



DATAPREP HOLDINGS BHD.

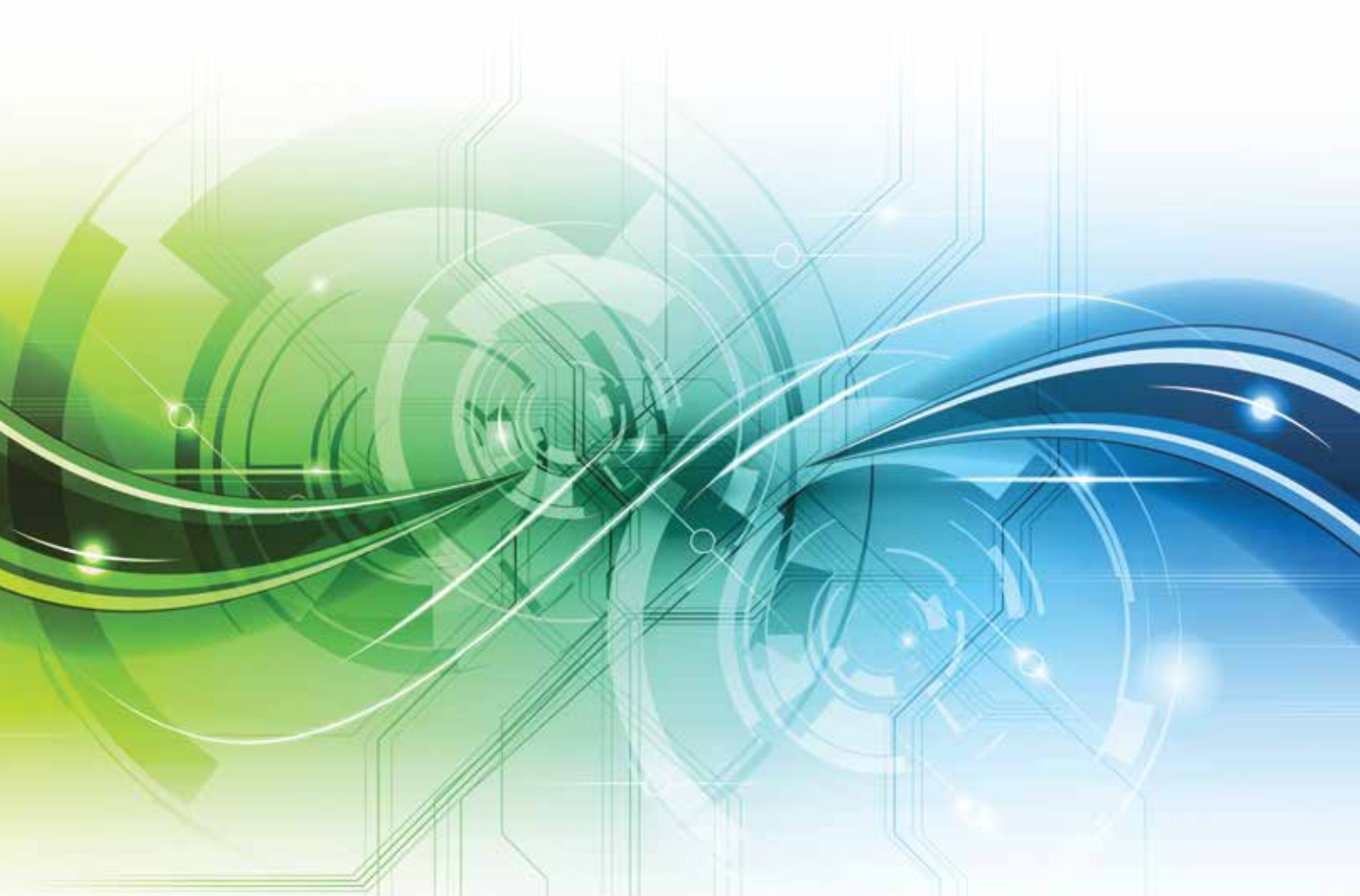
Registration No. 198901005754 (183059-H) (Incorporated in Malaysia)

ANNUAL REPORT 2022

**POWERING
SUSTAINABLE
DIGITAL
TECHNOLOGIES**

CONTENTS

02	CORPORATE VISION AND MISSION	31 - 34	SUSTAINABILITY REPORT
03	CORPORATE STRUCTURE	36 - 38	STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
05-08	NOTICE OF ANNUAL GENERAL MEETING	39 - 51	CORPORATE GOVERNANCE OVERVIEW STATEMENT
09	CORPORATE INFORMATION	52 - 53	ADDITIONAL COMPLIANCE INFORMATION
10 - 12	SOLUTIONS AND SERVICES	54 - 59	AUDIT COMMITTEE REPORT
14 -19	PROFILE OF DIRECTORS	60 - 145	AUDITED FINANCIAL STATEMENTS
20 - 22	PROFILE OF KEY SENIOR MANAGEMENT	153 - 154	ANALYSIS OF SHAREHOLDINGS PROXY FORM
23 - 25	CHAIRMAN'S STATEMENT		
26 - 30	MANAGEMENT DISCUSSION AND ANALYSIS		



ABOUT US



The demand for Dataprep's solutions and services has grown immensely over the years. This resulted in our diverse transformation internally, enhancing high performance cultures and brand building initiatives to ensure optimum efficiency and effectiveness in all services.

VISION



To be a leading regional ICT service company providing business and technology solutions and services.

MISSION



To build relationship and develop innovative solutions and services which help clients to create and realize values.

CORPORATE STRUCTURE



Dataprep Holdings Bhd





**STRONG AND
RELIABLE PARTNER**

Assist clients to focus
on business by providing
solutions and managing ICT
infrastructure seamlessly

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE VIRTUAL THIRTY FOURTH ANNUAL GENERAL MEETING OF DATAPREP HOLDINGS BHD (“DATAPREP” OR “THE COMPANY”) WILL BE HELD AT BROADCAST VENUE, WIDAD SEMANTAN (WISE), NO. 3, JALAN SEMANTAN, 50490 DAMANSARA HEIGHTS, KUALA LUMPUR ON MONDAY, 12 JUNE 2023 AT 10.00 A.M. FOR THE FOLLOWING PURPOSES:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note A)**
2. To approve the aggregate directors’ fees and benefits payable to directors of the Company of an amount not exceeding RM400,000 from 1 January 2023 to the next Annual General Meeting of the Company. **(Please refer to Explanatory Note B)** **(Ordinary Resolution 1)**
3. To re-elect the following Directors who retires by rotation pursuant to Clause 131 of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - a. Mohamad Sabir bin Mohamad Sabri **(Ordinary Resolution 2)**
 - b. Nor Adha bin Yahya **(Ordinary Resolution 3)**
4. To reappoint Messrs. Folks DFK & Co as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. **(Ordinary Resolution 4)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions:

5. **Authority to Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”)** **(Ordinary Resolution 5)**

“THAT subject always to the Act, the Constitution of the Company and approvals from the relevant authorities, where such approval is necessary, full authority be and is hereby given to the Directors of the Company, pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being.

AND THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares pursuant to Section 75 and 76 of the Act.

AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad

AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

(Please refer to Explanatory Note C)

NOTICE OF ANNUAL GENERAL MEETING

[Cont'd]

6. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **(Ordinary Resolution 6)**

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Dataprep Group") to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Dataprep Group provided such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Section 2.4 of the Circular to Shareholders of the Company dated 28 April 2023 AND THAT such approval conferred by the Shareholders' Mandate shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time the authority will lapse unless the authority is renewed by a resolution passed at the AGM;
- (ii) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340 of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340 of the Act); or
- (iii) the revocation or variation of resolution passed by the shareholders at a general meeting;

whichever being the earliest;

AND FURTHER THAT the Directors of the Company and/or any of them be and is/ are (as the case may be) hereby authorized to complete and do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution."

