest of 30% of the NA of Tastefully as at 30 June 2025 of approximately RM0.02 million pursuant to the Acquisition of Tastefully, which was announced by our Company on 19 December 2024 and completed on 18 June 2025.*
- (2) *Computed based on the indicative Issue Price-Rights Share of RM0.25 each.*
- (3) *After deducting the estimated expenses for the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement of RM0.78 million.*
- (4) *Computed based on the issuance of up to 92,112,000 Warrants with a theoretical fair value of RM0.0925 each (under the Minimum Scenario) or up to 180,241,088 Warrants with a theoretical fair value of RM0.0920 each (under Maximum Scenario), based on the Black-Scholes Options Pricing Model (Source: Bloomberg).*
- (5) *Computed based on the indicative issue price of RM0.25 per Placement Share.*
- (6) *After taking into account the non-controlling interest of 40% of the NA of FMS for FYE 31 December 2023 of approximately RM7.75 million (computed based on audited NA of FMS as at 31 December 2023 and (i) after excluding certain properties and motor vehicles which either were disposed off prior to the execution of the FMS SSA or will be disposed off pursuant to the FMS Pre-Transaction Restructuring; and (ii) assuming the declaration of dividend by FMS to the FMS Vendors of RM13.08 million prior to the completion of the FMS SSA.*
- (7) *After taking into account the non-controlling interest of 7.5% of the NA of Theta Group as at 31 December 2024 of approximately RM1.22 million (based on the latest financial statements of Theta Group for FYE 31 December 2024) and assuming the declaration of dividend by Theta to the Theta Vendors of RM12.13 million prior to the completion of the Theta SSA.*
- (8) *After taking into account the non-controlling interest of 40% of the NA of One International Group as at 31 December 2023 of approximately RM0.57 million (based on the latest financial statements of One International Group for FYE 31 December 2023).*
- (9) *After taking into account the non-controlling interest of 49% of the combined NA of DS Services Group of approximately RM0.91 million (computed based on the NA per the latest financial statements and/or management accounts of respective companies within DS Services Group and (i) excluding the motor vehicle to be transferred to Sarojah and related hire purchase facility, pursuant to the DS Pre-Transaction Restructuring; and (ii) assuming the declaration of dividend by DS Services to the DS Services Vendors of RM1.01 million prior to the completion of the DS Services SSA.*

- (10) *After taking into account the total hire purchase amount of DS Services Group of approximately RM0.13 million (computed based on the latest financial statements and/or management accounts of respective companies within DS Services Group and exclude the hire purchase liability of motor vehicle to be transferred to Sarojah pursuant to the terms of the DS Services SSA).*
- (11) *Computed based on the indicative Exercise Price of RM0.35 each.*
- (12) *Computed based on NA divided by the number of Shares in issue.*
- (13) *Computed based on total borrowings divided by total equity.*

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8.5 Substantial shareholders' shareholdings

(i) Proposed Acquisitions

The Proposed Acquisitions will not have any effect on the substantial shareholders' shareholdings in our Company as the Proposed Acquisitions will be satisfied entirely in cash.

(ii) Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement

The pro forma effects of the Proposed Rights Issue of Shares with Warrants and the Proposed 10% Private Placement on the substantial shareholders' shareholdings in our Company are as follows:

Minimum Scenario

Name	As at the LPD				(I) After the Proposed Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Catcha Group	139,643,874	38.74	-	-	142,443,874 ⁽²⁾	35.04	-	-
Catcha Investments	47,520,000	13.18	-	-	90,776,000 ⁽²⁾	22.33	-	-
Patrick YK in Grove	-	-	187,163,874 ⁽¹⁾	51.92	-	-	233,219,874 ⁽¹⁾	57.37
Lucas Robert Elliott	-	-	187,163,874 ⁽¹⁾	51.92	-	-	233,219,874 ⁽¹⁾	57.37

Name	(II) After (I) and the Proposed 10% Private Placement				(III) After (II) and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Catcha Group	142,443,874	32.18	-	-	148,043,874	27.69	-	-
Catcha Investments	90,776,000	20.51	-	-	177,288,001	33.15	-	-
Patrick YK in Grove	-	-	233,219,874 ⁽¹⁾	52.69	-	-	325,331,875 ⁽¹⁾	60.84
Lucas Robert Elliott	-	-	233,219,874 ⁽¹⁾	52.69	-	-	325,331,875 ⁽¹⁾	60.84

Maximum Scenario

Name	As at the LPD				(I) After the Proposed Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Catcha Group	139,643,874	38.74	-	-	174,554,843	38.74	-	-
Catcha Investments	47,520,000	13.18	-	-	59,400,000	13.18	-	-
Patrick YKin Grove	-	-	187,163,874 ⁽¹⁾	51.92	-	-	233,954,843 ⁽¹⁾	51.92
Lucas Robert Elliott	-	-	187,163,874 ⁽¹⁾	51.92	-	-	233,954,843 ⁽¹⁾	51.92

Name	(II) After (I) and the Proposed 10% Private Placement				(III) After (II) and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Catcha Group	174,554,843	35.87	-	-	244,376,780	36.64	-	-
Catcha Investments	59,400,000	12.21	-	-	83,160,000	12.47	-	-
Patrick YKin Grove	-	-	233,954,843 ⁽¹⁾	48.07	-	-	327,536,780 ⁽¹⁾	49.11
Lucas Robert Elliott	-	-	233,954,843 ⁽¹⁾	48.07	-	-	327,536,780 ⁽¹⁾	49.11

Notes:

- (1) Deemed interest by virtue of his interest in Catcha Group and Catcha Investments pursuant to Section 8 of the Act.
- (2) The number of Rights Shares with Warrants to be subscribed by each of the Undertaking Shareholders is computed based on the indicative Issue Price-Rights Share of RM0.25 each (refer to Section 4.4 of this Circular for further information).

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9. HISTORICAL PRICES OF OUR SHARES

The monthly highest and lowest transacted prices of our Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
2024		
August	0.430	0.350
September	0.400	0.325
October	0.375	0.330
November	0.395	0.325
December	0.390	0.335
2025		
January	0.400	0.325
February	0.390	0.305
March	0.345	0.275
April	0.310	0.270
May	0.300	0.275
June	0.285	0.260
July	0.270	0.235

The last transacted market price of our Shares on 24 April 2025 (being the trading day prior to the Announcement I) was RM0.28 each.

The last transacted market price of our Shares on the LPD was RM0.275 each.

(Source: Bloomberg)

10. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained from:

- (i) Bursa Securities for the following:
 - (a) admission of the Warrants to the Official List of the ACE Market of Bursa Securities;
 - (b) listing and quotation for up to 90,120,544 Rights Shares, up to 180,241,088 Warrants and up to 180,241,088 new Shares to be issued pursuant to the exercise of the Warrants on the ACE Market of Bursa Securities.

Bursa Securities had, vide its letter dated 7 August 2025, granted its approval for the above and subject to the following conditions:

No.	Conditions	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement.	To be complied.
(b)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement.	To be complied.
(c)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue of Shares with Warrants and Proposed 10% Private Placement are completed.	To be complied.

No.	Conditions	Status of compliance
(d)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.
(e)	The new Shares arising from the Proposed Rights Issue of Shares with Warrants to be issued to parties whose shareholdings are currently under moratorium shall also be subject to a similar moratorium.	To be complied.

- (ii) Bursa Securities for registration of the abridged prospectus in relation to the Proposed Rights Issue of Shares with Warrants;
- (iii) our shareholders at our forthcoming EGM to be convened for the Proposals; and
- (iv) any other relevant authorities, if required.

11. INTER-CONDITIONALITY OF THE PROPOSALS

Each of the Proposed Acquisitions is not inter-conditional upon each other.

The Proposals are not inter-conditional upon each other and not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

For the information of our shareholders, the Proposed 10% Private Placement will be implemented after the completion of the Proposed Rights Issue of Shares with Warrants.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders and/or chief executive of our Company and any persons connected with them (as defined in the Listing Requirements) have any interest, direct and/or indirect, in the Proposals, save for their respective entitlements as shareholders of our Company under the Proposed Rights Issue of Shares with Warrants, for which all the existing shareholders of our Company are entitled to, including the rights to apply for additional Rights Shares with Warrants under the excess application.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

(i) Proposed Acquisitions

Our Board, after having considered all aspects of the Proposed Acquisitions including but not limited to the rationale, risks and effects of the Proposed Acquisitions, the terms of the respective SSAs and SHAs, the basis and justification of arriving at the respective purchase consideration, and the future prospects of our enlarged Group subsequent to the completion of the Proposed Acquisitions, is of the opinion that the Proposed Acquisitions are in the best interests of our Company and the terms and conditions of the respective SSAs and SHAs in relation to the Proposed Acquisitions as well as the respective purchase consideration for the Proposed Acquisitions are fair and reasonable. Accordingly, our Board recommends that you vote **in favour** of the resolutions pertaining to the Proposed Acquisitions to be tabled at our forthcoming EGM.

(ii) Proposed Rights Issue of Shares with Warrants

Our Board, after having considered all aspects of the Proposed Rights Issue of Shares with Warrants including but not limited to the rationale, effect and proposed utilisation of proceeds, is of the opinion that the Proposed Rights Issue of Shares with Warrants is in the best interest of our Company. Accordingly, our Board recommends that you vote **in favour** of the resolution pertaining to the Proposed Rights Issue of Shares with Warrants to be tabled at our forthcoming EGM.

14. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and as disclosed below, our Board confirms that there are no other outstanding proposals, which have been announced but have yet to be completed as at the LPD:

(i) Proposed 10% Private Placement

The general mandate for the Proposed 10% Private Placement was obtained by our Company at our 15th AGM on 17 June 2025. The Proposed 10% Private Placement shall be implemented upon the completion of the Proposed Rights Issue of Shares with Warrants, which is expected to be in the 4th quarter of calendar year 2025.

(ii) Proposed Acquisition of DS Services

On 15 July 2025, our Company announced that iMedia and the DS Services Vendors had, vide a letter of variation dated 15 July 2025, mutually agree to extend the conditional period to a period not later than 14 November 2025 to fulfil the conditions precedent, in view of the additional time required to fulfil the conditions precedent in accordance with the DS Services SSA.

On 26 August 2025, our Company announced that our Board has resolved to renegotiate the terms of the DS Services SSA with the DS Services Vendors. This action is in response to the broader shifts in the economic environment, market condition and industry dynamics pertaining to the business operations of DS Services Group following the execution of a letter of intent since 28 November 2023. Further details on the Proposed Acquisition of DS Services are set out in **Section 6.4** of this Circular. The Proposed Acquisition of DS Services is subject to our shareholders' approval via an EGM to be convened, the details of which will be advised at a later date. We will make the necessary announcement(s) on the status of the Proposed Acquisition of DS Services upon, amongst others, finalisation of the revised terms for the Proposed Acquisition of DS Services with the DS Services Vendors, where applicable.

(iii) Proposed Acquisition of One International

The Proposed Acquisition of One International has yet to be completed as at the date of this Circular as it is subject to the fulfilment of the conditions precedent as set out in the conditional SSA. The Proposed Acquisition of One International is not subjected to our shareholders approval and is expected to be completed by end of August 2025. Further details on the Proposed Acquisition of One International are set out in **Section 6.4** of this Circular.

15. ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSALS

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects the following:

- (i) subject to the fulfilment or waiver of all the conditions precedent under the respective SSAs for the Proposed Acquisitions, our Board expects the Proposed Acquisitions to be completed by 4th quarter of calendar year 2025; and
- (ii) the Proposed Rights Issue of Shares with Warrants to be completed within 6 months from the date of approval from Bursa Securities. The tentative timeline for the implementation of the Proposed Rights Issue of Shares with Warrants is as follows:

Tentative date	Events
18 September 2025	<ul style="list-style-type: none"> • EGM for the Proposals / Announcement of the results of our EGM
Mid September 2025	<ul style="list-style-type: none"> • Announcement of the Entitlement Date
Early October 2025	<ul style="list-style-type: none"> • Entitlement Date • Despatch of abridged prospectus and related documents for the Proposed Rights Issue of Shares with Warrants
Early November 2025	<ul style="list-style-type: none"> • Listing and quotation of the Rights Shares and Warrants • Completion of the Proposed Rights Issue of Shares with Warrants

16. EGM

The notice of EGM is available on our Company's website at <https://www.catchadigital.com/>.

The notice convening our EGM and the Form of Proxy are enclosed in this Circular. Our EGM will be held at Level 3, Uptown 3, Menara TH, Jalan SS21/39, Damansara Utama, 47900 Petaling Jaya, Selangor on Thursday, 18 September 2025 at 2:00 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions pertaining to the Proposals as described herein.

If you are unable to participate at our EGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) may be made in a hard copy form and deposited with the Poll Administrator of our Company, Mega Corporate Services Sdn Bhd, at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. Alternatively, you may deposit your Form(s) of Proxy by electronic means directly at egm-support.catcha@megacorp.com.my.

The Form of Proxy must be received by our Company not less than 48 hours before the time appointed for holding our EGM or any adjournment thereof at which the person named in the appointment proposes to vote. The lodging of Form of Proxy does not preclude you from attending and voting in person should you subsequently decide to do so.

17. FURTHER INFORMATION

You are advised to refer to the appendices sets out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board
CATCHA DIGITAL BERHAD

LUCAS ROBERT ELLIOTT
Non-Independent Non-Executive Director

APPENDIX I – INDICATIVE SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the Warrants are as follows:

Terms	Details
Issue size	: Up to 180,241,088 Warrants to be issued on the basis of 2 Warrants for every 1 Rights Share subscribed for.
Issue Date	: The date of issuance of the Warrants.
Form and constitution	: The Warrants shall be issued in registered form and constituted by the Deed Poll.
Exercise Period	: The Warrants may be exercised at any time within 5 years commencing on and including the Issue Date and ending on the Expiry Date. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Expiry Date	: The close of business at 5.00 p.m. in Malaysia on the last day preceding the fifth (5 th) anniversary of the Issue Date and if such date is not a market day, then it shall be the market day immediately preceding the said non-market day.
Exercise Price	: The exercise price of the Warrants shall be determined by our Board at a later date after obtaining the relevant approvals but prior to the announcement of the Entitlement Date.
Exercise rights	: Each Warrant entitles the Warrant holders to subscribe for 1 new Share at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Mode of exercise	: The Warrant holders are required to lodge an exercise form with our Company's share registrar which is duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia or by way of interbank transfer for the credit of an account maintained by our Company for the amount equal to the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Board lot	: The Warrants are tradable upon listing in board lots of 100 Warrants or such other denomination as may be prescribed by Bursa Securities.
Ranking of the Warrants	: The Warrants shall, as between the Warrant holders, rank equally in all respect.
Ranking of the new Shares upon the exercise of the Warrants	: The new Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, except that the new Shares will not be entitled to participate in any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of our Company by our Company, the entitlement date of which is prior to the date of allotment and issuance of the new Shares.
Adjustment to the Exercise Price and/ or the number of unexercised Warrants	: The Exercise Price and/or the number of outstanding Warrants shall, from time to time be adjusted by our Board in consultation with the approved principal adviser and certified by the auditors appointed by our Company, in all or any of the following: <ul style="list-style-type: none"> (i) any consolidation, subdivision or conversion of Shares; or (ii) an issue by our Company of new Shares to the shareholders of our Company by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund, if applicable); or (iii) capital distribution to the shareholders of our Company made by our Company whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or (iv) an offer or invitation to the shareholders of our Company made by our Company to acquire or subscribe for Shares by way of rights; or (v) an offer or invitation to the shareholders of our Company made by our Company by way of rights to acquire or subscribe for securities convertible into new Shares, or (vi) any other circumstances that are deemed necessary by our Board.

