

ITMAX SYSTEM BERHAD ("ITMAX" OR "THE COMPANY")

REGISTRATION NO.: 200101008580 (544336-M)

RE: LETTER OF APPOINTMENT AS THE OPERATOR OF SMART PARKING FROM THE KULAI MUNICIPAL COUNCIL TO SOUTHMAX SDN BHD, A 65% OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

Pursuant to Paragraph 9.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of ITMAX ("**Board**") is pleased to announce that Southmax Sdn Bhd ("**SSB**"), a 65% owned subsidiary of ITMAX, had on 30 July 2024 accepted the letter of appointment ("**LOA**") dated 28 July 2024 awarded by the Kulai Municipal Council (hereinafter referred to as "**MPKu**") to be the operator of smart parking for parking spaces at MPKu for a period of 15 years commencing from 1 August 2024 to 31 July 2039, including simulation period without payment from 1 August 2024 to 30 September 2024.

SSB and MPKu will execute and enter into a definite agreement in respect of the smart parking operation at MPKu.

2. INFORMATION ON MBIP

MPKu is the local authority under the Johor State Government which administers Kulai District.

3. SALIENT TERMS OF THE LOA

- (a) Revenue sharing at the rate of 70% (SSB) and 30% (MPKu).
- (b) The parking spaces awarded under phase 1 are 3,974 parking spaces at 28 locations.
- (c) SSB is required to provide security deposits as follows:-
 - (i) deposit of staff emoluments for 6 months; and
 - (ii) estimated parking revenue at MPKu for 6 months.
- (d) SSB is responsible for the costs of the development, management, and maintenance of the smart parking system as well as the parking space equipment and signage.
- (e) Both parties will execute a contract, including all terms related to the details and the LOA shall remain in effect for both parties..

4. RISK FACTORS

The risks associated with the LOA are normal operational risks.

5. FINANCIAL EFFECTS

The LOA is expected to contribute positively towards the earnings and net assets per share of the Company until the expiry of the LOA.

6. APPROVALS REQUIRED

The LOA is not subject to the approval of the shareholders of the Company or any regulatory authorities.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders and/or persons connected with the Directors and/or major shareholders of ITMAX has any direct or indirect interest in the LOA.

8. STATEMENT BY DIRECTORS

The Board of Directors of the Company is of the view that the LOA is in the ordinary course of business and in the best interest of the Company.

This announcement is dated 30 July 2024.