(Please refer to Explanatory Note D)

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

GENG MUN MOOI (MIA 8365)
NOR FAZIEANA BINTI DAUD (MAICSA 7067115)

Company Secretaries
Kuala Lumpur
28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

NOTES

1. In view of the Coronavirus Disease (COVID-19) situation and as part of our safety measures, the Thirty Fourth Annual General Meeting ("34th AGM") of DATAPREP HOLDINGS BHD ("DATAPREP" or "The Company") will be conducted on a fully virtual basis through remote participation and electronic voting from the Broadcast Venue ("Online AGM"). This is in line with the Guidance Notes on the Conduct of General Meetings for the Listed Issuers issued by the Securities Commission Malaysia revised on 5 March 2021.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to physically present at the 34th AGM in person at the Broadcast Venue on the day of the meeting.

Please refer to the Administrative Guide for online registration.

2. A member is entitled to appoint more than (1) proxy to attend, speak and vote instead of the member at the meeting. A proxy may but need not be a member of the Company.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings(s) to be represented by each proxy.
4. A members can also appoint Chairman of the Meeting as a proxy. Please ensure that your details are accurate as any non-compliance may result in you not being able to receive your Digital Ballot Form "DBF".
5. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or submit via email at: AGM-support.DP@megacorp.com.my not less than forty-eight (48) hours before the time of holding the 34th AGM or any adjournment thereof.
8. Should the member has appointed proxy but decide to participate himself instead, the member has to revoke the appointed proxy and reach the Poll Administrator not less than forty-eight (48) hours before the AGM.
9. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 88 of the Company's Constitution, a Record of Depositors as at 1st June 2023 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES TO ORDINARY RESOLUTIONS AND SPECIAL BUSINESS

Note A: To receive the Audited Financial Statements

The Audited Financial Statements in Agenda 1 had been approved by the Board pursuant to Section 251(1) of the Companies Act, 2016. This agenda does not require formal approval of shareholders of the Company and is meant for discussion pursuant to Section 248(2) of the Companies Act, 2016.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

EXPLANATORY NOTES TO ORDINARY RESOLUTIONS AND SPECIAL BUSINESS (Cont'd)

Note B: To approve the aggregate directors' fees and benefits payable to directors of the for an amount not exceeding RM400,000 from 1 January 2023 to the next Annual General Meeting of the Company

Ordinary Resolution 1

The fees and meeting allowances are calculated based on the number of scheduled meetings attended.

Note C: Authority to Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Act

Ordinary Resolution 5

The proposed Ordinary Resolution 5 is for the purpose of seeking a renewal of the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, to allot and issue ordinary shares of not more than ten percent (10%) of the total number of issued shares of the Company for such purposes as the Directors of the Company consider would be in the interest of the Company. This authority will, unless revoked or varied at the conclusion of the next Annual General Meeting of the Company, whichever is earlier. This authority will provide flexibility and enable the Directors to make swift decision on allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and any other corporate exercise deem fit for the Group and Company to avoid delay and cost in convening general meeting to approve such issue of shares.

Note D: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 6

The proposed Ordinary Resolution 6, if passed, will enable Dataprep Group to enter into recurrent related party transactions of a revenue or trading nature with the Mandated Related Parties. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

STATEMENT ACCOMPANYING THE NOTICE OF THIRTY FORTH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2), Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The details and profiles of the Directors who are standing for re-election pursuant to Clause 131 of the Company's Constitution at the Thirty Fourth Annual General Meeting of the Company are disclosed on page 16 and 18 of this Annual Report.

- a. Mohamad Sabir bin Mohamad Sabri
- b. Nor Adha bin Yahya

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

**Dato' Mohd Rizal
bin Mohd Jaafar**

*(Non-Independent
Non-Executive Director)*

DIRECTORS

**Mohamad Sabir
bin Mohamad Sabri**

*(Non-Independent Executive
Director / Managing Director)*

Dato' Abdul Aziz bin Ishak
*(Independent Non-Executive
Director)*

Nor Adha bin Yahya
*(Independent Non-Executive
Director)*

Ong Kuan Wah
*(Independent Non-Executive
Director)*

COMPANY SECRETARIES

Geng Mun Mooi (MIA 8365)
Nor Fazieana binti Daud
(MAICSA 7067115)

AUDIT COMMITTEE

Chairman

Ong Kuan Wah
(Independent Non-Executive
Director)

Members

Dato' Abdul Aziz bin Ishak
(Independent Non-Executive
Director)

Nor Adha bin Yahya
(Independent Non-Executive
Director)

REMUNERATION, QUALITY AND NOMINATING COMMITTEE

Chairman

Nor Adha bin Yahya
(Independent Non-Executive
Director)

Members

Dato' Abdul Aziz bin Ishak
(Independent Non-Executive
Director)

Ong Kuan Wah
(Independent Non-Executive
Director)

SHARE REGISTRAR

Boardroom Share Registrars
Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Semangat (Jalan
Professor Khoo Kay Kim)
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Telephone : (603) 7890 4700
Facsimile : (603) 7890 4670

REGISTERED OFFICE

Level 8, Widad Semantan (WiSe)
No. 3, Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Kuala Lumpur
Telephone : (603) 7843 1600
Facsimile : (603) 7956 2324

WEBSITE

www.dp.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
Maybank Islamic Berhad
CIMB Bank Berhad
CIMB Islamic Bank Berhad
Bank Muamalat Malaysia
Berhad
Hong Leong Bank Berhad
Bank Islam Malaysia Berhad
Public Bank Berhad
MBSB Bank Berhad
RHB Bank Berhad
Affin Islamic Bank Berhad

AUDITORS

Messrs. Folks DFK & Co

STOCK EXCHANGE LISTING

Bursa Malaysia Securities
Berhad

MAIN MARKET

Stock Name : DATAPRP
Stock Code : 8338
Sector : Technology
Sub-sector : Digital Services

SOLUTIONS AND SERVICES



SERVER STORAGE VIRTUALIZATION

Providing solutions to optimize the total number of physical or logical components of servers and storage in an ICT environment, thereby simplifying ICT infrastructure and improving manageability which ultimately reducing the Total Cost of Ownership.

CLOUD COMPUTING ENABLEMENT

Providing consultation and deployment of Cloud Computing infrastructure and services. Cloud Computing can offer greater levels of automation, reduced operating costs, improved application performance and better utilisation of computing resources. Cloud Services include consumer and business products, services and solutions that are delivered and consumed in real-time over the Internet. It enhances business performance for sound return of investment.

DATA CENTRE

Providing solutions for customers seeking to design and build secure, resilient and redundant facilities to house mission-critical equipment. The solution covers connectivity services, data and network security, precision air conditioning, uninterruptible power supply, structured cabling, and protection against water leakage, with electrical and mechanical systems engineered with multiple levels of redundancy, and 24-hour service, 7 days a week centralized environmental monitoring.

NETWORK INTEGRATION

Providing solutions to design, upgrade and expand the data communication and Ethernet networks. The solution helps to consolidate and optimize ICT network resources, thus improving clients' business productivity by providing high availability, resilient and optimally performing network infrastructure.

SOLUTIONS AND SERVICES

(Cont'd)

ICT SECURITY SOLUTIONS

Providing solutions for customers seeking simple, cost-effective, practical multi-layer or defence-in-depth approach to security. The solutions provide end-to-end security capability that meet clients' businesses and regulatory requirements while securing ICT and data assets, thus minimizing security risks.

PRODUCT LIFECYCLE MANAGEMENT (PLCM)

Providing solutions for customers seeking turnkey solutions to provide, deploy, manage and maintain common ICT equipment and infrastructure during its lifecycle or its agreed contract tenure. Maintenance coverage includes corrective, preventive and predictive maintenance.