APPENDIX I – INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

Terms	Details
Rights of the Warrant holders	: The Warrant holders shall not be entitled to any dividends, rights, allotments and/or any form of distributions that may be declared, made or paid by our Company, nor shall they have any voting rights at any general meeting of our Company, until and unless such Warrant holders exercise their Warrants and new Shares are allotted and issued to them.
Modifications of rights of the Warrant holders	: Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any alteration or abrogation in respect of the rights of the Warrant holders. A special resolution may also sanction the compulsory exchange, surrender or cancellation of unexercised Warrants in return for shares, other warrants, debentures or other securities or for any other consideration, whether in our Company or in any other company or corporation (wherever incorporated) on any terms and/or conditions. Any such modification shall however be subject to the approval of any relevant authorities, where required.
Rights of the Warrant holders in the event of winding-up, liquidation, compromise arrangement or	: If a resolution is passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: <ul style="list-style-type: none"> (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the registered Warrant holders (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the registered Warrant holders; and (ii) in any other cases, every Warrant holder shall be entitled to exercise his/her Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement (as the case may be), whereupon our Company shall allot the relevant new Shares to such Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if he/she had on such date been the holder of the Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.
Transferability	: The Warrants shall be transferrable in the manner provided under the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.
Listing status	: The Warrants will be listed and quoted on the ACE Market of Bursa Securities when the Warrants meet the conditions of the Listing Requirements of at least 100 Warrant holders holding not less than 1 board lot each (or such other denomination as may be prescribed by Bursa Securities) and submitting relevant applications for the Warrants to be listed on the ACE Market of Bursa Securities.
Governing law	: Law of Malaysia.

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APPENDIX II – SALIENT TERMS OF THE FMS SSA

(Unless otherwise defined in this Appendix II, capitalised terms used herein without definition shall have the meaning assigned to them in this Circular)

The salient terms of the FMS SSA are as follows:

1. CONDITIONS PRECEDENT

1.1 Conditions Precedent

1.1.1 The FMS SSA is subject to and conditional upon the following conditions precedent being fulfilled or waived (as applicable) within 120 days from the date of the FMS SSA or such other date as the parties may mutually agree in writing (“**Conditional Period**”):

- (a) the passing of the board of directors’ resolutions and if required, the shareholders’ resolutions of iMedia approving the Proposed Acquisition of FMS;
- (b) the approval of the Board and shareholders of Catcha Digital for the Proposed Acquisition of FMS and the performance of iMedia’s obligations under the FMS SSA and any other documents referred to in the FMS SSA;
- (c) the passing of the board of directors’ resolutions and if required, the shareholders’ resolutions of FMS approving the transfer of FMS Shares to iMedia, the issue of new share certificates in respect of the FMS Shares in favour of iMedia (if required), and the entering into the Register of Members of FMS, the name of iMedia, as the holder of the FMS Shares;
- (d) the execution of a new employment contract between FMS and each of the FMS Vendors for a minimum period of ten (10) years after completion, on terms and conditions mutually agreed upon by the parties and satisfactory to iMedia;
- (e) iMedia being satisfied in all respects with the results of its due diligence review on FMS Group or to the extent that any matter, issue and thing arising from its due diligence review is notified to the FMS Vendors by iMedia, the resolution of such matter, issue and thing to the satisfaction of iMedia;
- (f) the FMS Vendors shall procure FMS to complete the FMS Pre-Transaction Restructuring;
- (g) the FMS Vendors shall procure and ensure that each of the companies within FMS Group (collectively, “**FMS Group Companies**” and each a “**FMS Group Company**”) obtains the approval of the FMS Group Company’s financier(s) in accordance with the terms of the financing arrangements or other facilities granted to the FMS Group Company, if required;
- (h) the FMS Vendors shall procure FMS to settle and/or obtain the waiver of:
 - (i) any existing debts, loans or advances granted by any shareholders or former shareholders or directors or former directors of any FMS Group Company, and/or any persons connected with any of them; and
 - (ii) any claims, rights or entitlements related to such debts, loans or advances against FMS or any FMS Group Company.

(collectively, the “**Conditions Precedent**”).

On 10 July 2025, our Company announced that iMedia and the FMS Vendors had, vide a letter of variation dated 10 July 2025, mutually agreed to extend the Conditional Period to a period not later than 10 October 2025.

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1.1.2 If any of the Conditions Precedent has not been satisfied on or before the last day of the Conditional Period, iMedia or the FMS Vendors (as the case may be) may, by written notice to the other:

- (a) extend the Conditional Period for a further period of thirty (30) days or such other period as the parties may mutually agree in writing to fulfil the Conditions Precedent (“**Extended Conditional Period**”); or
- (b) terminate the FMS SSA and the FMS SSA will cease to be of any effect except for the survival provisions, which shall remain in force and save in respect of claims arising out of any antecedent breach of the FMS SSA.

1.1.3 In the event any of the Conditions Precedent is not satisfied by the expiration of the Extended Conditional Period or not waived or extended by iMedia, the FMS SSA will terminate and thereafter be of no effect except for the survival provisions, which shall remain in force and none of the parties shall have any claim against the other under the FMS SSA, save for any claims arising from any antecedent breach of the FMS SSA.

1.2 Agreement Becoming Unconditional

1.2.1 The FMS SSA will become unconditional upon the satisfaction or fulfilment of all Conditions Precedent. iMedia may waive any of the Conditions Precedent save and except for any Conditions Precedent that is for iMedia to fulfil.

1.2.2 Any Condition Precedent agreed to be waived by iMedia will be deemed as a satisfaction or fulfilment of that Condition Precedent solely for the purpose to facilitate completion provided always that the FMS Vendors are required to satisfy the conditions after the completion within such period as required by iMedia.

2. CONSIDERATION

2.1 Subject to the adjustments, the FMS Purchase Consideration shall be satisfied by iMedia in accordance with the mode of settlement as set out in **Section 2.6** of this Circular.

2.2 In the event of any delay in the payment of the FMS Purchase Consideration by iMedia in accordance with the FMS SSA, iMedia shall be liable to pay interest on the outstanding amount at a rate of 8% per annum calculated on a daily basis. Such interest shall accrue daily from the due date until the date of actual payment and be payable in addition to the FMS Purchase Consideration and shall not prejudice any other rights and remedies available to the FMS Vendors.

3. COMPLETION

3.1 FMS Vendors’ Obligations

On the FMS Completion Date, the FMS Vendors shall deliver or cause to be delivered to iMedia (or the relevant FMS Group Company in the case of paragraph 3.1.6 below) the following:

- 3.1.1 the share certificates and undated duly executed forms of transfer of securities in respect of the FMS Shares;
- 3.1.2 certified true copy of the board of directors’ resolutions of the relevant FMS Group Companies appointing two (2) persons, as nominated by iMedia, as directors of the relevant FMS Group Companies;
- 3.1.3 certified true copy of the board of directors’ resolutions and if required, shareholders’ resolutions of FMS to approve the transfer of the FMS Shares to iMedia, the issue of new share certificates in respect of the FMS Shares in favour of iMedia (if required), and the entering into the Register of Members of FMS, the name of iMedia, as the holder of the FMS Shares;

APPENDIX II – SALIENT TERMS OF THE FMS SSA (CONT'D)

- 3.1.4 certified true copy of the board of directors' resolutions of each of the FMS Group Companies appointing such persons as iMedia may nominate as the company secretaries, auditors and tax agents of each of the FMS Group Companies;
- 3.1.5 letters of resignation from each of the company secretaries, auditors and tax agents of each of the FMS Group Companies;
- 3.1.6 to the extent the following are in the possession of the FMS Vendors or the resigning company secretary of the respective FMS Group Companies:
 - (a) all documents (including documents of title and copies of all subsisting agreements to which any FMS Group Company is a party) which are the property of such FMS Group Company;
 - (b) all financial, accounting and tax records of each of the FMS Group Companies; and
 - (c) the common seals (if any), the constitutive documents, cheque books and all statutory and other books and records and current business registration certificates and business licences of each of the FMS Group Companies;
- 3.1.7 letters of resignation, and waiver of any claims against each of the FMS Group Companies (whether as a director or employee of any of the FMS Group Companies, including for fees, salaries, employment benefits or compensation for loss of office or for wrongful dismissal or redundancy or any other claim whatsoever against each of the FMS Group Companies) from all the directors for each of the FMS Group Companies save for Tan Eng Hong and Pua Yin Chye;
- 3.1.8 certified true copy of the board of directors' resolutions of FMS revoking all existing authorities granted to the FMS Group's bankers in respect of the operation of its designated bank accounts, and granting authority to such persons as iMedia may nominate to operate said accounts as co-signatories with the FMS Vendors or their nominees;
- 3.1.9 duly executed employment contract between FMS and each of the FMS Vendors for a minimum period of ten (10) years after completion, on terms and conditions mutually agreed upon by the parties and satisfactory to iMedia; and
- 3.1.10 letter of authorisation issued by FMS appointing iMedia's nominated director, managing director, chief executive officer or its equivalent as the authorised representatives of iMedia, having access to the social media accounts in connection with the businesses carried out by FMS Group as an 'administrator' or its equivalent.

3.2 iMedia's Obligations

- 3.2.1 On the FMS Completion Date, against compliance by the FMS Vendors with paragraph 3.1, iMedia shall deliver to the FMS Vendors:
 - (a) certified true copy of the board of directors' resolutions and if required, shareholders' resolutions of iMedia approving the Proposed Acquisition of FMS and the execution of the FMS SSA; and
 - (b) certified true copy of the Board's resolutions and extract of the minutes of the extraordinary general meeting of Catcha Digital approving the Proposed Acquisition of FMS, the execution of the FMS SSA and the performance of iMedia's obligations under the FMS SSA and any other documents referred to in the FMS SSA.
- 3.2.2 iMedia shall not be obliged to complete the purchase of any of the FMS Shares unless the purchase of all the FMS Shares is completed simultaneously under the FMS SSA.

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4. ADJUSTMENT TO PURCHASE CONSIDERATION

4.1 FMS Group Expected PATAMI

Each of the FMS Vendors undertakes to procure and ensure that FMS achieves the FMS Group Expected PATAMI as set out in **Section 2.5(iii)** of this Circular.

4.2 Adjustment to Purchase Consideration

Each tranche of the FMS Purchase Consideration is subject to adjustments as set out in **Section 2.6** of this Circular.

5. WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS

5.1 FMS Vendors' Undertakings

5.1.1 Each of the FMS Vendors undertakes to procure and ensure FMS achieves the following financial thresholds ("**Financial Thresholds**") on the FMS Completion Date:

- (a) the cash and cash equivalents of FMS are not less than RM3,000,000; and
- (b) there are no outstanding borrowing balances from FMS Group's financiers.

5.1.2 Each of the FMS Vendors further agrees and undertakes:

- (a) to ensure that FMS has sufficient working capital for the operation of FMS Group's business for a period of twelve (12) months following completion;
- (b) in the event that the cash and cash equivalents balance of FMS falls below RM3,000,000 at completion, each of the FMS Vendors irrevocably and unconditionally undertakes to provide additional funds to FMS to compensate the shortfall from RM3,000,000; and
- (c) if there is insufficient working capital required for FMS Group's business operations during the twelve (12) months following completion, each of the FMS Vendors irrevocably and unconditionally undertakes to provide interest-free shareholders' advances to FMS to ensure the continued operation of FMS Group's business throughout that twelve-month period.

5.1.3 FMS shall have the right to declare or pay any dividend to its shareholders for the FYE 2024 on the FMS Completion Date, provided that:

- (a) FMS achieves the Financial Thresholds on the FMS Completion Date; and
- (b) FMS' cash and cash equivalents is not less than the Financial Thresholds, and FMS has sufficient working capital for the operation of FMS Group's business for a period of twelve (12) months immediately after the declaration and payment of such dividend.

5.2 Right to Claim

Without limiting the rights of iMedia or its ability to claim damages on any basis, if there is a breach of any of the representations, warranties and undertakings on the part of the FMS Vendors under the FMS SSA ("**FMS Vendors' Warranties**") or disclosures in the disclosure letter provided by the FMS Vendors ("**Disclosure Letter**") is untrue or misleading and:

5.2.1 FMS Group incurs or becomes subject to a liability or an increase in any liability which it would not have incurred or been subject to had the breach not occurred; or

5.2.2 the value of any asset of FMS Group is less or becomes less than the value would have been had the breach not occurred,

then, each of the FMS Vendors undertakes to iMedia to pay to iMedia in cash on demand a sum equal to (a) the liability or increased liability or, the reduction in the value of the asset (as appropriate); or (b) the reduction in the value of the FMS Shares caused by the breach, as iMedia elects.

6 PRE-TRANSACTION RESTRUCTURING

6.1 Each of the FMS Vendors irrevocably and unconditionally undertakes to complete the FMS Pre-Transaction Restructuring within the Conditional Period.

6.2 The FMS Vendors shall bear all costs associated with the FMS Pre-Transaction Restructuring, including but not limited to transfer fees, taxes, duties, and any other incidental expenses. The FMS Vendors further agree to indemnify and hold harmless FMS from and against any and all losses, costs and expenses incurred or suffered by FMS arising from or in connection with the FMS Pre-Transaction Restructuring.

7 INDEMNITY

7.1 Indemnity

7.1.1 Upon the terms and subject to the conditions of this paragraph 7 and paragraph 8 below, from and after the FMS Completion Date, each of the FMS Vendors undertakes and agrees to pay and to indemnify fully, hold harmless and defend iMedia or FMS (as iMedia may choose) from and against any and all the loss, cost, expense, damage, consequence and third party claim for damages (“**Damages**”) suffered directly or indirectly by iMedia in connection with:

- (a) any inaccuracy or breach of any of the FMS Vendors’ Warranties, disclosures in the Disclosure Letter or undertakings or other terms contained in the FMS SSA;
- (b) any proceedings taken by iMedia claiming that any of the FMS Vendors’ Warranties or undertakings whether contained in the FMS SSA or in any agreement, certificate or other document delivered pursuant to the FMS SSA is untrue or misleading in all material respects or has been breached in material respects and in which judgment is given for iMedia.
- (c) the enforcement of any such settlement or judgment specified in paragraph 7.1.1(b) above;
- (d) all existing, contingent or conditional liabilities of FMS Group or any FMS Group Company with a cause or origin in events, facts or transactions arising on or before the date of the latest audited accounts and which have not been accounted or provided for, or the part of such liabilities exceeding the amount accounted or provided for in the latest audited accounts and all losses, damages, claims or expenses of any nature, including all legal and other fees and costs incurred by FMS Group or any FMS Group Company and/or iMedia as a result thereof;
- (e) any losses including taxes, duties, levies, delayed interest or penalties not provided for in the latest audited accounts or latest management accounts, or the part of such losses exceeding the amount accounted or provided in the latest audited accounts or latest management accounts which may result from any administrative, tax, customs or social security investigation of FMS Group or any FMS Group Company in relation to the period prior to the FMS Completion Date;
- (f) any taxation liabilities in connection with or arising from:
 - (i) any taxation (including any additional taxes, interests, penalties, fines or charges) that are due or payable by any FMS Group Company to any tax authority for all assessment years or periods up to the FMS Completion Date, irrespective of when FMS receives a notice of additional assessment or notification of such additional taxes following the FMS Completion Date;

- (ii) any taxation resulting from or by reference to any event that occurred on or before the FMS Completion Date, or in relation to gross receipts, income, profits or gains earned, accrued or received, or deemed under any applicable law to be earned, accrued or received by any FMS Group Company on or before the FMS Completion Date;
 - (iii) any adjustments required to the amount of income, profits or gains of any FMS Group Company report for tax purposes, and/or any deductions, losses or other taxation reliefs (whether by way of reduction, set-off, exemption, postponement, roll-over, repayment or allowance, or otherwise) claimed by the FMS Group Company, for any assessment years or periods up to the FMS Completion Date, whether such adjustments are determined by any tax authority through a tax audit, by or on behalf of the FMS Group Company, or otherwise;
 - (iv) any failure to register for services tax or failure to account for any services tax (whether under a self-charge mechanism or otherwise); and
 - (v) any inaccuracy or breach of any of the FMS Vendors' Warranties relating to tax; and
- (g) any fictitious assets of FMS Group or any FMS Group Company as accounted for in the latest audited accounts or latest management accounts.
- 7.1.2 Upon the terms and subject to the conditions of this paragraph 7, from and after the FMS Completion Date, iMedia undertakes and agrees to pay and to indemnify fully, hold harmless and defend the FMS Vendors from and against any and all of the Damages suffered directly or indirectly by the FMS Vendors in connection with:
- (a) any inaccuracy or breach of any of the representations, warranties and undertakings on the part of iMedia under the FMS SSA (“**iMedia’s Warranties**”) or undertakings or other terms of the FMS SSA;
 - (b) any proceedings taken by the FMS Vendors claiming that any of iMedia’s Warranties whether contained in the FMS SSA or in any agreement, certificate or other document delivered pursuant to the FMS SSA is untrue or misleading in all material respects or has been breached in all material respects and in which judgment is given for the FMS Vendors; and
 - (c) the enforcement of any such settlement or judgment specified in paragraph 7.1.2(b) above.

