

ICT Zone Asia to increase revenue stream in 2021

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December 16, 2020



The group aims to offer a new option for financing ICT solutions in 2021, says MD

by AFIQ AZIZ / pic by BLOOMBERG

ICT Zone Asia Bhd aims to expand its revenue stream next year through an additional range of product offerings, including device management software and computer security software services by June next year.

MD and CEO Lim Kok Wang said the economic disruption brought by the Covid-19 pandemic has led to more people working remotely due to restrictive measures and in turn, led to growth in demand for digital solutions.

The ICT-solution provider debuted on the LEAP Market of Bursa Malaysia Securities Bhd yesterday with the listing of 533.8 million shares at a reference price of 16 sen per share and 75.32 million irredeemable convertible preference shares (ICPS) at 20 sen per ICPS.

The ICPS offers a 10% dividend rate for a period of five years.

“Due to the digitalisation of the economy and rapid pace of technological evolution, there are immeasurable opportunities presented by the growing ICT solution industry in Malaysia from RM27.9 billion in 2016 to RM34.7 billion in 2019 at a compounded annual growth rate of 7.5%.

“This, combined with the unprecedented Covid-19 pandemic which has swept throughout the world, has resulted in an accelerated shift towards the digital economy,” Lim said at the virtual listing event yesterday.

He added that the group aims to offer a new option for financing ICT solutions in 2021.

“With factoring financing, the group intends to provide capital to its channel and strategic partners to ease the outright purchase of ICT solutions as they commonly face cashflow constraints,” Lim added.

Upon listing, the company’s market capitalisation stood at RM85.4 million. Lim said the company’s orderbook now stands at RM40 million.

Prior to its listing, Lim said ICT Zone Asia successfully launched the first Shariah-compliant ICT Zone Ventures Scheme under the Interest Scheme Act 2016 of Registrar of Companies Malaysia in 2011 to finance the group’s rental and leasing business.

As at Jan, 31 2019, the year-to-date cumulative investments increased from RM2.2 million in the first year to RM34.1 million with 1,047 ICT interest holders, he said. “Pursuant to the listing exercise, the company completed the redemption and termination of ICT Zone Ventures Scheme on Aug 13, 2020, and redeemed RM18.8 million of investments with 383 ICT interest holders via an issuance of shares and ICPS,” he added.

ICT Zone Asia is principally involved in the rental, leasing and trading of ICT solutions to government associations and private corporations in Malaysia.

The group also provides maintenance and technical support services to its customers to support the use of its ICT hardware and software.

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