CUSTOMER PREMISE EQUIPMENT (CPE)

Providing solutions for customers seeking cost-effective, reliable and high performance routers for internet and Wide Area Network (WAN) links.

ICT OUTSOURCING SERVICES

With our in-depth experience in managing ICT infrastructure, we help our clients to focus on business by working behind the scenes to manage their ICT infrastructure seamlessly. By applying Information Technology Infrastructure Library (ITIL) best practices and quality management system in our processes, service performance and quality are consistently maintained.

MULTI-VENDOR SUPPORT

Organizations typically select and procure a combination of hardware and software platforms and applications. Our multi-vendor support addresses the needs of such organizations requiring a single service provider to support such a complex environment by providing an end-to-end service which is measured by service levels and is available all over Malaysia.

ICT SERVICE MANAGEMENT

Providing solutions to address a complete ICT service lifecycle which will enable companies to deliver higher level of services to customers. It provides a single view of all service transactions and provides companies with a wealth of decision support tools to continuously monitor the quality of service process.

ICT SERVICE DESK

Providing a complete web-based, ITIL-compliant ICT Service Desk solution which offers an integrated package with request management (trouble ticketing), asset tracking, purchasing, contract management, self-service portal and knowledge base. The solution enables clients to have a full-ICT help desk and a set of productive help desk staff.

PAYMENT SOLUTIONS AND SERVICES (PSS)

PSS focus is on payment devices which include the supply and maintenance of Point of Sale (POS) and Electronic Draft Capture (EDC) terminals that support credit/debit cards, as well as other multi-purpose cards. PSS also provides other related offerings such as hardware and software solutions and merchant acquisition services.

HEALTHCARE TECHNOLOGY

Healthcare technology is any technology or solutions, including medical devices, IT systems, algorithms, artificial intelligence (AI), cloud and block chain, designed to support healthcare organizations. Newer technologies, like cloud, block chain and AI tools based on machine learning, can help healthcare organizations uncover patterns in large amounts of data while also making that data more secure and easier to manage. Healthcare technology solutions improve performance, increase collaboration across systems and manage costs. It can streamline processes, automate tasks and improve workflows at a scale that's not possible for humans alone. These solutions are helping healthcare professionals to improve patient care, create better experiences and reduce burnout.

E-MONEY ISSUER

A secure dual payment instrument which is accessible via mobile phones and pre-funded card based payment. dPurse is designed and developed with the aims to address student's daily spending needs as well as an alternative payment option to cash.

TELCO INFRASTRUCTURE

Managing tower sites, built-to-suit tower, co-location and rental of telecommunication tower through our existing right of ways nationwide, including installing and laying of fibre-optic network. The services and solutions which we provide enable telecommunications providers to meet their growing infrastructure requirements more efficiently and effectively, allowing greater focus on the customer service demands complementary offerings are innovative designed to meet the changing needs of customers and promote increased sharing of infrastructure assets through In-Building Solutions (IBS) - Supply, Design and Implementation, Passive Operations and Maintenance, Fibre-Optic Leasing and Camouflage/Customize structure.

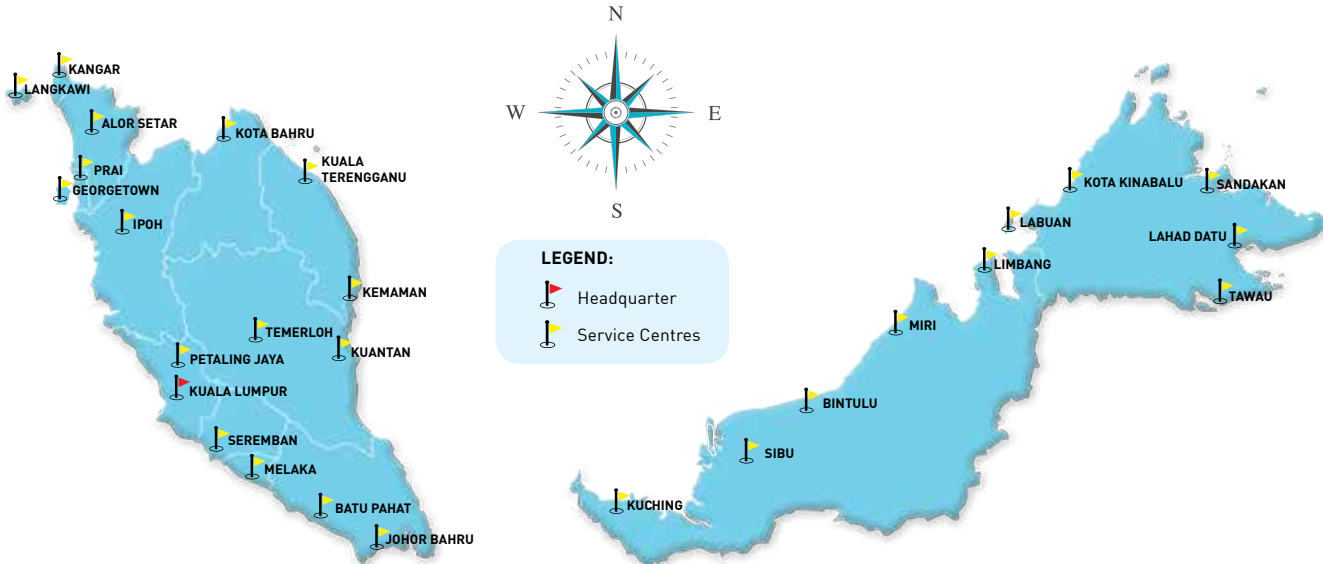
TRANSMITTER SYSTEM

Providing solutions for customers seeking turnkey solutions to provide, deploy, manage and maintain digital transmitter equipment and infrastructure during its lifecycle and its agreed contract tenure. Maintenance coverage includes corrective, preventive and predictive maintenance.

SOLUTIONS AND SERVICES

[Cont'd]

CAPABILITIES AND TRACK RECORD 27 SERVICE LOCATIONS NATIONWIDE



SUPPORT INFRASTRUCTURE

Apart from its 51 years of proven group-wide accumulated ICT experience and professional staff with proven capabilities in implementing large-scale ICT projects, Dataprep Group is fully equipped to provide the necessary support and backup tools for its clients. The 27 locations nationwide offer operational and maintenance services including 24-hours, 7 days a week call centre.

HEADQUARTER			
<ul style="list-style-type: none"> Kuala Lumpur 			
NORTHERN REGION	CENTRAL REGION	SOUTHERN REGION	EASTERN REGION
<ul style="list-style-type: none"> Kangar Langkawi Alor Setar Georgetown Prai Ipoh 	<ul style="list-style-type: none"> Kuala Lumpur Petaling Jaya 	<ul style="list-style-type: none"> Seremban Melaka Batu Pahat Johor Bahru 	<ul style="list-style-type: none"> Kota Bharu Kuala Terengganu Kemaman Kuantan Temerloh
SABAH	SARAWAK	WILAYAH PERSEKUTUAN	
<ul style="list-style-type: none"> Kota Kinabalu Sandakan Tawau Lahad Datu 	<ul style="list-style-type: none"> Limbang Miri Bintulu Sibu Kuching 	<ul style="list-style-type: none"> Labuan 	



COMPREHENSIVE SERVICE COVERAGE

Complete maintenance
coverage includes corrective,
preventive and predictive
maintenance

PROFILE OF DIRECTORS

Ong Kuan Wah

Mohamad Sabir Bin Mohamad Sabri

Dato' Mohd Rizal
Bin Mohd Jaafar

Dato' Abdul Aziz
Bin Ishak

Nor Adha Bin Yahya



PROFILE OF DIRECTORS



DATO' MOHD RIZAL BIN MOHD JAAFAR
Non-Independent Non-Executive Chairman
 Malaysian, Age 48, Male