8 LIMITATION OF THE FMS VENDORS’ LIABILITY

The liability of the FMS Vendors for any claim under the FMS SSA is subject to, amongst others, the following limitations:

8.1 Maximum Total Liability of the FMS Vendors

The maximum aggregate liability of the FMS Vendors in respect of any claim or any series of claims under, arising out of or in connection with any provision of the FMS SSA (including claims made on an indemnity basis as provided in the FMS SSA) (“**Claim**”) shall not exceed the total aggregate amount of the FMS Purchase Consideration received by the FMS Vendors up to the point in time when the claim is made against the FMS Vendors by iMedia.

8.2 Time Limit for Claims

The FMS Vendors shall not be liable in respect of any Claim unless written notice of such Claim setting out details of the relevant Claim shall have been served upon the FMS Vendors by iMedia within six (6) years (save for any Claim relating to taxation) from the FMS Completion Date.

8.3 De Minimis

The FMS Vendors shall not be liable for breach of any of the FMS Vendors' Warranties, disclosures in the Disclosure Letter or undertakings or other terms contained in the FMS SSA in respect of any individual claim (or a series of claims arising from substantially identical facts or circumstances) where the liability agreed or determined in respect of any such claim or series of claims does not exceed RM100,000.00.

9 TERMINATION OF AGREEMENT**9.1** If, before or on the FMS Completion Date:

- 9.1.1 it shall be found that any of the FMS Vendors' Warranties or disclosures in the Disclosure Letter was, when given, or will be or would be, at completion (as if they had been given again at completion) not complied with or otherwise untrue or misleading in any material respect;
- 9.1.2 there is a breach of any material terms or conditions of the FMS SSA or a failure to perform or observe any material undertaking, obligation or agreement in the FMS SSA by any FMS Vendor;
- 9.1.3 a petition for winding up is presented against any FMS Group Company;
- 9.1.4 any FMS Vendor shall become bankrupt or have a bankruptcy order made against him;
- 9.1.5 an order is made or a member's resolution is passed for the winding up of any FMS Group Company;
- 9.1.6 an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of any FMS Group Company or any part of the FMS Group Company's assets and properties;
- 9.1.7 an event analogous to any of paragraphs 9.1.3, 9.1.4, 9.1.5 or 9.1.6 above has occurred in any jurisdiction; or
- 9.1.8 any event occurs which affects or is likely to affect materially and adversely the financial position or business prospects of the FMS Group,

then provided where the default is, in the opinion of iMedia capable of being remedied, is not remedied within fourteen (14) days commencing on the day immediately after the date iMedia gives written notice to the FMS Vendors and to the satisfaction of iMedia, iMedia may terminate the FMS SSA (other than the survival provisions) with immediate effect by giving written notice to the FMS Vendors before or on the FMS Completion Date and none of the parties shall have any claim against the others for costs, damages, compensation save for any claim by iMedia against the FMS Vendors for costs and expenses incurred by iMedia up to the termination of the FMS SSA.

9.2 If, before or on the FMS Completion Date:

- 9.2.1 it shall be found that iMedia's Warranties was, when given, or will be or would be, at completion (as if they had been given again at completion) not complied with or otherwise untrue or misleading in any material respect;
- 9.2.2 there is a breach of any material terms or conditions of the FMS SSA or a failure to perform or observe any material undertaking, obligation or agreement in the FMS SSA by iMedia; or
- 9.2.3 a petition for winding up is presented against iMedia; or
- 9.2.4 an order is made or a member's resolution is passed for the winding up of iMedia; or
- 9.2.5 an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of iMedia or any part of its assets and properties; or
- 9.2.6 an event analogous to any of paragraphs 9.2.3, 9.2.4 or 9.2.5 above has occurred in any jurisdiction,

APPENDIX II – SALIENT TERMS OF THE FMS SSA (CONT'D)

then provided where the default is, in the opinion of the FMS Vendors, capable of being remedied, is not remedied within fourteen (14) days commencing on the day immediately after the date the FMS Vendors give written notice to iMedia and to the satisfaction of the FMS Vendors, the FMS Vendors may terminate the FMS SSA (other than the survival provisions) with immediate effect by giving written notice to iMedia before or on the FMS Completion Date and none of the parties shall have any claim against the others for costs, damages, compensation or otherwise, save for any claim by the FMS Vendors against iMedia for costs and expenses incurred by the FMS Vendors up to the termination of the FMS SSA.

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APPENDIX III – SALIENT TERMS OF THE FMS SHA

(Unless otherwise defined in this Appendix III, capitalised terms used herein without definition shall have the meaning assigned to them in this Circular)

The salient terms of the FMS SHA are as follows:

1. COMMENCEMENT DATE

The FMS SHA shall come into effect on the FMS Completion Date of the FMS SSA (“**FMS Effective Date**”).

2. SHAREHOLDINGS OF THE PARTIES

2.1 Equity Structure

The shareholding structure in FMS on the FMS Effective Date shall be as follows:

Shareholders	Number of FMS Shares	Percentage of Shareholding in FMS (%)
iMedia	600,000	60.0
Pua Yin Chye (“ PYC ”)	280,000	28.0
Tan Eng Hong (“ TEH ”)	120,000	12.0
Total	1,000,000	100.0

(iMedia, PYC and TEH shall collectively be referred to as “**Shareholders**”, and each individually as a “**Shareholder**”)

2.2 Pre-emptive Rights

Unless otherwise agreed between the Shareholders in writing, any new FMS Shares issued from time to time shall, before they are issued, be offered to each Shareholder respectively based on their existing shareholding proportions in FMS.

3. SALE OR TRANSFER OF SHARES

3.1 Restriction

3.1.1 Subject to this paragraph 3 and paragraph 8 below, each of PYC and TEH agrees and covenants that he shall not do or agree to do, any of the following without the prior written consent of iMedia:

- (i) sell, transfer or otherwise dispose of, or grant any option over, any of his FMS Shares or any right over or interest in or derivative of any of his FMS Shares;
- (ii) pledge, mortgage (whether by way of fixed or floating charge), charge or otherwise create any encumbrances on or over his FMS Shares or any right over or interest in or derivative of any of his FMS Shares; or
- (iii) enter into any agreement in respect of any of the votes attached to any of his FMS Shares,

for as long as iMedia is a Shareholder.

3.1.2 It is agreed that subject to paragraphs 3.2, 3.3 and 3.4 below, iMedia shall have the right, at any time, to sell, transfer or otherwise dispose of, or grant any option over, any of its FMS Shares or any right over or interest in or derivative of any of its FMS Shares or enter into any agreement in respect of any of the vote attached to any of its FMS Shares, without the prior consent of PYC and TEH.

3.2 Right of First Offer

If any Shareholder wishes to sell all or any of its FMS Shares (“**Offer Shares**”) to any third party, it must give written notice to the other Shareholder(s) in the form set out in the FMS SHA notifying each of them of their right to make an offer to purchase all (and not part) of the Offer Shares in accordance with the terms of the FMS SHA.

3.3 Tag-Along Rights

3.3.1 Tag-Along Offer

In the event any Shareholder holding more than 51% of the share capital of FMS (“**Controlling Shareholder**”) receives and intends to accept an offer which:

- (i) is a bona fide offer in writing; and
- (ii) contains all material terms and conditions of the offer, including without limitation the consideration payable,

from a third-party purchaser for all or part of its Offer Shares (“**Tag-Along Offer**”), the Controlling Shareholder shall give written notice to the other Shareholder(s) as soon as reasonably practicable after having received the Tag-Along Offer.

3.4 Drag-Along Rights

3.4.1 Drag-Along Offer

If the Controlling Shareholder receives and intends to accept an offer which:

- (i) is a bona fide offer in writing; and
- (ii) contains all material terms and conditions of the offer, including without limitation the consideration payable,

from a third-party purchaser (other than the remaining Shareholder(s)) for all of its Offer Shares (“**Drag-Along Offer**”), the Controlling Shareholder may give written notice to the other Shareholder(s) notifying it of the Drag-Along Offer (and the terms and conditions thereof, the consideration payable and the identity of the third party purchaser) and requiring the other Shareholder(s) to sell all of its FMS Shares on the same price and terms and conditions as the sale of the Offer Shares.

4. BOARD OF DIRECTORS

4.1 Composition of the Board of Directors of FMS (“**FMS Board**”)

4.1.1 Unless otherwise agreed between the Shareholders in writing, the FMS Board shall consist of up to four (4) members, as follows:

- (a) two (2) nominees of iMedia; and
- (b) two (2) nominees of PYC and/or TEH.

4.1.2 The chairman of the FMS Board shall be any of the directors nominated by iMedia.

4.2 Quorum

The quorum necessary for the transaction of business at a meeting of the FMS Board shall always, both at the commencement of and throughout the meeting, be two (2) directors (or their respective alternates) being one (1) director nominated by iMedia and one (1) director nominated either by PYC or TEH. The quorum necessary for the transaction of business at adjourned FMS Board meetings shall be any two (2) directors.

4.3 Board of Directors of FM SG

- 4.3.1 The board of directors of FM SG (“**Subsidiary Board**”) shall consist of up to four (4) members as follows:
- (a) two (2) nominees of iMedia; and
 - (b) two (2) nominees of PYC and/or TEH.
- 4.3.2 The chairman of the Subsidiary Board shall be any of the directors nominated by iMedia.
- 4.3.3 The quorum necessary for the transaction of business at a meeting of the Subsidiary Board shall always, both at the commencement of and throughout the meeting, be two (2) directors (or their respective alternates) consisting of one (1) director nominated by iMedia and one (1) director either nominated by PYC or TEH. The quorum necessary for the transaction of business at adjourned Subsidiary Board meetings shall be any two (2) directors.
- 4.3.4 The provisions of this paragraph shall apply to the board of directors of all future subsidiaries of the Company.

5. MANAGEMENT

5.1 Management vested in the FMS Board

- 5.1.1 The management of each of the companies within FMS Group (“**FMS Group Companies**”) and its business shall be vested in the FMS Board and Subsidiary Board, respectively.
- 5.1.2 The FMS Board and Subsidiary Board shall each be responsible for the approval of the following in respect of the respective FMS Group Companies:
- (a) the annual business plan and budget at the beginning of each financial year; and
 - (b) other material business developments from time to time including, but not limited to, matters such as changes in key senior management and changes in employment terms, remuneration and benefits of any key senior management personnel.
- 5.1.3 In the event of any deviation in any item in the annual budget set for the FMS Group Companies by more than 5%, including but not limited to any unforeseen expenses which are not accounted for in the original budget, the management of the FMS Group Companies shall seek the prior approval of the FMS Board or the Subsidiary Board for the same.
- 5.1.4 The parties agree that iMedia shall be responsible for the treasury and cash management functions of the FMS Group Companies for the FMS Group Companies’ daily operations and the execution of their business plan, provided that the management of the business of the FMS Group by PYC and TEH shall not be adversely affected by the exercise of such treasury and cash management functions by iMedia which may result in the non-fulfilment of the FMS Group Expected PATAMI.

5.2 Reserved Matters

5.2.1 Board Reserved Matters

The Shareholders agree that no action may be taken by FMS in respect of the board reserved matters set out in the FMS SHA without the approval of the majority of the directors present and voting at the meeting of the FMS Board which must also include the vote of a nominated director of PYC and/or TEH.

5.2.2 Shareholders’ Reserved Matters

The Shareholders agree that no action may be taken by the Company in respect of the shareholders’ reserved matters set out in the FMS SHA without a special resolution of the Shareholders at the meeting of the Shareholders.

6. GENERAL MEETINGS OF SHAREHOLDERS

6.1 Quorum

The quorum at any general meeting shall always be two (2) Shareholders present in person or by proxy, which consist of:

- (a) one (1) authorised representative of iMedia or its proxy; and
- (b) PYC or TEH or their proxy.

7. DIVIDEND

7.1 The dividend policy and the time and manner of the distribution of profits by FMS shall be proposed by the FMS Board and approved by the Shareholders by a simple majority vote.

7.2 Subject to applicable laws, FMS shall but is not obligated to distribute as dividends to the Shareholders all funds which are lawfully available out of its profits after taking into consideration amongst others:

- 7.2.1 available cash;
- 7.2.2 working capital;
- 7.2.3 capital expenditure requirement;
- 7.2.4 distributable income; and
- 7.2.5 tax cover and statutory payments.

8. TERMINATION

8.1 The FMS SHA shall become effective on the FMS Effective Date and shall continue in full force and effect:

- 8.1.1 for so long as any of the parties continue to hold shares in FMS but in relation to a party which has transferred all its shares as permitted by the FMS SHA, it shall cease to have any further force or effect except as otherwise provided under the FMS SHA; or
- 8.1.2 until FMS is wound-up, dissolved or otherwise cease to exist as a separate entity of the FMS SHA; or
- 8.1.3 until the termination of the FMS SHA by the mutual agreement of the Shareholders in accordance with paragraph 8.2 below.

8.2 Termination by Mutual Agreement

The Shareholders may at any time mutually agree to terminate the FMS SHA, which shall be effective as of a date to be agreed upon by the Shareholders. The Shareholders shall agree upon a course of action to implement any termination arrangements within three (3) months from the date of such termination.