Date of Appointment

15 November 2017

Length of Service (as at 31 December 2022)

5 years 1 month

Board Meeting Attended

5/5

Board Committees Membership(s)

NIL

Academic/Professional Qualification(s):

- Bachelor of Accountancy (Honours), Universiti Malaya
- Master of Business Administration in Islamic Banking and Finance, International Islamic University Malaysia
- Member of Malaysian Institute of Accountants

Experience/Occupation(s):

- Member of Bank Simpanan Nasional ("BSN") Board of Directors, (2019 - Present)
- Chairman of BSN Board Risk Management Committee (2022 - Present)
- Managing Director, Widad Group Berhad (2018-Present)
- Group Chief Executive Officer, Widad Business Group Sdn Bhd (2015 - Present)
- Group Chief Operating Officer, Finance & Corporate Services, Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank") (2013)
- Director, Strategy & Transformation Management Office, SME Bank (2010)
- Bank Negara Malaysia serving the Banking Supervision Department supervising the Islamic, commercial and investment banking institutions (1998)
- Board Member, MyGift, University Malaysia Pahang Board Trustee (2016-2019)
- Permanent EXCO member, Majlis Amanah Rakyat (MARA) (2019 - 2020)

Directorship in other public listed companies and listed issuers:

Widad Group Berhad

Any interest in the securities of the Company and its subsidiaries:

Please refer to page 153

Any family relationship with Director and/or major shareholder of the Company or any conflict of interests with the Company:

None

List of convictions for offences within the past 5 years other than traffic offences, if any:

None

PROFILE OF DIRECTORS

(Cont'd)



MOHAMAD SABIR BIN MOHAMAD SABRI
Managing Director
 Malaysian, Age 51, Male

Date of Appointment

15 November 2017

Length of Service (as at 31 December 2022)

5 years 1 month

Board Meeting Attended

5/5

Board Committees Membership(s)

NIL

Academic/Professional Qualification(s):

- Bachelor of Business Administration (Honours) Finance, MARA University of Technology

Experience/Occupation(s):

- Director of Group Strategy and Corporate Services, Widad Business Group Sdn Bhd (2015 - 2017)
- Director of Group Financial Management, Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank") (2014)
- Director of Group Strategy and Services, SME Bank (2013)
- Director of Strategic and Risk Management, SME Bank (2012)
- Vice President Corporate Planning and Strategy, SME Bank (2011)
- Head of Banking Supervision, Labuan Financial Services Authority ("LFSA") (2007)
- Bank Negara Malaysia serving the Banking and Financial Conglomerates Supervision Department (1994)

Directorship in other public listed companies and listed issuers:

None

Any interest in the securities of the Company and its subsidiaries:

Please refer to page 153

Any family relationship with Director and/or major shareholder of the Company or any conflict of interests with the Company:

None

List of convictions for offences within the past 5 years other than traffic offences, if any:

None

PROFILE OF DIRECTORS

(Cont'd)



DATO' ABDUL AZIZ BIN ISHAK
Independent Non-Executive Director
 Malaysian, Age 58, Male

Date of Appointment

23 November 2017

Length of Service (as at 31 December 2022)

5 years 1 month

Board Meeting Attended

5/5

Board Committees Membership(s)

- Audit Committee
- Remuneration, Quality and Nominating Committee

Academic/Professional Qualification(s):

- Degree in Strategic and Security Studies, National University of Malaysia
- Journalism Fellowship Programme in Securities Studies, the University of New York and the East-West Centre in Hawaii

Experience/Occupation(s):

- Director, Raffcom Sdn Bhd (2019- Present)
- Member, Consultation & Corruption Prevention Panel , Malaysian Anti-Corruption Commission (2016 – 2018)
- Member, Board of Governors of BERNAMA (2009 –2018)
- Director, Utusan Melayu (Malaysia) Berhad (2008 – 2018)
- Group Editor-in-Chief, Utusan Melayu (Malaysia) Berhad (2008 – 2018)
- Member, Advisory Panel, The Federation of Malay Economic Bodies (GABEM) (2010-2015)
- Member, Advisory Board, National Science Center/Pusat Sains Negara (2009-2011)

Directorship in other public listed companies and listed issuers:

None

Any interest in the securities of the Company and its subsidiaries:

Please refer to page 153

Any family relationship with Director and/or major shareholder of the Company or any conflict of interests with the Company:

None

List of convictions for offences within the past 5 years other than traffic offences, if any:

None

PROFILE OF DIRECTORS

(Cont'd)



NOR ADHA YAHYA
Independent Non-Executive Director
 Malaysian, Age 52, Male

Date of Appointment

23 November 2017

Length of Service (as at 31 December 2022)

5 years 1 month

Board Meeting Attended

5/5

Board Committees Membership(s)

- Audit Committee
- Remuneration, Quality and Nominating Committee (Chairman)

Academic/Professional Qualification(s):

- Bachelor of Accounting (Honours), Universiti Putra Malaysia
- Member of Malaysian Institute of Accountants

Experience/Occupation(s):

- Independent and Non-Executive Director, Tuju Setia Berhad (2020 - Present)
- Independent and Non-Executive Director, Widad Group Berhad (2018 - Present)
- Executive Director cum Chief Executive Officer, CKM Landas MRO Sdn Bhd (2014 - Present)
- Executive Director, Landas Efektif Sdn Bhd (2013 - Present)
- Director, Equara Resources Sdn Bhd (2011 - 2020)
- Director, Kota Terbilang Sdn Bhd (2014 - 2020)
- Director, Impianco Development Sdn Bhd (2009 - 2020)
- Director, KPNA Resources Sdn Bhd (1999 - Present)
- Finance Director, Mizou Holdings Sdn Bhd (2002 - 2012)

Directorship in other public listed companies and listed issuers:

- Widad Group Berhad
- Tuju Setia Berhad

Any interest in the securities of the Company and its subsidiaries:

Please refer to page 153

Any family relationship with Director and/or major shareholder of the Company or any conflict of interests with the Company:

None

List of convictions for offences within the past 5 years other than traffic offences, if any:

None

PROFILE OF DIRECTORS

(Cont'd)



ONG KUAN WAH
Independent Non-Executive Director
 Malaysian, Age 52, Male

Date of Appointment

23 November 2017

Length of Service (as at 31 December 2022)

5 years 1 month

Board Meeting Attended

5/5

Board Committees Membership(s)

- Audit Committee (Chairman)
- Remuneration, Quality and Nominating Committee

Academic/Professional Qualification(s):

- Bachelor of Business (Accounting), Royal Melbourne Institute of Technology, Australia
- Diploma in Computing, Monash University, Australia
- Member of Malaysian Institute of Accountants
- Member of Chartered Tax Institute of Malaysia

Experience/Occupation(s):

- Independent and Non-Executive Director, Widad Group Berhad (2018 - Present)
- Kassim Chan & Co and other medium size accounting firms

Directorship in other public listed companies and listed issuers:

Widad Group Berhad

Any interest in the securities of the Company and its subsidiaries:

Please refer to page 153

Any family relationship with Director and/or major shareholder of the Company or any conflict of interests with the Company:

None

List of convictions for offences within the past 5 years other than traffic offences, if any:

None

PROFILE OF KEY SENIOR MANAGEMENT

Geng Mun Mooi

Hasrul Bin Hasan

Mohamad Sabir Bin Mohamad Sabri

Datuk Cham Nong A/L Aliap



PROFILE OF KEY SENIOR MANAGEMENT

(Cont'd)



MOHAMAD SABIR BIN MOHAMAD SABRI
Managing Director
 Malaysian, Age 51, Male

Date of Appointment:

15 November 2017

Academic/Professional Qualification(s):

As expressed on page 16 of the Profile of Directors

Experience/Occupation(s):

As expressed on page 16 of the Profile of Directors



DATUK CHAM NONG ALIAP
Chief Marketing Officer
 Malaysian, Age 46, Male

Date of Appointment:

1 March 2018

Academic/Professional Qualification(s):

- Bachelor of Arts in Mass Communication from Universiti Kebangsaan Malaysia

Experience/Occupation(s):

- He has more than twenty years of experience in various industries namely Publication and Media, Education, Aquaculture, Construction, Hospitality Management, Integrated Facility Management, Engineering Consultancy and Property Development.
- Group Special Project Director, Widad Business Group (2015 – 2017)

PROFILE OF KEY SENIOR MANAGEMENT

(Cont'd)



HASRUL BIN HASAN
Chief Corporate Officer
 Malaysian, Age 46, Male



GENG MUN MOOI
Chief Financial Officer
 Malaysian, Age 58, Female

Date of Appointment:

1 March 2018

Academic/Professional Qualification(s):

- Bachelor of Accounting (Honours) from International Islamic University, Malaysia
- Member of Malaysian Institute of Accountants
- Associate Member of the Institute of Internal Auditors Malaysia
- ASEAN Chartered Professional Accountant

Experience/Occupation(s):

- Group Accountant, Widad Business Group Sdn Bhd (2015 - 2018)
- Vice President/Head of Group Compliance, Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank") (2015)
- Vice President/Head of Risk Management, SME Bank (2014)
- Assistant Vice President/Head, Risk Management & Compliance - SME Bank (2012)
- Assistant Vice President/Head, Compliance, SME Bank (2010)
- Bank Negara Malaysia serving the Banking and Financial Conglomerates Supervision Department supervising the Islamic, commercial and investment banking institutions (2001)

Date of Appointment:

2 June 2014

Academic/Professional Qualification(s):

- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants
- CPA Australia
- Fellow Member of the Chartered Tax Institute of Malaysia

Experience/Occupation(s):

- She has accumulated professional experience of more than 30 years and has held senior financial positions with a multinational trading company, oil and gas company and one of the big four international accountancy firms in Malaysia and United Kingdom.

CHAIRMAN'S STATEMENT



DEAR VALUED SHAREHOLDERS

On behalf of the Board of Directors of Dataprep Holdings Bhd, it is my great pleasure to present the Group's 34th Annual Report for the Financial Year Ended 31 December 2022 ("FYE 2022")

ECONOMIC OUTLOOK AND INDUSTRY TREND

As the world transitions to a new economic environment for the year 2022, global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering the Coronavirus Disease 2019 ("COVID-19") pandemic all weigh heavily on the outlook. Global growth is forecasted to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecasted to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024 [Source: World Economic Outlook Report October 2022 by International Monetary Fund ("IMF").

The slowdown in global economic activity is broadbased and sharper-than-expected, with inflation higher than seen in decades. The economic outlook depends on a successful calibration of monetary and fiscal policies, the course of the war in Ukraine, and growth prospects in China. Diverging policy paths in the largest economies could worsen the US dollar's appreciation and a worsening of China's property sector crisis could undermine growth.

Two years into the COVID-19 pandemic, the Malaysian economy grew strongly and exceeded its pre-pandemic level as economic activity continued to normalise despite the challenges faced throughout the year ranging from a volatile external environment, surges in Omicron cases at the start of the year, labour shortages, supply chain disruptions, and rising inflation, the Malaysian economy expanded strongly by 8.7% in 2022 (2021: 3.1%) as reported by Bank Negara Malaysia ("BNM"). This was evidenced by the resilient growth in exports, led by the electrical and electronic ("E&E") sector, amid the continued upcycle in global technology. Furthermore, as a net commodity exporter, Malaysia benefited from increased demand and higher prices for commodity exports. This, in turn, brought some positive income effects on households and firms in certain segments such as the oil & gas and palm oil industries.

CHAIRMAN'S STATEMENT

(Cont'd)

The recovery in 2022 was largely driven by domestic demand, mainly from firm private sector expenditure. Labour market conditions improved further, with strong labour demand throughout the year leading to increased employment, higher labour force participation, and declining unemployment rate. Household spending was also supported by the realization of pent-up demand, as well as continued policy support. In particular, Government policies such as cash transfers, subsidies on select consumer items, and seasonal price controls provided some shelter against sharp increase in prices to households and supported their spending amid the rising cost of living.

The Information and Communication Technology ("ICT") industry was one of the few sectors that have seen exponential growth since the pandemic. In 2021, ICT contributed 23.2% to the Gross Domestic Product (GDP) with a growth of 12.1% to RM359.3bil in 2021, according to the Statistics Department (DOSM). The government and private sector in Malaysia are in the process of embracing a country-wide digital transformation. The digitalization of operations across all major industrial sectors will be a decisive factor in securing Malaysia's role in the future global economy.

To support this nationwide vision, the Malaysian government launched the Digital Economy Blueprint ("MyDigital") initiative as part of the Malaysia Economy Digital Economy Blueprint. This initiative is part of the government's plans to transform Malaysia into a digitally driven, high-income nation and a regional leader in the digital economy by 2030. Through the government's Cloud First strategy under the MyDigital blueprint, Malaysia looks to enhance its capabilities as a regional data hub, welcoming investment in data centers.

KEY HIGHLIGHT IN FYE2022

To revitalize the Group, we went into a reset mode and strategized a clear transformation roadmap, mainly through strategic investments, operational efficiencies and cost optimization initiatives for better financial performance. Moving forward, we have adopted a cautious approach given that market conditions are set to remain volatile. Within the last 51 years of experience in the ICT industry, the technology landscape has changed tremendously. New trends have emerged resulting in a sea of change in the way companies do business. Across the board, companies these days are constantly on the lookout for solutions that will give them an edge over their competitors. As such, we are constantly striving for ways to solicit new business opportunities in both public and private sectors.

The Group recorded revenue of RM28.13 million for the FYE2022 as against revenue of RM35.99 million for the FYE 2021. The slightly lower revenue was due to completion of a few projects during the year which was offset by new projects secured. The Group recorded lower gross profit margin of 15.9% for the FYE2022 as against gross profit margin of 18.7% for the FYE2021. The result was affected by rising cost of sales and lower gross profit margin contribution from small scale projects.

The Group recorded loss before taxation of RM18.54 million for the FYE2022 as against a loss before taxation of RM11.14 million for the FYE2021. Higher loss before taxation was due to fewer large scale projects with high gross profit margin contribution, increase of depreciation charge amounted to RM2.47 million and impairment for expected credit loss on receivables of RM2.76 million.

MOVING FORWARD

We entered 2023 cautiously optimistic. The global economy is experiencing sharp slowdown after the COVID-19 pandemic, resulting in high cost-of-living and inflation in most regions affecting the growth in the global economic activities. The domestic growth is expected to be at a more moderate pace after coming off a strong recovery in 2022. For 2023, domestic demand will remain as a key driver of growth given the slowing global demand. The resumption of Malaysia's economic activities and the government's initiatives to stimulate the economic recovery after the COVID-19 pandemic augurs well for a more hopeful future business outlook.

Under the National Budget 2023, the government would accelerate the implementation of the Jalinan Digital Negara ("JENDELA") project as a national effort to improve the internet network facilities in the country and has allocated RM725 million to implement the digital connectivity in 47 industrial areas and nearly 3,700 schools. This allocation is a testament to the government's commitment in building the future digital economy and driving closer goals to connect the unconnected and bridging the digital divide, especially for disadvantaged and vulnerable communities. Connectivity has become a necessity and 5G technology promises to revolutionize the way we communicate and connect with each other. The government's target to reach 80% of 5G coverage at an affordable price is to ensure no one is left behind by end of 2023. This initiative is part of the government's plans to transform Malaysia into a digitally driven, high-income nation and a regional leader in the digital economy by 2030. For this, the Group is prepared to drive and support the evolution of Malaysia's telecommunications sector, as well as to amplify digital transformation efforts across the business communities, society and the government, paving the way for a better Malaysia.