8.3 Termination by Default

In the event:

- 8.3.1 any of the representations or warranties given by any Shareholder in the FMS SHA are false, incorrect or incomplete in any material respect such as to render the representations or warranties false or misleading;
- 8.3.2 any Shareholder is in material breach of any of the terms of the FMS SHA and such breach, if reasonably capable of remedy, is not remedied to the satisfaction of the other Shareholder(s) within thirty (30) days after written notice is given to the Shareholder to remedy the breach or is incapable of remedy; or

8.3.3 any action, legal proceedings or other procedure or step is taken (or any analogous procedure or step is taken in any jurisdiction) by any third party against any of the Shareholders in relation to the following matters, and such action, legal proceedings or other procedure or step is not liable to be summarily dismissed or set aside:

- (a) the suspension of payments generally, a moratorium of its indebtedness or a moratorium of its indebtedness generally;
- (b) bankruptcy, winding-up, dissolution, administration or reorganisation (other than by way of voluntary arrangement or scheme of arrangement to effect an amalgamation, merger, demerger or analogous event);
- (c) a composition, assignment or arrangement with its creditors generally; or
- (d) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of its assets generally,

(each an “**Event of Default**”), the Shareholder (“**Defaulting Shareholder**”) must notify the other Shareholder(s) (“**Non-Defaulting Shareholder(s)**”) and FMS in writing as soon as practicable.

8.4 Following the occurrence of any Event of Default, the Non-Defaulting Shareholder(s) may give written notice (“**Default Notice**”) to the Defaulting Shareholder for the purposes set out in paragraph 8.5 below within thirty (30) days of receiving notification of the Event of Default from the Defaulting Shareholder or of the Non-Defaulting Shareholder(s) becoming aware of the Event of Default.

8.5 Without prejudice to such other rights and remedies which the Non-Defaulting Shareholder(s) may have, the Non-Defaulting Shareholder shall be entitled to:

8.5.1 require the Defaulting Shareholder to sell all of its FMS Shares (“**Default Shares**”) to the Non-Defaulting Shareholder(s) (“**Default Call Option**”) at a purchase price to be determined in accordance with paragraph 8.5.2 below.

8.5.2 the total purchase price for the Default Shares shall be determined on the following basis:

- (a) if the Default Call Option is exercised pursuant to an Event of Default under paragraph 8.3.3(b), paragraph 8.3.3(c) or paragraph 8.3.3(d), the Non-Defaulting Shareholder(s) shall pay an amount equivalent to:
 - (i) 50% of the fair value of such FMS Shares determined in accordance with the FMS SHA; or
 - (ii) a price equivalent to 20% of the price per FMS Share of RM62.205,

whichever is lower, based on their existing shareholdings.

- (b) if the fair value of all the FMS Shares of the Defaulting Shareholder is zero or a negative amount, the disposal price for all the FMS Shares shall be RM1.00, or such amount to be agreed by the Non-Defaulting Shareholder(s), provided always that the disposal price per FMS Share shall be the same for all the Non-Defaulting Shareholder(s).
- (c) save as provided in paragraph 8.5.2(a), if the Default Call Option is exercised pursuant to any other Event of Default set out in paragraph 8.3, the Non-Defaulting Shareholder(s) shall pay 80% of the fair value of the Default Shares.

8.6 Cessation of Directorship

Upon the completion of the sale and purchase of the Default Shares, the director(s) of FMS nominated by or representing the Defaulting Shareholder shall resign immediately without further claim against FMS and its other directors, officers, and/or employees.

9. DEADLOCK

9.1 A deadlock shall be deemed to have occurred in the following events:

9.1.1 a misunderstanding, disagreement or dispute has arisen between the Shareholders concerning any aspect of the FMS SHA relating to or affecting FMS (including to the validity or the construction, meaning or effect of the FMS SHA and the rights or liabilities of the Shareholders) and such matter has been raised and/or considered at three (3) consecutive general meetings and no resolution is reached; or

9.1.2 no resolution has been passed by reason of an absence of quorum for general meeting at three (3) consecutive general meetings of which all the Shareholders have been notified.

9.2 To resolve a deadlock, any Shareholder shall be entitled to serve a notice (“**Conciliation Notice**”) to all other Shareholders describing the matter to be discussed and their position in respect of that unresolved matter and requiring all the Shareholders to attempt to resolve the matter amicably through negotiation process.

9.3 The Shareholders shall discuss their respective positions with a view to resolve the deadlock in good faith within fifteen (15) business days from the date of the Conciliation Notice or such extended period as the Shareholders may agree upon (“**Conciliation Period**”).

9.4 In the event the Shareholders fail to resolve the deadlock upon the expiry of the Conciliation Period, any disputes arising from the implementation of the deadlock resolution procedure shall be subject to the dispute resolution clause in the FMS SHA.

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(Unless otherwise defined in this Appendix IV, capitalised terms used herein without definition shall have the meaning assigned to them in this Circular)

The salient terms of the Theta SSA are as follows:

1 CONDITIONS PRECEDENT

1.1 Conditions Precedent

1.1.1 The Theta SSA is subject to and conditional upon the following conditions precedent being fulfilled or waived (as applicable) within 120 days from the date of the Theta SSA or such other date as the parties may mutually agree in writing (“**Conditional Period**”):

- (a) the passing of the board of directors’ resolutions and if required, the shareholders’ resolutions of Catcha Theta approving the Proposed Acquisition of Theta;
- (b) the approval of the Board and shareholders of Catcha Digital for the Proposed Acquisition of Theta and the performance of Catcha Theta’s obligations under the Theta SSA and any other documents referred to in the Theta SSA;
- (c) the passing of the board of directors’ resolutions and if required, the shareholders’ resolutions of Theta approving the transfer of the Theta Shares to Catcha Theta, the issue of new share certificates in respect of the Theta Shares in favour of Catcha Theta (if required) and the entering into the Register of Members of Theta, the name of Catcha Theta, as the holder of the Theta Shares;
- (d) the execution of new employment agreements between Theta and the Theta Vendors, who are part of the key management team of Theta Group, respectively, for a minimum period of three (3) years after completion, on terms and conditions mutually agreed upon by the parties and satisfactory to Catcha Theta;
- (e) Catcha Theta being satisfied in all respects with the results of its due diligence review on Theta Group or to the extent that any matter, issue and thing arising from its due diligence review is notified to the Theta Vendors by Catcha Theta, the resolution of such matter, issue and thing to the satisfaction of Catcha Theta;
- (f) the Theta Vendors shall procure and ensure that each of the companies within Theta Group (collectively, “**Theta Group Companies**” and each a “**Theta Group Company**”) obtains the approval of the Theta Group Company’s financier(s) in accordance with the terms of the financing arrangements or other facilities granted to the Theta Group Company, if required; and
- (g) the approval(s) or consent(s) of any relevant authority and/or parties, if required.

(collectively, the “**Conditions Precedent**”).

On 21 July 2025, our Company announced that Catcha Theta and the Theta Vendors had, vide a letter of variation dated 21 July 2025, mutually agreed to extend the Conditional Period to a period not later than 20 October 2025.

1.1.2 If any of the Conditions Precedent has not been satisfied on or before the last day of the Conditional Period, Catcha Theta or the Theta Vendors (as the case may be) may, by written notice to the other:

- (a) extend the Conditional Period for a further period of thirty (30) days or such other period as the parties may mutually agree in writing to fulfil the Conditions Precedent (“**Extended Conditional Period**”); or
- (b) terminate the Theta SSA and the Theta SSA will cease to be of any effect except for the survival provisions, which shall remain in force and save in respect of claims arising out of any antecedent breach of the Theta SSA.

- 1.1.3 In the event any of the Conditions Precedent is not satisfied by the expiration of the Extended Conditional Period or not waived or extended by Catcha Theta, the Theta SSA will terminate and thereafter be of no effect except for the survival provisions, which shall remain in force and none of the parties shall have any claim against the other under the Theta SSA, save for any claims arising from any antecedent breach of the Theta SSA.

1.2 Agreement Becoming Unconditional

- 1.2.1 The Theta SSA will become unconditional upon the satisfaction or fulfilment of all Conditions Precedent. Catcha Theta may waive any of the Conditions Precedent save and except for any Conditions Precedent that is for Catcha Theta to fulfil.

- 1.2.2 Any Condition Precedent agreed to be waived by Catcha Theta will be deemed as a satisfaction or fulfilment of that Condition Precedent solely for the purpose to facilitate completion provided always that the Theta Vendors are required to satisfy the conditions after the completion within such period as required by Catcha Theta.

2 CONSIDERATION

- 2.1 Subject to the adjustments, the Theta Purchase Consideration shall be satisfied by Catcha Theta in accordance with the mode of settlement as set out in **Section 3.6** of this Circular.

- 2.2 In the event of any delay in the payment of the Theta Purchase Consideration by Catcha Theta in accordance with the Theta SSA, Catcha Theta shall be liable to pay interest on the outstanding amount at a rate of 4% per annum. Such interest shall accrue daily from the due date until the date of actual payment and be payable in addition to the Theta Purchase Consideration and shall not prejudice any other rights and remedies available to the Theta Vendors.

3 COMPLETION

3.2 Theta Vendors' Obligations

On the Theta Completion Date, the Theta Vendors, against compliance by Catcha Theta with paragraph 3.2 below, shall deliver or cause to be delivered to Catcha Theta (or the relevant Theta Group Company in the case of paragraph 3.1.6 below) the following:

- 3.2.1 the share certificates and undated duly executed forms of transfer of securities in respect of the Theta Shares;
- 3.2.2 certified true copy of the board of directors' resolutions of each of the Theta Group Companies appointing such persons as nominated by Catcha Theta as directors in each of the Theta Group Companies on Theta Completion Date;
- 3.2.3 certified true copy of the board of directors' resolutions and if required, shareholders' resolutions of Theta to approve the transfer of the Theta Shares to Catcha Theta, the issue of new share certificates in respect of the Theta Shares in favour of Catcha Theta (if required) and the entering into the Register of Members of Theta, the name of Catcha Theta, as the holder of the Theta Shares;
- 3.2.4 certified true copy of the board of directors' resolutions of Theta appointing such persons as Catcha Theta may nominate as the company secretaries, auditors and tax agents of Theta;
- 3.2.5 letters of resignation from each of company secretaries, auditors and tax agents of Theta;
- 3.2.6 to the extent the following are in the possession of the Theta Vendors or the resigning company secretary of Theta:
- (a) all documents (including documents of title and copies of all subsisting agreements to which any Theta Group Company is a party) which are the property of such Theta Group Company;

- (b) all financial, accounting and tax records of each of the Theta Group Companies; and
 - (c) the common seals (if any), the constitutive documents, cheque books and all statutory and other books and records and current business registration certificates and business licences of each of the Theta Group Companies;
- 3.2.7 to letters of resignation, and waiver of any claims against each of the Theta Group Companies (as a director of any of the Theta Group Companies, including for fees, salaries, employment benefits or compensation for loss of office or for wrongful dismissal or redundancy or any other claim whatsoever against each of the Theta Group Companies) from all the directors for each of the Theta Group Companies save for Leong Kwok Hung;
- 3.2.8 certified true copy of the board of directors' resolutions of Theta revoking all existing authorities granted to Theta Group's bankers in respect of the operation of its designated bank accounts, and granting authority to such persons, as nominated by Catcha Theta to operate said accounts as co-signatories with the Theta Vendors or their nominees on Theta Completion Date; and
- 3.2.9 duly executed employment agreements between Theta and the Theta Vendors, who are part of the key management team of Theta Group, respectively, for a minimum period of three (3) years after completion, on terms and conditions mutually agreed upon by the parties and satisfactory to Catcha Theta.

3.3 Catcha Theta's Obligations

- 3.3.1 On the Theta Completion Date, against compliance by the Theta Vendors with paragraph 3.1 above, Catcha Theta shall:
- (a) deliver to the Theta Vendors the certified true copy of the board of directors' resolutions and if required, shareholders' resolutions of Catcha Theta approving the Proposed Acquisition of Theta and the execution of the Theta SSA;
 - (b) deliver to the Theta Vendors the certified true copy of the Board's resolutions and extract of the minutes of the extraordinary general meeting of Catcha Digital approving the Proposed Acquisition of Theta, the execution of the Theta SSA and the performance of Catcha Theta's obligations under the Theta SSA and any other documents referred to in the Theta SSA; and
 - (c) pay the First Tranche of the Theta Purchase Consideration to the Theta Vendors in proportion to their respective shareholdings.
- 3.3.2 Catcha Theta shall not be obliged to complete the purchase of any of the Theta Shares unless the purchase of all the Theta Shares is completed simultaneously under the Theta SSA.

4 ADJUSTMENT TO PURCHASE CONSIDERATION

4.1 Expected Profit

Each of the Theta Vendors undertakes to procure and ensure that Theta Group achieves the Theta Group Expected PAT as set out in **Section 3.5** of this Circular.

4.2 Adjustment to Purchase Consideration

Each tranche of the Theta Purchase Consideration is subject to adjustments as set out in **Section 3.6** of this Circular.

5 WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS

5.1 Theta Vendors' Warranties and Undertakings

5.1.1 Each of the Theta Vendors agrees and undertakes:

- (a) to ensure that Theta maintains a cash and cash equivalents balance of no less than RM4,000,000 as at the Theta Completion Date; and
- (b) in the event that the cash and cash equivalents balance falls below RM4,000,000 at completion, each of the Theta Vendors irrevocably and unconditionally undertakes, on a proportionate basis according to their respective shareholding in Theta, to provide additional funds to Theta to compensate the shortfall from RM4,000,000. Such additional funding shall not be adjusted as part of the Net Debt adjustment as set out in **Section 3.6** of this Circular.

5.1.2 Each of the Theta Vendors, except Mark, Genesis and Chan Chong Yoong, who are shareholders of I Risk C Sdn Bhd, agrees and undertakes to procure I Risk C Sdn Bhd to fully repay the loan of RM320,000 owed by it to Theta prior to the completion.

5.1.3 Theta reserves the right to declare and pay dividends to its shareholders on the Theta Completion Date (including the Completion Date Receivables Dividends (as defined in the Theta SSA)), provided always that Theta Group retains a cash and cash equivalents balance of no less than RM4,000,000 as at the Theta Completion Date.