CHAIRMAN'S STATEMENT

(Cont'd)

In line with the JENDELA and MyDigital programme under the 12th Malaysia Plan, the Group has begun to draw up a strategy and roadmap to fully harness the potential of telecommunication projects in Malaysia. At the same time, the Group is looking forward to the new venture into telecommunication tower projects, fibre optic Point of Presence ("PoP") and Internet Service Providers ("ISP") as they are aligned with the implementation of the National Fiberization and Connectivity Plan ("NFCP") by the government as the foundation of the country's digital infrastructure transition towards the roll out of 5G network.

The Group is committed to develop talent and invest in training to upskill the workforce in order to meet the demand of the ICT sector. In addition, we believe that our business strategy is aligned with the market trends and the Government's aspirations. As an established ICT Service Provider with excellent track records in delivering our projects, we are well-positioned to take advantage of the new digital economy growing momentum in Malaysia.

The Group will continue investing into development of the Internet of Things ("IoT"), Payment Solutions and Services ("PSS"), Smart City Solutions, Health-Tech Services, Electronics and Telecommunications; a Digital Radio Transmitter and Media Applications to cater for potential demands while exercising prudence in our operating expenditure. We intend to stay on course and focus all our efforts to strengthen our financial position. The Group aims to explore more business opportunities from the public sector under the wide spectrum of ICT services. The Group decades-long experience in the ICT segment provides the expertise needed by the Government in modernizing its services. At the same time, the Group is actively participating in the Government tenders, pursuing new business opportunities and collaborating with strategic domestic and international partners to secure more profitable ICT projects, solutions and new business ventures for the Group. The Group has rolled out its e-money business known as dPurse which was granted approval by Bank Negara Malaysia ("BNM") on 13 November 2019 and was approved as general e-wallet for public usage by BNM on 18 July 2022. The Group will remain focus in undertaking new opportunities and profitable ventures as the Group pursues a sustainable and healthier financial position over the long run.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my sincere appreciation to all our valued shareholders, clients and business associates, especially during the trying times. In addition, my heartfelt gratitude to the members of the Board, management team and all our employees for their dedication, support and commitment. As we venture forth to embrace new opportunities and face challenges, we call upon all our stakeholders to continue lending their unwavering trust and support. I believe we will remain steadfast in our aim to steer the Group into a brighter and promising future.

Dato' Mohd Rizal Bin Mohd Jaafar
Chairman

28 April 2023

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Dataprep Holdings Bhd (“Dataprep Group” or “the Group”) is a public company listed on the Main Market of Bursa Malaysia Securities Berhad in the technology sector. Dataprep Group is Information, Communications and Technology (“ICT”) service provider since 1971 which focuses on Systems Integration, Managed Services and Payment Solutions and Services.

The Group has in-depth experience in managing ICT infrastructure, providing wide range of ICT services and solutions and also capable to manage telco tower sites, built-to-suit telco tower, co-location and rental of telecommunication tower including installation of fibre-optic network through its new subsidiary’s existing right of ways nationwide. The Group is able to provide solutions for customers seeking turnkey solutions to provide, deploy, manage and maintain digital transmitter equipment and infrastructure during the lifecycle and agreed contract tenure. Maintenance coverage includes corrective, preventive and predictive maintenance.

The Group is also focusing on the healthcare information technology solution and other related activities and growing its e-money segment to increase its revenue stream.

ICT PRODUCTS AND SERVICES

The ICT products and services segment remain the key contributor to the Group which contributed 98.90% of the Group’s revenue of RM28.13 million for the financial year ended 31 December 2022 (“FYE2022”) and contributed 98.41% of the Group’s revenue of RM35.99 million for the financial year ended 31 December 2021 (“FYE2021”).

The principal activities are Systems Integration (“SI”) and Managed Services. The Group’s engagement with customers and partners is primarily through its subsidiary company, Solsis (M) Sdn Bhd (“Solsis”). Solsis is a registered Bumiputera Company with Ministry of Finance and Construction Industry Development Board. The Company is recognised as established ICT service providers with extensive experiences and with proven good track record in many significant scale government and commercial ICT projects and solutions. Solsis serves a broad array of customers across all industries in both public and private sectors including Financial Services Industry (“FSI”) and Oil & Gas (“O&G”).

The Group has strong staff strength of more than 200 engineers and technicians directly under its employment, serving customers 24-hours daily and 7 days a week throughout Malaysia. The nationwide resources and infrastructure of 27 service locations allow the Group to commit to customers stringent service level by way of Service Level Agreement (“SLA”) anywhere in Malaysia. The management of the SLA is transparent and reflect our ability to deliver the highest service quality to customers. This gives us the competitive advantage to serve customers nationwide.

Solsis has the industry’s best practices such as International Organisation for Standardisation (“ISO”) ISO 9001:2015 and Information Technology Infrastructure Library (“ITIL”) certifications, amongst others. Dataprep Group is one of the established ICT players in the industry for more than 51 years, our strategic partners and principals have recognised the value of support resources, infrastructure and roles as the SI and Managed Services provider. The Group will continue to partner with reputable ICT principals and also to collaborate with the strategic partners or companies on potential ICT projects and solutions.

PAYMENT SOLUTIONS AND SERVICES (“PSS”)

For the FYE2022, the PSS segment contributed 1.10% of the Group’s revenue of RM28.13 million. The PSS segment contributed 1.59% of the Group’s revenue of RM35.99 million for the FYE2021. This business focuses on the deployment of payment devices which include the supply and maintenance of Point of Sale and Electronic Draft Capture terminals that support credit and debit cards, as well as other multi-purpose cards to merchants throughout Malaysia.

Dataprep’s subsidiary company, Dataprep Payment Solutions Sdn Bhd (“DPS”) is an independent payment Business Process Outsourcing company that transacts the PSS business. DPS is currently the master merchant and third party merchant acquirer for financial institutions.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

The Group will focus and capitalize on the trend of digitization for growth, productivity and innovation opportunities including e-wallet and e-commerce and any other new business opportunities available in the current digital economy to enlarge this PSS segment.

The Group's subsidiary, Dataprep Payment Solutions Sdn Bhd was granted approval by Bank Negara Malaysia ("BNM") on 13 November 2019 for issuing Designated Payment Instrument (electronic money or e-money) under Section 11 of the Financial Services Act 2013. The Group has rolled out its e-money business known as dPurse during the current financial year. The dPurse was also approved as general e-wallet for public usage by BNM on 18 July 2022.

STRATEGY

The Group is actively participating in projects tender, pursuing new business opportunities and collaborating with strategic domestic and overseas partners or companies to secure more profitable ICT projects, solutions and new business ventures for Dataprep Group.

Our strategy involves the following initiatives:

1. To solicit new business opportunities in both public and private sectors;
2. To focus on revenue from services with recurring income by increasing more managed services contracts;
3. To expand in-house products including e-money and solutions to complement our revenue from SI and managed services contracts;
4. To continue developing partnerships with principals by representing them in service delivery and nationwide support for their products and services;
5. To expand our customers' base via a dedicated in-house sales team in identifying opportunities for new customer;
6. To expand our sales coverage via dedicated nationwide sales resources;
7. To expand PSS business by providing additional service offerings and venture into e-money business;
8. To explore other new business ventures and opportunities by collaboration with strategic partners or companies so as to enhance the Group's revenue and earnings stream;
9. To explore opportunities in the telecommunication sector especially on the fifth generation [5G] infrastructure and fibre-optic network, in line with the Government's effort and MyDIGITAL initiatives to improve connectivity nationwide. The Group's subsidiary, RIDAA Associates Sdn Bhd ["RIDAA"] has Network Facility Provider License ["NFP"], Network Service Provider License ["NSP"] and Applications Service Provider Class License ["ASPCL"] issued by the Malaysian Communications and Multimedia Commission ["MCMC"]. These licences enable the Group to participate in tenders of the multimedia and communication sector to increase its revenue stream;
10. To expand its business on the healthcare information technology solutions and other related activities; and
11. To provide support services which complement Widad Business Group's diversified businesses.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

REVIEW OF GROUP FINANCIAL PERFORMANCE

FOR THE FYE2022 AND FYE2021:

	FYE2022 1.1.2022 to 31.12.2022 RM'000	FYE2021 1.1.2021 to 31.12.2021 RM'000
Revenue	28,127	35,990
Gross Profit	4,459	6,743
Other Income	228	444
Operating Expenses	(16,305)	(14,021)
EBITDA	(11,618)	(6,834)
Depreciation and Amortisation	(5,201)	(2,734)
Depreciation of Right of Use Assets	(1,219)	(1,254)
Finance Cost	(506)	(321)
Loss Before Taxation	(18,544)	(11,143)
Loss After Taxation	(18,535)	(11,012)

The Group recorded revenue of RM28.13 million for the FYE2022 as against revenue of RM35.99 million for the FYE 2021. The lower revenue was due to completion of a few large scale projects during the year which was offset by new projects secured.

The first quarter revenue was RM5.08 million, second quarter was RM8.30 million, third quarter was RM4.11 million and the final fourth quarter was RM10.64 million due to contribution from new projects.

The Group recorded lower gross profit margin of 15.9% for the FYE2022 as against gross profit margin of 18.7% for the FYE 2021 due to completion of high gross profit margin projects.

The Group recorded loss before taxation of RM18.54 million for the FYE2022 as against a loss before taxation of RM11.14 million for the FYE2021. Higher loss before taxation was due to fewer large scale projects with high gross profit margin contribution, increase of depreciation charge amounted to RM2.47 million and impairment for expected credit loss on receivables of RM2.76 million.

EBITDA loss of RM11.61 million was recorded for the FYE2022 as compared to loss of RM6.83 million for the FYE2021. Higher operating expenses of RM16.30 million for the FYE2022 as against RM14.02 million for the FYE2021 was mainly due to the impairment for expected credit loss on receivables of RM2.76 million.

REVIEW OF OPERATING ACTIVITIES

During the financial year under review, the Group's revenue for its ICT Products and Services was RM28.13 million. The Group has successfully secured a few new projects in FYE2022 to offset the impact of revenue decline arising from the completion of a few managed services projects during the year.

The Group will make continuous effort to review and streamline its services delivery structure with cost consciousness in hiring and spending while maintaining quality of services. The Group will emphasize on its core strength of good deliveries and participate in more tender opportunities especially of the large scale ICT projects which the Group has the manpower of experience engineers and technicians at nationwide service centres with good deliveries track record to customers. The Group is also focusing on new opportunities derived from the multimedia and communication sector, healthcare information technology solution and the e-money to increase the revenue stream.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

BUSINESS PROSPECTS

The Group continues to improve the financial performance by securing more projects, identifying new business opportunities by collaborating with strategic ICT partners, actively participating in the tendering of government's projects under the wide spectrum of ICT services and also projects in private sectors, maintaining good relationship with existing customers by providing quality deliveries and also to enlarge its customers' base by emphasizing on its good deliveries record and nationwide services.

The Group has implemented business strategy to improve its revenue and profitability by focusing on the healthcare information technology solution and other related activities, participating in more tenders of the multimedia and communication sector, growing its e-money segment and pursuing new ICT projects to increase its revenue stream. The Group will leverage on its more than 50 years of proven group-wide accumulated ICT experiences and professional staffs, its good customers' track record of implementing large-scale ICT projects to actively participate in more tenders for both the public and private sectors. The Group is also identifying and collaborating with strategic ICT partners for new business opportunities and to secure more projects.

The Group is targeting the e-money segment for the education sector to boost the revenue for its payment solutions and services segment. The Group via its wholly-owned subsidiary, Dataprep Payment Solutions Sdn Bhd had on 13 November 2019 secured approval from Bank Negara Malaysia for issuing electronic money or e-money. The Group has rolled out its e-money business known as dPurse during the current financial year. The dPurse was also approved as general e-wallet for public usage by BNM on 18 July 2022.

The Group is expanding its ICT solutions business via its subsidiaries for new business opportunities, especially in the multimedia and communication sector and also healthcare information technology solution and other related activities.

The Group through its subsidiary who has the licences such as Network Service Provider License ("NSP"), Network Facility Provider License ("NFP") and Applications Service Provider Class License ("ASP(C)") issued by the MCMC to bid for tenders of the multimedia and communication industry is actively participating in tender for contracts or opportunities in the multimedia and communication sector, especially on the 5G infrastructure, fibre-optic network and opportunities to build, install, operate, maintain and manage the telecommunication tower assets in Malaysia, beside the existing sites that are being constructed under private initiatives.

The Group remains optimistic on the ICT prospects and has strategized to improve the revenue and profitability of the Group by leveraging on the upcoming new business opportunities in the broad spectrum of ICT opportunities available in the market in line with the Government's Digital Initiatives and the Malaysian Digital Economy Blueprint. Barring unforeseen circumstances, the Group remains confident for a better performance of the Group in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

HISTORICAL FINANCIAL RESULTS

FINANCIAL PERIOD / YEAR ENDED	12 MONTHS		9 MONTHS		12 MONTHS		Audited FYE 31 March
	Audited FYE 31 December	Audited FYE 31 December	Audited FYE 31 December	Comparison Period	Audited FPE 31 December	Comparison Period	
	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	1.1.2020 to 31.12.2020	1.4.2020 to 31.12.2020	1.4.2019 to 31.12.2019	1.4.2018 to 31.12.2018	1.4.2018 to 31.3.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	28,127	35,990	36,217	28,504	28,925	26,286	35,539
Gross Profit	4,459	6,743	9,640	8,285	6,048	2,888	4,074
Other Income	228	444	166	119	184	1,830	1,852
Operating Expenses	(16,305)	(14,021)	(16,708)	(13,431)	(9,882)	(9,908)	(16,778)
EBITDA	(11,618)	(6,834)	(6,902)	(5,027)	(3,650)	(5,190)	(10,852)
Depreciation and Amortisation	(5,201)	(2,734)	(1,173)	(910)	(775)	(496)	(709)
Depreciation of Right of Use Assets	(1,219)	(1,254)	(1,330)	(980)	(1,049)	-	-
Finance Cost	(506)	(321)	(362)	(287)	(390)	(159)	(263)
Loss Before Taxation	(18,544)	(11,143)	(9,767)	(7,204)	(5,864)	(5,845)	(11,824)
Loss After Taxation	(18,535)	(11,012)	(9,776)	(7,213)	(5,873)	(5,845)	(11,837)

Note:

The Group has changed the financial year end from 31 March to 31 December as announced on 23 September 2019. Therefore, the audited financial statements for the preceding FPE2019 was for nine months from 1 April 2019 to 31 December 2019

SUSTAINABILITY REPORT

Dataprep Group ("the Group"), remains committed in ensuring that operations and corporate decisions are in line with the aspirations of a sustainable and responsible business ecosystem. The Board of Directors strongly believes that the Group's pursuit of profitability should not be realised at the expense of societal exploitations and environmental degradation. In achieving this core principle, the Board of Directors constantly reviews all business decisions undertaken by the management of the Group, in order to evaluate and eliminate any possible negative outcomes from its activities.