6 INDEMNITY

6.1 Indemnity

6.1.1 Upon the terms and subject to the conditions of this paragraph 6, from and for a period of four (4) years (save for paragraphs 6.1.1(e) and (f) which shall be for a period of six (6) years) after the Theta Completion Date, each of the Theta Vendors undertakes and agrees to pay and to indemnify fully, hold harmless and defend Catcha Theta or Theta (as Catcha Theta may choose) from and against any and all the loss, cost, expense, damage, consequence and third party claim for damages (“**Damages**”) suffered directly by Catcha Theta in connection with:

- (a) any inaccuracy or breach of any of the representations, warranties and undertakings on the part of the Theta Vendors under the Theta SSA (“**Theta Vendors’ Warranties**”) or undertakings or other terms contained in the Theta SSA as at the Theta Completion Date;
- (b) any proceedings taken by Catcha Theta claiming that any of the Theta Vendors’ Warranties or undertakings whether contained in the Theta SSA or in any agreement, certificate or other document delivered pursuant to the Theta SSA is untrue or misleading in all material respects or has been breached in all material respects and in which judgment is given for Catcha Theta. For the purposes of this paragraph 6.1, “in all material respects” means a breach of any Theta Vendors’ Warranty or undertakings which results or is reasonably likely to result in a diminution of more than RM1,800,000 of Theta Group’s net tangible asset, as reflected in the most recent management accounts of Theta Group as at the occurrence of the breach;
- (c) the enforcement of any such settlement or judgment specified in paragraph 6.1.1(b) above;
- (d) all existing, contingent or conditional liabilities of Theta Group or any Theta Group Company with a cause or origin in events, facts or transactions arising on or before the Theta Completion Date and which have not been accounted or provided for, or the part of such liabilities exceeding the amount accounted or provided for in the audited accounts and all losses, damages, claims or expenses of any nature, including all legal and other fees and costs incurred by Theta Group or any Theta Group Company and/or Catcha Theta as a result thereof;

- (e) any losses including taxes, duties, levies, delayed interest or penalties, arising from or attributable to events, facts or transactions occurring on or before the Theta Completion Date but were not provided for in the audited accounts or management accounts, or the part of such losses exceeding the amount accounted or provided in the audited accounts or management accounts which may result from any administrative, tax, customs or social security investigation of Theta Group or any Theta Group Company in relation to the period prior to the Theta Completion Date;
- (f) any taxation liabilities in connection with or arising from:
 - (i) any taxation (including any additional taxes, interests, penalties, fines or charges) that are due or payable by any Theta Group Company to any tax authority for all assessment years or periods up to the Theta Completion Date, irrespective of when Theta receives a notice of additional assessment or notification of such additional taxes following the Theta Completion Date;
 - (ii) any taxation resulting from or by reference to any event that occurred on or before the Theta Completion Date, or in relation to gross receipts, income, profits or gains earned, accrued or received, or deemed under any applicable law to be earned, accrued or received by any Theta Group Company on or before the Theta Completion Date;
 - (iii) any adjustments required to the amount of income, profits or gains of any Theta Group Company report for tax purposes, and/or any deductions, losses or other taxation reliefs (whether by way of reduction, set-off, exemption, postponement, roll-over, repayment or allowance, or otherwise) claimed by the Theta Group Company, for any assessment years or periods up to the Theta Completion Date, whether such adjustments are determined by any tax authority through a tax audit, by or on behalf of the Theta Group Company, or otherwise;
 - (iv) any failure to register for services tax or failure to account for any services tax due or payable up to the Theta Completion Date (whether under a self-charge mechanism or otherwise); and
 - (v) any inaccuracy or breach of any of the tax warranties; and
- (g) any fictitious assets of Theta Group or any Theta Group Company as accounted for in the audited accounts or management accounts.

6.1.2 Upon the terms and subject to the conditions of this paragraph 6, from and after the Theta Completion Date, Catcha Theta undertakes and agrees to pay and to indemnify fully, hold harmless and defend Theta Vendors from and against any and all of the Damages suffered directly by the Theta Vendors in connection with:

- (i) any inaccuracy or breach of any of the representations, warranties and undertakings on the part of Catcha Theta under the Theta SSA (“**Catcha Theta’s Warranties**”) or undertakings or other terms of the Theta SSA;
- (ii) any proceedings taken by the Theta Vendors claiming that any of the Catcha Theta’s Warranties whether contained in the Theta SSA or in any agreement, certificate or other document delivered pursuant to the Theta SSA is untrue or misleading in all material respects or has been breached in all material respects and in which judgment is given for the Theta Vendors; and
- (iii) the enforcement of any such settlement or judgment specified in paragraph 6.1.2(ii) above.

7 TERMINATION OF AGREEMENT

7.1 If, before or on the Theta Completion Date:

- 7.1.1 it shall be found that any of the Theta Vendors' Warranties was, when given, or will be or would be, at completion (as if they had been given again at completion) not complied with or otherwise untrue or misleading in any material respect. For the purposes of this paragraph 7.1, "in any material respect" means a breach of any Theta Vendors' Warranty which results or is reasonably likely to result in a diminution of more than RM1,800,000 of Theta Group's net tangible asset, as reflected in the most recent management accounts of Theta Group as at the occurrence of the breach; or
- 7.1.2 there is a breach of any material terms or conditions of the Theta SSA or a failure to perform or observe any material undertaking, obligation or agreement in the Theta SSA by any Theta Vendor which results or is reasonably likely to result in a diminution of more than RM1,800,000 of Theta Group's net tangible asset, as reflected in the most recent management accounts of Theta Group as at the occurrence of the breach; or
- 7.1.3 a petition for winding up is presented against any Theta Group Company or Genesis; or
- 7.1.4 any Theta Vendor (save for Genesis) shall become bankrupt or have a bankruptcy order made against him and/or her; or
- 7.1.5 an order is made or a member's resolution is passed for the winding up of any Theta Group Company or Genesis; or
- 7.1.6 an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of any Theta Group Company or any part of the Theta Group Company's assets and properties; or
- 7.1.7 an event analogous to any of the paragraphs 7.1.3, 7.1.4, 7.1.5 or 7.1.6 above has occurred in any jurisdiction; or
- 7.1.8 there is any change, effect, event, occurrence, state of facts, or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the business, financial condition, or results of operations of Theta Group ("**Material Adverse Change**"). A "material adverse effect" shall be deemed to have occurred if there is a diminution of more than RM1,800,000 of Theta Group's net tangible asset, as reflected in the most recent management accounts of Theta Group as at the occurrence of the Material Adverse Change,

then provided where the default is, in the opinion of Catcha Theta capable of being remedied, is not remedied within fourteen (14) days commencing on the day immediately after the date Catcha Theta gives written notice to the Theta Vendors and to the satisfaction of Catcha Theta, Catcha Theta may terminate the Theta SSA (other than the survival provisions) with immediate effect by giving written notice to the Theta Vendors before or on the Theta Completion Date and none of the parties shall have any claim against the others for costs, damages, compensation save for any claim by Catcha Theta against the Theta Vendors for costs and expenses incurred by Catcha Theta up to the termination of the Theta SSA.

7.2 If, before or on the Theta Completion Date:

- 7.2.1 it shall be found that the Catcha Theta's Warranties was, when given, or will be or would be, at completion (as if they had been given again at completion) not complied with or otherwise untrue or misleading in any material respect; or
- 7.2.2 there is a breach of any material terms or conditions of the Theta SSA or a failure to perform or observe any material undertaking, obligation or agreement in the Theta SSA by Catcha Theta; or
- 7.2.3 a petition for winding up is presented against Catcha Theta; or
- 7.2.4 an order is made or a member's resolution is passed for the winding up of Catcha Theta; or

APPENDIX IV – SALIENT TERMS OF THE THETA SSA (CONT'D)

7.2.5 an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of Catcha Theta or any part of its assets and properties; or

7.2.6 an event analogous to any of the paragraphs 7.2.3, 7.2.4 or 7.2.5 above has occurred in any jurisdiction,

then provided where the default is, in the opinion of the Theta Vendors, capable of being remedied, is not remedied within fourteen (14) days commencing on the day immediately after the date the Theta Vendors give written notice to Catcha Theta and to the satisfaction of the Theta Vendors, the Theta Vendors may terminate the Theta SSA (other than the survival provisions) with immediate effect by giving written notice to Catcha Theta before or on the Theta Completion Date and none of the parties shall have any claim against the others for costs, damages, compensation or otherwise, save for any claim by the Theta Vendors against Catcha Theta for costs and expenses incurred by the Theta Vendors up to the termination of the Theta SSA.

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APPENDIX V – SALIENT TERMS OF THE THETA SHA

(Unless otherwise defined in this Appendix V, capitalised terms used herein without definition shall have the meaning assigned to them in this Circular)

The salient terms of the Theta SHA are as follows:

1. COMMENCEMENT DATE

The Theta SHA shall come into effect on completion of the Theta SSA (“**Theta Effective Date**”).

2. SHAREHOLDINGS OF THE PARTIES

2.1 Equity Structure

The shareholding structure in Theta on the Theta Effective Date shall be as follows:

Name	Number of Theta Shares	Percentage of Shareholding in Theta (%)
Catcha Theta	786,262	92.5
Mark	63,751	7.5
TOTAL	850,013	100.0

(Catcha Theta and Mark shall collectively be referred to as “**Shareholders**”, and each individually as a “**Shareholder**”)

2.2 Pre-emptive Rights

Unless otherwise agreed between the Shareholders in writing, no new Theta Shares shall be issued prior to FYE 31 December 2026 and any new Theta Shares issued from time to time after FYE 31 December 2026 shall, before they are issued, be offered to each Shareholder respectively based on their existing shareholding proportions in Theta.

3. SALE OR TRANSFER OF SHARES

3.1 Restriction

Subject to this paragraph 3 and paragraph 8, each of the Shareholders agrees and covenants that it/he shall not do or agree to do, any of the following without the prior written consent of the other Shareholders, the consent of which shall not be unreasonably withheld:

- (i) sell, transfer or otherwise dispose of, or grant any option over, any of its/his Theta Shares or any right over or interest in or derivative of any of its/his Theta Shares;
- (ii) pledge, mortgage (whether by way of fixed or floating charge), charge or otherwise create any encumbrances on or over its/his Theta Shares or any right over or interest in or derivative of any of its/his Theta Shares; or
- (iii) enter into any agreement in respect of any of the votes attached to any of its/his Theta Shares,

for as long as the Shareholders are a Shareholder.

3.2 Right of First Offer

If any Shareholder wishes to sell all or any of its/his Theta Shares (“**Offer Shares**”) to any third party, it must give written notice to the other Shareholder(s) in the form set out in the Theta SHA notifying each of them of their right to make an offer to purchase all (and not part) of the Offer Shares in accordance with the terms of the Theta SHA.

4. BOARD OF DIRECTORS

4.1 Composition of the Board of Directors of Theta (“Theta Board”)

4.1.1 Unless otherwise agreed between the Shareholders in writing, the Theta Board shall consist of up to three (3) members as follows:

- (a) two (2) nominees of Catcha Theta; and
- (b) one (1) nominee of Mark.

4.1.2 The chairman of the Theta Board shall be any of the directors nominated by Catcha Theta.

4.2 Quorum

The quorum necessary for the transaction of business at a meeting of the Theta Board (including all adjourned board meetings) shall always, both at the commencement of and throughout the meeting, be three (3) directors, two (2) of whom shall be directors nominated by Catcha Theta (or their respective alternates).

4.3 Board of Directors of Subsidiaries

4.3.1 The board of directors of Theta SG, Theta UK and any other subsidiary of Theta (“**Subsidiaries**”) (“**Subsidiary Board**”) shall consist of up to three (3) members comprising as follows:

- (a) two (2) nominees of Catcha Theta; and
- (b) one (1) nominee of Mark.

4.3.2 The chairman of each Subsidiary Board shall be any of the directors nominated by Catcha Theta.

4.3.3 Unless other agreed by the parties, if Mark ceases to be a shareholder of Theta for whatever reason, Mark shall cause his nominee to the Subsidiary Board to forthwith resign as a director of the Subsidiaries.

4.3.4 The quorum necessary for the transaction of business at a meeting of the Subsidiary Board (including all adjourned board meetings) shall always, both at the commencement of and throughout the meeting, be two (2) directors (or their respective alternates) nominated by Catcha Theta.

4.3.5 At any meeting of the Subsidiary Board, each of the directors will have one (1) vote to all resolutions and decisions made by the Subsidiary Board. In the event of equality of votes, the chairman of the subsidiary shall have a casting vote.

4.3.6 Any issue or question arising at any meeting of the Subsidiary Board, shall require the majority decision of the directors present and voting at the meeting.

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5. MANAGEMENT

5.1 Management vested in the Theta Board

- 5.1.1 The management of each of companies within Theta Group (“**Theta Group Companies**”) and its business shall be vested in the Theta Board and Subsidiary Board, respectively.
- 5.1.2 The parties agree to oversee the management functions of the Theta Group Companies by its respective nominated directors to the Theta Board and Subsidiary Board in order to achieve the Theta Group Expected PAT under the Theta SSA.
- 5.1.3 The Theta Board and Subsidiary Board shall each be responsible for the approval of the following in respect of the respective Theta Group Companies:
- (a) the annual business plan and budget at the beginning of each financial year; and
 - (b) other material business developments from time to time including, but not limited to, matters such as changes in key senior management and changes in employment terms, remuneration and benefits of any key senior management personnel.
- 5.1.4 In the event of any material deviation from the annual budget set for the Theta Group Companies, including but not limited to any unforeseen expenses which are not accounted for in the original budget, the management of the Theta Group Companies shall seek the prior approval of the Board or the Subsidiary Board for the same.
- 5.1.5 The parties agree that Catcha Theta shall be responsible for the treasury and cash management functions of the Theta Group Companies for their daily operations and the execution of their business plan provided that the management of the business of Theta Group by Mark shall not be adversely affected by the exercise of treasury and cash management functions of the Theta Group Companies for their daily operations and the execution of the business plan by Catcha Theta which may result in the non-fulfilment of the Theta Group Expected PAT.
- 5.1.6 The parties agree that the business of Theta Group shall be conducted in accordance with the pre-existing policies and practices in the past three (3) years up to 31 December 2023 including but not limited to the bases and practices of accounting, pricing policies and practices, product research and development and human resource hiring and compensation policies and practices. The parties further agree that any changes to the pre-existing policies and practices of Theta Group as at 31 December 2023 for the purposes of compliance with Malaysian Financial Reporting Standards accounting standards, Bursa Securities’ Listing Requirements and reporting practices of Catcha Digital which adversely affects the audited PAT for FYE 31 December 2024, FYE 31 December 2025 and FYE 31 December 2026 shall be excluded from the computation of the audited PAT for the purposes of the Theta Group Expected PAT.

6. GENERAL MEETINGS OF SHAREHOLDERS

6.1 Quorum

The quorum at any general meeting shall always be two (2) Shareholders present in person or by proxy, which consist of:

- (a) one (1) authorised representative of Catcha Theta or its proxy; and
- (b) one (1) authorised representative of Mark or his proxy.

6.2 Shareholders’ Matters

The Shareholders agree that no action may be taken by Theta or any of the Subsidiaries in respect of each of the shareholders’ reserved matters without a resolution passed by the Shareholders at the meeting of the Shareholders, which must include the affirmative vote of Catcha Theta.

7. DIVIDEND

7.1 Subject to the provisions of the Theta SHA, the dividend policy and the time and manner of the distribution of profits by Theta shall be proposed by the Theta Board and approved by the Shareholders.

7.2 Subject to applicable laws, Theta shall but is not obligated to distribute as dividends to the Shareholders all funds which are lawfully available out of its profits after taking into consideration amongst others:

7.2.1 available cash;

7.2.2 working capital;

7.2.3 capital expenditure requirement;

7.2.4 distributable income; and

7.2.5 tax cover and statutory payments.

8. TERMINATION

8.1 The Theta SHA shall become effective on the Theta Effective Date and shall continue in full force or effect:

8.1.1 for so long as any of the parties continue to hold shares in Theta but in relation to a party which has transferred all its shares as permitted by the Theta SHA, it shall cease to have any further force or effect except as otherwise provided hereunder; or

8.1.2 until Theta is wound-up, dissolved or otherwise cease to exist as a separate entity of the Theta SHA; or

8.1.3 until the termination of the Theta SHA by the mutual agreement of the Shareholders in accordance with paragraph 8.2 below.

8.2 Termination by Mutual Agreement

The Shareholders may at any time mutually agree to terminate the Theta SHA, which shall be effective as of a date to be agreed upon by the Shareholders. The Shareholders shall agree on a course of action to implement any termination arrangements within three (3) months from the date of such termination.

8.3 In the event:

8.3.1 any of the representations or warranties given by any Shareholder in the Theta SHA are false, incorrect or incomplete in any material respect such as to render the representations or warranties false or misleading; or

8.3.2 any Shareholder is in breach of any of the terms of the Theta SHA and such breach, if reasonably capable of remedy, is not remedied to the satisfaction of the other Shareholder(s) within thirty (30) days after written notice is given to the Shareholder to remedy the breach or is incapable of remedy; or

8.3.3 any action, legal proceedings or other procedure or step is taken (or any analogous procedure or step is taken in any jurisdiction) by any third party against any of the Shareholders in relation to the following matters, and such action, legal proceedings or other procedure or step is not liable to be summarily dismissed or set aside:

(a) the suspension of payments generally, a moratorium of its indebtedness or a moratorium of its indebtedness generally;

(b) bankruptcy, winding-up, dissolution, administration or reorganisation (other than by way of voluntary arrangement or scheme of arrangement to effect an amalgamation merger, demerger or analogous event);

(c) a composition, assignment or arrangement with its creditors generally; or

- (d) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of its assets generally,

(each an “**Event of Default**”), the Shareholder (the “**Defaulting Shareholder**”) must notify the other Shareholder(s) (the “**Non-Defaulting Shareholder(s)**”) and Theta in writing as soon as practicable.

8.4 Following the occurrence of any Event of Default, the Non-Defaulting Shareholder(s) may give written notice (“**Default Notice**”) to the Defaulting Shareholder for the purposes set out in paragraph 8.5 below within thirty (30) days of receiving notification of the Event of Default from the Defaulting Shareholder or of the Non-Defaulting Shareholder(s) becoming aware of the Event of Default.

8.5 Without prejudice to such other rights and remedies which the Non-Defaulting Shareholder(s) may have, the Non-Defaulting Shareholder shall be entitled to:

8.5.1 require the Defaulting Shareholder to sell all of its Theta Shares (“**Default Shares**”) to the Non-Defaulting Shareholder(s) (“**Default Call Option**”) at a purchase price to be determined in accordance with paragraph 8.5.2 below.

8.5.2 the total purchase price for the Default Shares shall be determined on the following basis:

- (a) if the Default Call Option is exercised pursuant to an Event of Default, the Non-Defaulting Shareholder(s) shall pay an amount equivalent to 50% of the Fair Value of the Default Shares.
- (b) if the fair value of all the Theta Shares of the Defaulting Shareholder is zero or a negative amount, the disposal price for all the Theta Shares shall be RM1.00, or such amount to be agreed by the Non-Defaulting Shareholder(s), provided always that the disposal price per Theta Share shall be the same for all the Non-Defaulting Shareholder(s).

8.6 Cessation of Directorship

Upon the Default Call Option completion, the director(s) of Theta nominated by or representing the Defaulting Shareholder shall resign immediately without further claim against Theta and its other directors, officers, employees.

9. DEADLOCK

9.1 A deadlock shall be deemed to have occurred in the following events:

9.1.1 the Shareholders cannot agree on any shareholders’ reserved matter or resolution on any issue or question referred to the Shareholders pursuant to the Theta SHA; or

9.1.2 a misunderstanding, disagreement or dispute has arisen between the Shareholders concerning any aspect of the Theta SHA relating to or affecting Theta (including to the validity or the construction, meaning or effect of the Theta SHA and the rights or liabilities of the Shareholders) and such matter has been raised and/or considered at three (3) consecutive general meetings and no resolution is reached; or

9.1.3 no resolution has been passed by reason of an absence of quorum for general meeting at three (3) consecutive general meetings of which all the Shareholders have been notified.

9.2 To resolve a deadlock, any Shareholder shall be entitled to serve a notice (“**Conciliation Notice**”) to all other Shareholders describing the matter to be discussed and their position in respect of that unresolved matter and requiring all the Shareholders to attempt to resolve the matter amicably through negotiation process.

APPENDIX V – SALIENT TERMS OF THE THETA SHA (CONT'D)

- 9.3** The Shareholders shall discuss their respective positions with a view to resolve the deadlock in good faith within fifteen (15) business days from the date of the Conciliation Notice or such extended period as the Shareholders may agree upon (“**Conciliation Period**”).
- 9.4** In the event the Shareholders fail to resolve the deadlock upon the expiry of the Conciliation Period, any disputes arising from the implementation of the deadlock resolution procedure shall be subject to the dispute resolution clause in the Theta SHA.

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APPENDIX VI – INFORMATION ON FMS GROUP

1. INFORMATION ON FMS GROUP

1.1 HISTORY AND BUSINESS

As at the LPD, FMS Group has diverse clients from multi-national corporations, international marketing agencies and media publishing houses across Southeast Asia and other countries. Its principal place of business located at A-2-6, Block A, No. 1 Jalan PJS 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor.

Malaysia is the principal market for FMS Group, as shown in the table below:

Location	Audited					
	FYE 31 December					
	2021		2022		2023	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Malaysia	15,845	57.1	27,643	94.8	34,362	91.8
United Arab Emirates	10,751	38.7	-	-	-	-
Vietnam	-	-	-	-	1,792	4.8
Singapore	272	1.0	293	1.0	580	1.6
Others ⁽¹⁾	888	3.2	1,209	4.2	677	1.8
TOTAL	27,756	100.0	29,145	100.0	37,411	100.0

Note:

(1) Comprising Thailand, Japan, Korea, Indonesia, Hong Kong, People's Republic of China, United States of America, Qatar and Cambodia.

Based on the latest audited financial statements of FMS for FYE 31 December 2023, FMS owns the following property, plant and equipment:

Types of property, plant and equipment	Carrying value (RM)
Computer and software	555,770
Furniture and fittings	276,135
Motor vehicles	294,442
Office equipment	619,111
Renovation	663,442
Studio equipment	102,998
Signboard	10,562
Freehold property	330,447
Leasehold properties	2,068,388
TOTAL	4,921,295

1.2 MATERIAL COMMITMENTS

As at the LPD, there is no material commitment incurred or known to be incurred by FMS Group, which may have a material impact on the financial position or financial performance of FMS Group.

1.3 MATERIAL CONTRACTS

As at the LPD, save for the following, FMS Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

- (a) FMS SHA;
- (b) sale and purchase agreement dated 20 September 2024 between FMS and Karester Resource for the disposal of a property bearing the postal address A-1-3A, Block A, No. 1, Jalan PJS 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor to Karester Resource for a purchase consideration of RM653,058.88. As at the LPD, the disposal has been completed;

APPENDIX VI – INFORMATION ON FMS GROUP (CONT'D)

- (c) sale and purchase agreement dated 20 September 2024 between FMS and Karester Resource for the disposal of a property bearing the postal address T3A-22-18, Pusat Perdagangan Icon City, No. 1B, Jalan SS 8/39, 47300 Petaling Jaya, Selangor to Karester Resource for a purchase consideration of RM649,726.56. As at the LPD, the disposal has been completed;
- (d) sale and purchase agreement dated 20 September 2024 between FMS and Karester Resource for the disposal of a property bearing the postal address A-3-3A, Block A, No. 1, Jalan PJS 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor to Karester Resource for a purchase consideration of RM707,128.16. As at the LPD, the disposal has been completed;
- (e) sale and purchase agreement dated 20 September 2024 between FMS and Karester Resource for the disposal of a property bearing the postal address A-3-05, Block A, No. 1, Jalan PJS 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor to Karester Resource for a purchase consideration of RM711,533.48. As at the LPD, the disposal has been completed; and
- (f) sale and purchase agreement dated 20 September 2024 between FMS and Karester Resource for the disposal of a property bearing the postal address I-Sovo, B-16-17, Persiaran Multimedia, Seksyen 7, Shah Alam 40000, Shah Alam, Selangor to Karester Resource for a purchase consideration of RM330,447.10. As at the LPD, the disposal has been completed.

1.4 CONTINGENT LIABILITIES

As at the LPD, there is no contingent liability incurred or known to be incurred by FMS Group which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of FMS Group.

1.5 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, FMS Group is not involved in any material litigation, claims and/or arbitration, either as plaintiff or defendant, and the board of directors of FMS is not aware of any proceedings, pending or threatened against FMS, or of any facts likely to give rise to any proceedings, which may materially affect the financial position or business of FMS Group.

1.6 HISTORICAL FINANCIAL INFORMATION

	Audited			Unaudited
	FYE 31 December 2021	FYE 31 December 2022	FYE 31 December 2023	FYE 31 December 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	27,757	29,145	37,411	39,252
Gross profit	14,938	15,000	17,850	16,616
PBT	9,587	8,574	9,339	7,243
PAT	7,218	6,525	7,008	5,505 ⁽⁵⁾
Share capital	1,000	1,000	1,000	1,000
Shareholders' funds / NA	26,460	28,985	32,143	19,781
No. of FMS Shares in issue ('000)	1,000	1,000	1,000	1,000
Weighted average no. of FMS Shares in issue ('000)	1,000	1,000	1,000	1,000
NA per FMS Share (RM) ⁽¹⁾	26.46	28.96	32.14	19.78
Basic earnings per FMS Share (RM) ⁽²⁾	7.22	6.53	7.01	5.51
Current ratio (times)	5.76	4.86	9.96	3.99
Total borrowings ⁽³⁾	1,404	1,527	218	123
Gearing ratio (times) ⁽⁴⁾	0.05	0.05	0.01	0.01

(Source: The audited financial statements and management accounts of FMS for the financial years under review)

Notes:

- (1) *Computed based on the NA divided by the number of FMS Shares in issue for the respective financial years under review.*
- (2) *Computed based on the PAT divided by the weighted average number of FMS Shares in issue for the respective financial years under review.*
- (3) *Comprising lease liabilities and hire purchases.*
- (4) *Computed based on the total borrowings divided by the NA for the respective financial years under review.*
- (5) *As at the LPD, FMS' financial results for FYE 31 December 2024 remain unaudited and the management of FMS has assumed a tax rate of 24% to compute the PAT for the financial year under review.*

Commentaries:**(i) FYE 31 December 2021 vs FYE 31 December 2020**

FMS' revenue for FYE 31 December 2021 increased by 23.33% or RM5.26 million to RM27.76 million (FYE 31 December 2020: RM22.50 million). The increase in revenue was primarily driven by a higher revenue derived from experiential marketing services rendered to customers as a result of large-scale overseas experiential projects such as Dubai World Expo 2020, which was held on 1 October 2021, whereby FMS was involved in the project for Kuwait, Malaysia and Qatar.

FMS recorded a PAT of RM7.22 million for FYE 31 December 2021, representing a decrease of 30.74% or RM3.20 million (FYE 31 December 2020: RM10.42 million). The decrease in PAT was mainly due to higher administrative expenses by 25.06% or RM1.12 million to RM5.58 million (FYE 31 December 2020: RM4.46 million) as a result of an increase in headcount for marketing personnel for direct engagement with clients.

(ii) FYE 31 December 2022 vs FYE 31 December 2021

FMS' revenue for FYE 31 December 2022 increased by 5.0% or RM1.39 million to RM29.15 million (FYE 31 December 2021: RM27.76 million). The increase in revenue was primarily driven by a higher revenue derived from experiential marketing services rendered to customers as a result of large-scale projects such as the Van Gogh Alive x The Greatest Artist project, and GLC Open Day 2022 Immersive Gallery, both of which took place in 2022.

FMS recorded a PAT of RM6.53 million for FYE 31 December 2022, representing a decrease of 9.56% or RM0.69 million (FYE 31 December 2021: RM7.22 million). The decrease in PAT was mainly due to higher administrative expenses by 15.05% or RM0.84 million to RM6.42 million (FYE 31 December 2021: RM5.58 million) as a result of an increase in headcount for marketing personnel for direct engagement with clients.

(iii) FYE 31 December 2023 vs FYE 31 December 2022

FMS' revenue for FYE 31 December 2023 increased by 28.34% or RM8.26 million to RM37.41 million (FYE 31 December 2022: RM29.15 million). The increase in revenue was primarily driven by a higher revenue derived from experiential marketing services rendered to customers due to additional projects for Petronas such as MotoGP 2023, the Axiata Malaysia Open, and the Petronas KLCC Convex. The growth was also supported by other immersive projects for retailers, including the L'Occitane Pop-Up series launched in 2023.

FMS recorded a PAT of RM7.01 million for FYE 31 December 2023, representing an increase of 7.35% or RM0.48 million (FYE 31 December 2022: RM6.53 million). The increase in PAT was mainly due to a higher gross profit of RM17.85 million (FYE 31 December 2022: RM15.00 million) in line with higher revenue as explained above.

(iv) FYE 31 December 2024 (unaudited) vs FYE 31 December 2023 (audited)

FMS' revenue for FYE 31 December 2024 increased by 4.92% or RM1.84 million to RM39.25 million (FYE 31 December 2023: RM37.41 million). The increase in revenue was primarily driven by a higher revenue derived from experiential marketing services rendered to customers as a result of large-scale experience centre projects such as CelcomDigi Innovation Centre, Petronas Grand Prix and SUKMA 2024 as well as proprietary intellectual property based immersive content exhibitions such as Art and Symphony.

FMS recorded a PAT of RM5.51 million for FYE 31 December 2024, representing a decrease of 21.40% or RM1.50 million (FYE 31 December 2023: RM7.01 million). The decrease in PAT was mainly due to a higher administrative expenses of RM8.69 million in FYE 31 December 2024 (FYE 31 December 2023: RM8.43 million) as a result of an increase in headcount for marketing personnel for direct engagement with clients.

The shareholders' fund of FMS decreased from RM32.14 million as at 31 December 2023 to RM19.78 million as at 31 December 2024 due to the dividend amounting to RM19.60 million paid to the FMS Vendors and shareholders of FMS for FYE 31 December 2024 pursuant to the terms of the FMS SSA.

For the past 3 audited financial years under review:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by FMS which are peculiar to FMS because of the nature of its business; and
- (iii) there was no audit qualification of the financial statements of FMS.

2. INFORMATION ON FM SG**2.1 HISTORY AND BUSINESS**

As at the LPD, FM SG is a dormant company with no business operations. Hence, FM SG does not have any audited financial statements as at the LPD. As at the LPD, FM SG does not own any assets.

2.2 MATERIAL COMMITMENTS

As at the LPD, there is no material commitment incurred or known to be incurred by FM SG, which may have a material impact on the financial position or financial performance of FM SG.

2.3 MATERIAL CONTRACTS

As at the LPD, FM SG has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding this Circular.

2.4 CONTINGENT LIABILITIES

As at the LPD, there is no contingent liability incurred or known to be incurred by FM SG which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of FM SG.

2.5 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, FM SG is not involved in any material litigation, claims and/or arbitration, either as plaintiff or defendant, and the board of directors of FM SG is not aware of any proceedings, pending or threatened against FM SG, or of any facts likely to give rise to any proceedings, which may materially affect the financial position or business of FM SG.

APPENDIX VII – INFORMATION ON THETA GROUP

1. INFORMATION ON THETA GROUP

1.1 HISTORY AND BUSINESS

Theta Group operates as a software provider where its flagship credit workflow solutions, ORIGINS, enhances and improves the loan origination processes of the financial institutions. Besides this, Theta Group also provides consulting services in credit and risk management to the banks.

The revenue of Theta Group is primarily derived from the provision of the ORIGINS solutions and the consulting services to the financial institutions in the form of software license revenue, maintenance revenue and professional services revenue.

Currently, Theta is the main operating subsidiary, with the breakdown of revenue by subsidiaries of Theta Group is set out in the table below:

Company	Audited					
	FYE 31 December					
	2022		2023 (Restated)		2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Theta	24,778	98.9	22,305	94.0	25,784	97.7
Theta UK	278	1.1	737	3.1	-	-
Theta SG	-	-	166	0.7	612	2.3
Effects of re-statement ⁽¹⁾	-	-	521	2.2	-	-
TOTAL	25,056	100.0	23,729	100.0	26,396	100.0

Note:

(1) Restated due to transition of accounting standards from MPERS to MFRS. The management of Theta is unable to allocate the effects of restatement to companies within Theta Group.

For the past 3 FYE 31 December 2022 to FYE 31 December 2024, financial institutions are the major customers of Theta Group. Theta Group serves a diverse and reputable clientele that includes various banks in the United Kingdom, India, the Philippines, Singapore, Hong Kong, Malaysia, Taiwan, Canada, Indonesia and the United States of America. As at the LPD, Theta Group has successfully implemented more than 20 sites with its ORIGINS system globally. The revenue breakdown of Theta Group for the past 3 FYEs 31 December 2022 to 31 December 2024 is set out below:

Location	Audited					
	FYE 31 December					
	2022		2023 (Restated)		2024	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Malaysia	3,965	15.82	4,887	20.60	6,909	26.17
United Kingdom	6,023	24.04	5,007	21.10	1,228	4.65
United States of America	2,125	8.48	1,937	8.16	1,392	5.27
Philippines	3,220	12.85	2,927	12.34	3,583	13.58
Others*	9,723	38.81	8,971	37.80	13,284	50.33
TOTAL	25,056	100.0	23,729	100.0	26,396	100.0

Note:

* Comprising Canada, Hong Kong, India, Indonesia, Singapore, Taiwan and Vietnam. For FYE 31 December 2023, it also includes the effects of restatement due to transition of accounting standards from MPERS to MFRS, which the management of Theta is unable to allocate the effects of restatement to geographical locations of Theta Group's clients.

The principal place of business of Theta Group is as follows:

Company	Location
Theta	Unit No. 03-08, Level 3, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Theta UK	8 Westfield Road, Winnersh, Wokingham RG41 5ER United Kingdom
Theta SG	50 Raffles Place, #30 Singapore Land Tower, Singapore 048623

APPENDIX VII – INFORMATION ON THETA GROUP (CONT'D)

Based on the latest audited financial statements of Theta Group for FYE 31 December 2024, Theta Group owns the following property, plant and equipment:

Types of property, plant and equipment	Carrying value (RM)
Furniture and fittings	39,794
Renovation	52,140
Office equipment	12,470
Computers equipment	289,715
Motor vehicles	94,224
IT equipment	387
TOTAL	488,730

1.2 MATERIAL COMMITMENTS

As at the LPD, there is no material commitment incurred or known to be incurred by Theta Group, which may have a material impact on its financial position or financial performance.

1.3 MATERIAL CONTRACTS

As at the LPD, save for the Theta SHA, Theta Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding this Circular.

1.4 CONTINGENT LIABILITIES

As at the LPD, there is no contingent liability incurred or known to be incurred by Theta Group which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of Theta Group.

1.5 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, Theta Group is not involved in any material litigation, claims and/or arbitration, either as plaintiff or defendant, and the board of directors of Theta is not aware of any proceedings, pending or threatened against Theta Group, or of any facts likely to give rise to any proceedings, which may materially affect the financial position or business of Theta Group.

1.6 HISTORICAL FINANCIAL INFORMATION

The summary of key financial information of Theta Group based on its audited financial statements for the financial years under review is as follows:

	Audited		
	FYE 31 December		
	2022	2023 ⁽⁴⁾	2024
	(RM'000)	(RM'000)	(RM'000)
Revenue	25,056	23,729	26,396
Gross profit	11,788	22,445	24,589
PBT	3,354	4,319	6,017
PAT attributable to owners of the company	2,651	3,405	4,333
Share capital	850	850	850
Shareholders' funds / NA	20,701	20,409	24,519
No. of Theta Shares in issue ('000)	850	850	850
Weighted average no. of Theta Shares in issue ('000)	850	850	850
NA per Theta Share (RM) ⁽¹⁾	24.35	24.01	28.85
Basic earnings per Theta Share (RM) ⁽²⁾	3.12	4.01	5.10
Current ratio ⁽³⁾ (times)	2.59	4.42	4.76
Total borrowings	-	-	-
Gearing ratio (times)	-	-	-

(Source: The audited financial statements of Theta Group for the financial years under review)

Notes:

- (1) *Computed based on the NA divided by the number of Theta Shares in issue for the respective financial years under review.*
- (2) *Computed based on the PAT divided by the weighted average number of Theta Shares in issue for the respective financial years under review.*
- (3) *Computed based on total current assets divided by the total current liabilities for the respective financial years under review.*
- (4) *Restated due to transition of accounting standards from MPERS to MFRS.*

Commentaries:**(i) FYE 31 December 2024 vs FYE 31 December 2023**

Theta Group's revenue for FYE 31 December 2024 increased by 11.24% or RM2.67 million to RM26.40 million (FYE 31 December 2023: RM23.73 million), primarily driven by higher project revenues as a result of a pickup in demand for new projects as well as change request services from existing clients. These change request services refer to modifications or enhancements to existing software products based on clients' specific requirements, for which Theta Group charges additional fees. Theta Group's gross profit for FYE 31 December 2024 also improved by RM2.14 million or 9.55%, which is in line with the increase in revenue.

Theta Group recorded a PAT attributable to owners of the company of RM4.33 million for FYE 31 December 2024, representing an increase of 27.25% or RM0.93 million (FYE 31 December 2023: RM3.41 million). The increase in PAT was mainly due to an increase in revenue as explained above.

(ii) FYE 31 December 2023 vs FYE 31 December 2022

Theta Group's revenue for FYE 31 December 2023 decreased by 5.30% or RM1.33 million to RM23.73 million (FYE 31 December 2022: RM25.06 million), primarily driven by lower project revenues due to unexpected project delays and weaker demand for new project launches.

Despite lower revenue, Theta Group recorded a higher gross profit for FYE 31 December 2023, representing an increase of 90.40% or RM10.66 million, mainly due to reclassification of expenses from cost of sales to administrative expenses during FYE 31 December 2023 which was in line with Theta Group's transition of accounting standards from MPERS to MFRS.

Despite lower revenue, Theta Group recorded a PAT attributable to owners of the company of RM3.41 million for FYE 31 December 2023, representing an increase of 28.44% or RM0.75 million (FYE 31 December 2022: RM2.65 million). The increase in PAT was mainly due to the following:

- (a) higher other operating income of RM0.75 million (FYE 31 December 2022: RM0.25 million) attributable by:
 - (aa) higher realised gain on foreign exchange (FYE 31 December 2023: RM0.31 million; FYE 31 December 2022: nil) and higher unrealised gain on foreign exchange (FYE 31 December 2023: RM0.22 million; FYE 31 December 2022: RM0.06 million), due to the RM's depreciation against United States Dollar, SGD and GBP between the time of billing and collections or revaluation;
 - (ab) higher interest income (FYE 31 December 2023: RM0.31 million; FYE 31 December 2022: RM0.15 million), due to the increase of bank balances from RM13.3 million to RM15.9 million during this period and the increase in average money market deposit rates from 1.95% in 2022 to 2.65% in 2023; and
- (b) improvement in Theta Group's overall cost structure due to better cost control and productivity efficiency after adopting new project management practices such as earned value management approach which provides timely insights into budget performance and project progress to reduce the risk of cost overruns.

(iii) FYE 31 December 2022 vs FYE 31 December 2021

Theta Group's revenue for FYE 31 December 2022 increased by 9.67% or RM2.21 million to RM25.06 million (FYE 31 December 2021: RM22.85 million). The increase in revenue was primarily driven by higher revenue derived from projects, supported by stronger demand from customers in Europe and Asia.

Theta Group recorded a PAT of RM2.65 million for FYE 31 December 2022, representing a decrease of 2.82% or RM0.08 million (FYE 31 December 2021: RM2.78 million). The decrease in PAT was mainly contributed by higher administration expenses of RM6.19 million (FYE 31 December 2021: RM4.83 million) due to higher personnel costs.

For the past 3 audited financial years under review:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by Theta Group which are peculiar to Theta Group because of the nature of its business; and
- (iii) there was no audit qualification of the financial statements of Theta Group.

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Registered office:

02-00-2D, Kuchai Brempark
Jalan Selesa 2
Taman Gembira
Kuala Lumpur
Wilayah Persekutuan

Date: 26 August 2025

To: The shareholders of Catcha Digital Berhad

Dear Sir /Madam,

On behalf of the Board of Directors of Framemotion Studio Sdn Bhd (“FMS”), I wish to report that after making due enquiries in relation to FMS during the period from 31 December 2023, being the date which the latest audited financial statements of FMS have been made up, and the date thereof, being a date not earlier than 14 days before the date of this Circular:

- (i) in the opinion of the Board of Directors of FMS, the business of FMS has been satisfactorily maintained;
- (ii) in the opinion of the Board of Directors of FMS, despite the FMS Pre-Transaction Restructuring (as defined in this Circular), no circumstances have arisen since the last audited financial statements of FMS which have adversely affected the trading or the value of the assets of FMS;
- (iii) the current assets of FMS appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by FMS;
- (v) since the last audited financial statements of FMS, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which the directors are aware of; and
- (vi) to the best knowledge of the Board of Directors of FMS, there have been no material changes in the published reserves or any unusual factors affecting the results of FMS since the last audited financial statements of FMS.

Yours faithfully,
For and on behalf of the Board of
FRAMEMOTION STUDIO SDN BHD



PUA YIN CHYE
Director

FrameMotion Studio Sdn. Bhd. 200801006433 (807717-H)

A-2-6, Block A, No 1, Jalan PJ5 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor.
+603-5612 4013 / +603-5611 0080 account@framemotionstudio.com

APPENDIX IX – DIRECTORS’ REPORT ON THETA GROUP



Theta Service Partner Sdn Bhd
(199901007548)

Unit No. 03-08 Level 3 Tower A
Vertical Business Suite
Avenue 3 Bangsar South
No.8 Jalan Kerinchi
59200 Kuala Lumpur Malaysia

TEL +60 3 2715 4248
FAX +60 3 2715 4648

WEBSITE www.thetasp.com

Registered office:

No. 42B, Jalan SS6/8
Kelana Jaya
Petaling Jaya, Selangor Darul Ehsan
Petaling Jaya
Wilayah Persekutuan

Date: 26 August 2025

To: The shareholders of Catcha Digital Berhad

Dear Sir /Madam,

On behalf of the Board of Directors of Theta Service Partner Sdn Bhd (“**Theta**”), I wish to report that after making due enquiries in relation to Theta and its subsidiaries (collectively, “**Theta Group**”) during the period from 31 December 2024, being the date which the latest audited consolidated financial statements of Theta have been made up, and the date thereof, being a date not earlier than 14 days before the date of this Circular:

- (i) in the opinion of the Board of Directors of Theta, the businesses of Theta Group have been satisfactorily maintained;
- (ii) in the opinion of the Board of Directors of Theta, no circumstances have arisen since the last audited consolidated financial statements of Theta Group which have adversely affected the trading or the value of the assets of Theta Group;
- (iii) the current assets of Theta Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by Theta Group;
- (v) since the last audited consolidated financial statements of Theta Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which the directors are aware of; and
- (vi) save for total dividends of RM8.00 million declared and paid by Theta in March 2025 and May 2025 as permitted under the conditional share sale agreement dated 24 March 2025 in relation to the proposed acquisition of 92.5% equity interest in Theta by Catcha Theta Holdings Sdn Bhd, to the best knowledge of the Board of Directors of Theta, there have been no material changes in the published reserves or any unusual factors affecting the results of Theta Group since the last audited consolidated financial statements of Theta Group.

Yours faithfully,

For and on behalf of the Board of
THETA SERVICE PARTNER SDN BHD

A handwritten signature in black ink, appearing to read "Leong Kwok Hung", written over a horizontal dashed line.

LEONG KWOK HUNG
Director

Registration No.: 200801006433 (807717 - H)

FRAMOTION STUDIO SDN BHD
(Incorporated in Malaysia)

31 DECEMBER 2023

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Registration No.: 200801006433 (807717 - H)

FRAMEMOTION STUDIO SDN BHD
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 December 2023.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are to provide 3-dimension animation services, produce film and construct shooting scenes. There have been no significant changes in the nature of these activities during the year.

2. FINANCIAL RESULTS

	RM
Profit after tax for the year	<u>7,007,919.75</u>

3. DIVIDENDS

A first interim single-tier dividend of 100% amounting to RM1,000,000 in respect of the financial year ended 31 December 2023 was declared. The dividend was paid to the shareholders on 24 March 2023.

A second interim single-tier dividend of 200% amounting to RM2,000,000 in respect of the financial year ended 31 December 2023 was declared. The dividend was paid to the shareholders on 26 May 2023.

A third interim single-tier dividend of 10% amounting to RM100,000 in respect of the financial year ended 31 December 2023 was declared. The dividend was paid to the shareholders on 25 August 2023.

A fourth interim single-tier dividend of 50% amounting to RM500,000 in respect of the financial year ended 31 December 2023 was declared. The dividend was paid to the shareholders on 15 November 2023.

A fifth interim single-tier dividend of 25% amounting to RM250,000 in respect of the financial year ended 31 December 2023 was declared. The dividend was paid to the shareholders on 31 December 2023.

4. MOVEMENT ON RESERVES AND PROVISIONS

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

5. ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the year.

6. SHARE OPTIONS

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company.

Registration No.: 200801006433 (807717 - H)

6. SHARE OPTIONS cont'd

No shares have been issued during the year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the year, there were no unissued shares of the Company under options.

7. DIRECTORS

The directors of the Company in office at any time during the year until the date of this report are:

PUA YIN CHYE
TAN ENG HONG

8. DIRECTORS' BENEFITS

During and at the end of the year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remunerations received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

9. DIRECTORS' INTERESTS

According to the register of directors' shareholding under Section 59 of the Companies Act, 2016, the interests of directors in office at the end of the year in the ordinary shares of the Company and its related corporations during the year are as follows:

	Number of Ordinary Shares in the Company			
	As at 01/01/2023	Bought	Sold	As at 31/12/2023
Direct Interest				
PUA YIN CHYE	700,000	-	-	700,000
TAN ENG HONG	300,000	-	-	300,000

10. DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors or past directors of the Company comprising remunerations received/receivable from the Company during the year are as follows:

	2023 RM
Remunerations	695,864.00
Contribution to defined contribution plan	83,504.00
	<u>779,368.00</u>

11. INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the director, officer or auditor of the Company.

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12. OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the directors took reasonable steps:

- a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, the directors are not aware of any circumstances:

- a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or
- b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

As of the date of this report, there does not exist:

- a) any charge on the assets of the Company which has arisen since the end of the year and secures the liability of any other person; or
- b) any contingent liability of the Company which has arisen since the end of the year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

- a) the results of the operations of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature.
- b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of operations of the Company for the year in which this report is made.

13. AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

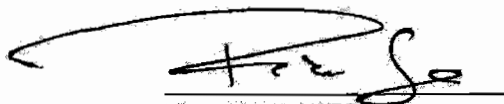
	2023 RM
Statutory audit	34,000.00
	<u>34,000.00</u>

Registration No.: 200801006433 (807717 - H)

14. AUDITORS

The retiring auditors, Messrs. C C POH & CO., have indicated their willingness to be re-appointed.

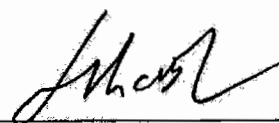
Signed on behalf of the Board of Directors



PUA YIN CHYE
Director

Kuala Lumpur

Dated: **02 AUG 2024**



TAN ENG HONG
Director

Registration No.: 200801006433 (807717 - H)

FRAMEMOTION STUDIO SDN BHD

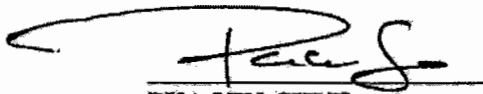
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the directors of **Framemotion Studio Sdn Bhd**, do hereby state that, in the opinion of the directors, the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity together with the notes thereto and the Statement of Cash Flows are drawn up in accordance with the provision of the Companies Act, 2016 and Malaysian Private Entities Reporting Standard so as to give a true and fair view of the state of affairs of the Company as at 31 December 2023 and of the results of their operations and changes in cash flow position of the Company for the year ended on that date.

Signed on behalf of the Board of Directors



PUA YIN CHYE
Director

Kuala Lumpur

Dated: **02 AUG 2024**



TAN ENG HONG
Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, **PUA YIN CHYE (IC No: 750409-10-5151)**, the director primarily responsible for the accounting records and financial management of **Framemotion Studio Sdn Bhd**, do solemnly and sincerely declare that the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity together with the notes thereto and the Statement of Cash Flows are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.


Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the state)
of Federal Territory on this day, **02 AUG 2024**)

Before me,



PUA YIN CHYE




Commissioner for Oaths
NO. 31-1A, JALAN PANDAN 3/10,
PANDAN JAYA
55100 KUALA LUMPUR

CC POH & CO (AF 1415)

Chartered Accountants

No. 2-1A, Jalan Pandan 2/1, Pandan Jaya, 55100 Kuala Lumpur.

Tel : 603-9282 2288 Fax : 603-9284 5195

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

FRAMEMOTION STUDIO SDN BHD

Registration No.: 200801006433 (807717 - H)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Framemotion Studio Sdn. Bhd., which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

CC POH & CO (AF 1415)

Chartered Accountants

No. 2-1A, Jalan Pandan 2/1, Pandan Jaya, 55100 Kuala Lumpur.

Tel : 603-9282 2288 Fax : 603-9284 5195

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Cont'd

FRAMEMOTION STUDIO SDN BHD

Registration No.: 200801006433 (807717 - H)

(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

CC POH & CO (AF 1415)

Chartered Accountants

No. 2-1A, Jalan Pandan 2/1, Pandan Jaya, 55100 Kuala Lumpur.

Tel : 603-9282 2288 Fax : 603-9284 5195

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Cont'd

FRAMEMOTION STUDIO SDN BHD

Registration No.: 200801006433 (807717 - H)

(Incorporated in Malaysia)

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

CC POH & CO (AF 1415)

Chartered Accountants

No. 2-1A, Jalan Pandan 2/1, Pandan Jaya, 55100 Kuala Lumpur.

Tel : 603-9282 2288 Fax : 603-9284 5195

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Cont'd

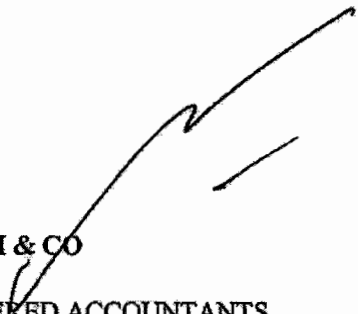
FRAMEMOTION STUDIO SDN BHD

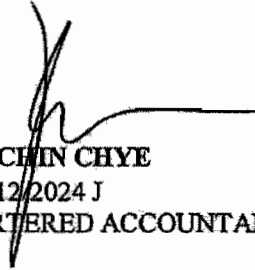
Registration No.: 200801006433 (807717 - H)

(Incorporated in Malaysia)

Other Matters

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


C C POH & CO
AF 1415
CHARTERED ACCOUNTANTS


POH CHIN CHYE
2100/12/2024 J
CHARTERED ACCOUNTANT

Kuala Lumpur, Malaysia

Date : 02 AUG 2024

**APPENDIX X – AUDITED FINANCIAL STATEMENTS OF FMS FOR FYE 31 DECEMBER 2023
(CONT'D)**

Registration No.: 200801006433 (807717 - H)

FRAMEMOTION STUDIO SDN BHD

(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,921,293.90	4,239,281.60
Investment property	7	653,058.88	661,222.12
Investment in associates	8	24,500.00	24,500.00
Other investment	9	127,283.60	122,957.80
TOTAL NON-CURRENT ASSETS		5,726,136.38	5,047,961.52
CURRENT ASSETS			
Trade and other receivables	10	16,039,518.85	14,938,520.89
Deposits and prepayments	11	518,733.26	88,425.07
Cash, bank balances and deposits	12	12,972,475.97	16,806,375.59
TOTAL CURRENT ASSETS		29,530,728.08	31,833,321.55
TOTAL ASSETS		35,256,864.46	36,881,283.07
EQUITY			
Share capital	13	1,000,000.00	1,000,000.00
Retained profits	14	31,143,238.95	27,985,319.20
TOTAL EQUITY		32,143,238.95	28,985,319.20
NON-CURRENT LIABILITIES			
Lease liabilities	15	148,265.72	217,974.87
Bank borrowings	16	-	1,114,423.06
TOTAL NON-CURRENT LIABILITIES		148,265.72	1,332,397.93
CURRENT LIABILITIES			
Trade and other payables	17	2,365,403.71	5,673,878.89
Lease liabilities	15	69,709.15	69,699.73
Bank borrowings	16	-	124,740.39
Current tax liabilities		530,246.93	695,246.93
TOTAL CURRENT LIABILITIES		2,965,359.79	6,563,565.94
TOTAL LIABILITIES		3,113,625.51	7,895,963.87
TOTAL EQUITY AND LIABILITIES		35,256,864.46	36,881,283.07

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

**APPENDIX X – AUDITED FINANCIAL STATEMENTS OF FMS FOR FYE 31 DECEMBER 2023
(CONT'D)**

Registration No.: 200801006433 (807717 - H)

FRAMEMOTION STUDIO SDN BHD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Revenue	18	37,410,898.10	29,145,120.23
Cost of sales	18	(19,561,093.68)	(14,145,149.18)
Gross profit		17,849,804.42	14,999,971.05
Other operating income		165,068.02	218,782.05
Distribution expenses		(234,252.84)	(167,004.11)
Administrative expenses		(8,432,051.23)	(6,423,420.50)
Other operating expenses		(23,414.60)	(19,076.50)
Profit from operations	19	9,325,153.77	8,609,251.99
Finance costs	20	(19,198.11)	(35,512.09)
Investing income	21	32,722.65	169.92
Profit before tax		9,338,678.31	8,573,909.82
Tax expense	22	(2,330,758.56)	(2,048,502.06)
Profit after tax for the year		7,007,919.75	6,525,407.76
Other Comprehensive Income		-	-
Total comprehensive income for the year		7,007,919.75	6,525,407.76

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

**APPENDIX X – AUDITED FINANCIAL STATEMENTS OF FMS FOR FYE 31 DECEMBER 2023
(CONT'D)**

Registration No.: 200801006433 (807717 - H)

FRAMEMOTION STUDIO SDN BHD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Share Capital RM	Retained Profits RM	Total Equity RM
Balance as at 1 January 2022		1,000,000.00	25,459,911.44	26,459,911.44
<u>Changes :</u>				
Profit and other comprehensive income for the year		-	6,525,407.76	6,525,407.76
Dividends paid	23	-	(4,000,000.00)	(4,000,000.00)
Balance as at 31 December 2022		1,000,000.00	27,985,319.20	28,985,319.20
<u>Changes :</u>				
Profit and other comprehensive income for the year		-	7,007,919.75	7,007,919.75
Dividends paid	23	-	(3,850,000.00)	(3,850,000.00)
Balance as at 31 December 2023		1,000,000.00	31,143,238.95	32,143,238.95

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

APPENDIX X – AUDITED FINANCIAL STATEMENTS OF FMS FOR FYE 31 DECEMBER 2023
(CONT'D)

Registration No.: 200801006433 (807717 - H)

FRAMEMOTION STUDIO SDN BHD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 RM	2022 RM
CASH FLOWS FROM :-		
a) <u>OPERATING ACTIVITIES :</u>		
Net profit from ordinary activities before taxation	9,338,678.31	8,573,909.82
Adjustments for :		
Depreciation of investment property	8,163.24	8,163.24
Depreciation of property, plant and equipment	711,484.19	589,423.92
Dividend income	(661.73)	(169.92)
Fair value gain on other investment	(3,664.07)	(2,571.67)
Finance costs	19,198.11	35,512.09
Gain on disposal of property, plant and equipment	-	(87,999.00)
Gain on foreign exchange - unrealised	(119,303.82)	(21,541.62)
Interest income	(32,060.92)	-
Operating profit before working capital changes	<u>9,921,833.31</u>	<u>9,094,726.86</u>
(Increase) in trade and other receivables	(1,531,306.15)	(1,794,113.16)
(Decrease)/Increase in trade and other payables	(3,308,475.18)	<u>2,380,010.12</u>
Cash Generated From Operations	5,082,051.98	9,680,623.82
Interest paid	(19,198.11)	(35,512.09)
Taxes paid	(2,495,758.56)	(2,646,815.06)
Net Cash From Operating Activities	<u>2,567,095.31</u>	<u>6,998,296.67</u>
b) <u>INVESTING ACTIVITIES :</u>		
Purchase of property, plant and equipment*	(1,393,496.49)	(638,470.35)
Proceed from disposal of property, plant and equipment	-	88,000.00
Purchase of investment in associates	-	(24,451.00)
Net Cash (Used In) Investing Activities	<u>(1,393,496.49)</u>	<u>(574,921.35)</u>

**APPENDIX X – AUDITED FINANCIAL STATEMENTS OF FMS FOR FYE 31 DECEMBER 2023
(CONT'D)**

Registration No.: 200801006433 (807717 - H)

FRAMEMOTION STUDIO SDN BHD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
c) <u>FINANCING ACTIVITIES :</u>			
Dividend paid		(3,850,000.00)	(4,000,000.00)
Proceeds from finance lease		-	189,000.00
Repayments of bank borrowings		(1,239,163.45)	(4,792.33)
Finance lease rental paid		(69,699.73)	(61,676.19)
<i>Net Cash (Used In) Financing Activities</i>		(5,158,863.18)	(3,877,468.52)
Net (Decrease)/Increase in Cash and Cash Equivalents		(3,985,264.36)	2,545,906.80
Effects Of Exchange Rate Changes On Cash & Cash Equivalents		119,303.82	24.90
Cash & Cash Equivalents At The Beginning of The Year		15,073,353.13	12,527,421.43
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		11,207,392.59	15,073,353.13
Cash and cash equivalents at the end of year comprise :			
Cash, bank balances and deposits	12	12,972,475.97	16,806,375.59
Pledged deposits	12	(1,765,083.38)	(1,733,022.46)
		11,207,392.59	15,073,353.13

*** Purchase of property, plant and equipment :**

During the year, the Company had acquired property, plant and equipment with an aggregate cost of RM1,393,496.49 (2022: RM638,470.35) of which RM NIL (2022: RM189,000.00) was acquired by means of finance leases and the balance was by cash payment incurred.

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

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FRAMEMOTION STUDIO SDN BHD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Company, Framemotion Studio Sdn Bhd, is a private company incorporated and domiciled in Malaysia. The principal activities of the Company are to provide 3-dimension animation services, produce film and construct shooting scenes. There have been no significant changes in the nature of these activities during the year.

The registered office of the Company is located at 02-00-2D, Kuchai Brempark, Jalan Selesa 2, Taman Gembira, 58200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at A-2-6, Block A, No. 1, Jalan PJS 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The financial statements of the Company are presented in Ringgit Malaysia (RM).

The financial statements were authorised for issue by the Board of Directors on **02 AUG 2024**.

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act, 2016.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared using cost and fair value basis.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 5.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment (PPE)

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Company obtains control of the assets. The assets, including major spares, servicing equipment and stand-by equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

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4.1 Property, Plant and Equipment (PPE) cont'd

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land and capital work-in-progress are not depreciated but are subject to impairment test if there is any indication of impairment.

Depreciation is calculated to write off the cost of the property, plant and equipment over their estimated useful lives using the straight line method. The annual rates used are as follows:

	Rate
Computer and software	20%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Studio equipment	10%
Signboard	10%
Freehold property	2%
Leasehold properties	Leasehold period

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

4.2 Investment Property (IP)

Investment property is property (land or a building) held by the owner or by the lessee under a finance lease for capital appreciation, to earn rentals or both.

An investment property is recorded at cost on initial recognition. The cost of a purchased investment property comprises purchase price and any directly attributable expenditure and other transaction costs. The cost of a self-constructed investment property comprises construction cost and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, but exclude internal profit.

Investment properties whose fair value cannot be measured reliably without undue cost or effort on an ongoing basis:

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

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4.2 Investment Property (IP) cont'd

Freehold land and investment properties under construction are not depreciated.

All other investment properties are depreciated by allocating the depreciable amounts of assets less their residual values over their estimated useful lives, using straight-line method. The annual depreciation rate used for the depreciation are as follows:

	Rate
Leasehold property	Over the unexpired lease term

At the end of each reporting period, the estimated residual values, estimated useful lives and depreciation methods are reviewed for any significant changes. If there is any change, the depreciation of an asset is revised prospectively.

4.3 Translation of Foreign Currency Transactions

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates). Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

4.4 Impairment of Non-Financial Assets

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

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4.4 Impairment of Non-Financial Assets.....cont'd

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

4.5 Share Capital and Distributions

(a) Share Capital

Ordinary shares and non-redeemable preference share issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at their fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction for equity, net of any related income tax effect.

(b) Distributions

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, the Company measures the dividend payable at the fair value of the assets to be distributed.

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4.6 Financial Instruments

(a) Initial Recognition and Measurement

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(b) Derecognition of Financial Instruments

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

(c) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised cost.

After initial recognition, investments in preference shares and ordinary shares are measured at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.6 (g).

(d) Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

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4.6 Financial Instruments cont'd

(e) Fair Value Measurement of Financial Instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

(f) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

(g) Impairment and Uncollectibility of Financial Assets

At the end of each reporting period, the Company examines whether there is any objectivity evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognized are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

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4.7 Finance and Operating Leases

The Company recognises a lease whenever there is an agreement, whether explicitly stated as a lease or otherwise, whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred. All other leases that do not meet this criterion are classified as operating leases.

Lessee Accounting

The Company capitalises the underlying leased asset and the related lease liability in a finance lease. The amount recognised at the commencement date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lease are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are classified by nature and accounted for in accordance with the applicable Standards in MPERS. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset depreciated over the shorter of the lease term and its useful life.

Operating Leases

The Company does not capitalise the underlying leased asset or recognise a lease liability in an operating lease. Instead, lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

4.8 Tax Assets and Tax Liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the Company expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

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4.8 Tax Assets and Tax Liabilities cont'd

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, the Company does not have a business model to hold the property solely for rental income, and hence, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

4.9 Employee Benefits

The Company recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Company consumes the economic benefits arising from the service provided by an employee in exchange for employee benefits.

(a) Short-Term Employee Benefits

Wages and salaries are accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

(b) Post-Employment Benefits - Defined Contribution Plans

The Company makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Company has no further payment obligations.

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4.10 Provisions

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuit claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation. For an onerous contract, a provision is measured based on the amount by which costs to fulfill the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

4.11 Borrowing Costs

Borrowing costs of the Company include interest on loans, finance lease liabilities and interest expense of other debt instruments calculated using the effective interest method. All borrowing costs are recognised as an expense when incurred.

4.12 Revenue Recognition and Measurement

The Company measures revenue from a sale of goods or a service transaction at the fair value of the consideration received or receivable, which is usually the invoice price, net of any trade discounts and volume rebates given to a customer in a sale or service transaction.

Revenue from a sale of goods is recognised when: (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.