Aside from internal initiatives to promote sustainability and good governance, the Group has continued to engage with its stakeholder in FYE2022 to obtain a holistic view on how the Group may improve its operations. A good engagement with its stakeholders is imperative in building a long-tasting trust.

Strengthening Operational Efficiency

The Group prioritises the need to ensure operational efficiency throughout its corporate structure. The Group's resources are well-managed and constantly monitored to avoid unnecessary wastages and mismanagement. Several key measures have been taken internally in order to achieve energy efficiency within premises.

The Group has established strategic partnership and alliance with distinguished business partners to ensure impeccable ICT related services are being rendered. In view of business sustainability, we maintain fair relationships with business partners and continue to provide quality products and services to customers.

Promoting Occupational Safety and Empowering Workforce

As the employees are the most important pillar of the business ecosystem, the Group strives to create a secure and safe workplace. It is important for the Group to assess the conditions of the working environment and to proactively manage health and safety risks. The Group acts immediately on any arising risks related to safety and health.

Apart from that, in the pursuit to further empower its employees, the Group has organised various trainings to ensure that the skills of all employees are being continuously relevant in the ever demanding progressive work environment.

The Group has implemented Flexible Working Arrangement (FWA) Policy in 2022. The FWA is expected to positively benefit the Group and its workforce, among others by creating a better work-life balance, improved health and wellbeing, increased productivity and job satisfaction, reduced stress and burnout rates, decreased commute costs and better workforce engagement.

Preserving the Environment

In achieving a sustainable business operation over the long run, the Group strongly believes in the need to ensure that the environment is well-protected and preserved. A well-managed environment is crucial in enabling a firm to operate without the fear of possible interruptions in the form of natural disasters and climate change, among others. The Group is cognizant of the importance of preserving the environment and has undertaken several measures to reduce or eliminate negative impacts from the Group's operations on the environment.

Among others, the Group has a strict internal policy of separating and recycling used materials and disposed items. As the main business nature of the Group is based on ICT, it has electronic waste or e-waste comprising of ICT peripherals and their components that are obsolete, damaged and unwanted. The unwanted e-waste has been discarded through authorised contractors through proper channel of safe disposals, to ensure the preservation of the environment.

SUSTAINABILITY REPORT

[Cont'd]



SUSTAINABLE
DEVELOPMENT GOALS

1

NO
POVERTY



End poverty in all its forms everywhere

2

ZERO
HUNGER



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

3

GOOD HEALTH
AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages

4

QUALITY
EDUCATION



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

5

GENDER
EQUALITY



Achieve gender equality and empower all women and girls

6

CLEAN WATER
AND SANITATION



Ensure availability and sustainable management of water and sanitation for all

7

AFFORDABLE AND
CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

8

DECENT WORK AND
ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

9

INDUSTRY AND
INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

10

REDUCED
INEQUALITIES



Reduce inequality within and among countries

11

SUSTAINABLE CITIES
AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable

12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Ensure sustainable consumption and production patterns

SUSTAINABILITY REPORT

(Cont'd)

13



Take urgent action to combat climate change and its impacts

14



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

15



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

16



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

17



Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source :

Sustainable Development Goals (DSDG), United Nations Department of Economic and Social Affairs (UNDESA)

Delivering Value to the Community

Being socially responsive and constantly looking out to make a sustainable in the community, the Group has consistently, during the month of Ramadan, taken the opportunity to spread cheer among neglected segments in society.

As part of the Group's Corporate and Social Responsibility initiative, the Group had carried out the event of "Dataprep Kasih Ramadhan" on Tuesday, 26 April 2022. The objective of this social responsibility was to provide assistance by contribution of food necessities and finance to Pertubuhan Kebajikan Islam Peribadi Mulia, Rumah Anak Yatim Sg. Kantan, Kajang, Selangor during Ramadan month and for the Hari Raya celebration. There were 82 children being housed at this orphanage centre and the financial contribution was for the repair works of its hostel that had been damaged by fire.

In December 2022, the Group had provided contribution to Yayasan Kasih Sayang Negeri Sembilan ("YKNS"), an orphanage centre located at Kuala Pilah, Negeri Sembilan. The contribution was handed by Dataprep's Group Managing Director to YKNS's Advisor, Prof. Madya Dato' Dr. Mohd Farid Ravi Abdullah. The contribution intended to ease the financial burden and support the operating expenses of this welfare organisation.

The Group had also actively participated in CSR programs with schools and higher learning institutions. The Group has contributed to SMK Kajang Utama as part of the school's project called KUSes Rest and Read - a conceptualized corner to be set-up at the canteen for students for Rest and Read area during school time. Furthermore, the Group has also contributed for the purchase of new Public Address system (PA system) for Kolej Vokasional ERT Setapak.

Besides contributions to the schools, the Group has also contributed directly to the financially incapable students (Asnaf) of Politeknik Sultan Idris Shah, Sabak Bernam (PSIS) via allocation of Zakat Wakalah Fund credited into students dPurse e-wallet for food expenses and essentials in college.

SUSTAINABILITY REPORT

(Cont'd)



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance ("MCCG") stipulates that the Board of Directors ("the Board") of a public listed company should establish an effective risk management and Internal control framework to enable the Board to discharge its responsibilities in meeting the goals and objectives of the company. A sound framework for risk management and internal control is important to safeguard shareholders' investments and the company's assets. The Board is pleased to provide the following Statement on Risk Management and Internal Control ("SORMIC") made in compliance with paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("BMSB") and the SORMIC: Guidelines for Directors of Listed Issuers.

ROLES AND RESPONSIBILITIES

The Board places importance on its roles and responsibilities, and is committed to maintaining a sound Risk Management Framework ("RMF") and internal control system in the Company and its subsidiaries ("the Group") to ensure good corporate governance. The Board affirms its responsibility for reviewing the adequacies and effectiveness of the Group's corporate governance, risk management and internal control system. The Group's internal control system covers, inter alia, financial, business, operational and compliance controls and helps to ensure compliance with applicable laws, regulations, rules, policies and guidelines.

The management assists the Board in the implementation of the Board's policies and procedures on corporate governance, risk management and internal control by identifying and addressing the risks faced, and implementing appropriate risk management processes and internal controls to mitigate and control these risks.

Due to limitations that are inherent in the internal control system, the system adopted by the Group is designed to manage rather than to eliminate the risk of failure to achieve business objectives. The internal control system can only provide reasonable but not absolute assurance against any material misstatement of financial reporting or loss.

The Board has received assurance from the Managing Director ("MD") and Chief Financial Officer ("CFO") that, in the course of their management of day-to-day operations in respect of whole business activities of the Group, nothing has come to their attention which indicates that the risk management and internal control system is not operating effectively in all material aspects.

RISK MANAGEMENT

In dealing with its stewardship responsibilities, the Board recognises that RMF is part of good business management practice. The Group has a RMF to govern its risk management initiatives.

The Board entrusts the management with the overall responsibility of overseeing the adequacy and effectiveness of risk management processes of the Group.

Corporate Assurance Unit ("CAU") adopts risk based audit approach and selects the auditable areas for internal audit based on the identified risk areas of the operational activities by using the Risk Matrix tool.

In this regard, two nominated risk facilitators consisting of Head of CAU and the Head of Quality and Professional Standards Unit facilitate the Group to manage risks arising from its daily operations. The risk facilitators deal with risk owners for purposes of gathering significant risks confronting the Group's activities. Such information is submitted to the Senior Management and to the Board periodically by highlighting key risks faced by the Group together with related responses in conformity with MCCG's requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

Risk Management Framework ('RMF')

The primary goals and features of the Group's RMF are to support the overall business objectives of the Group by:

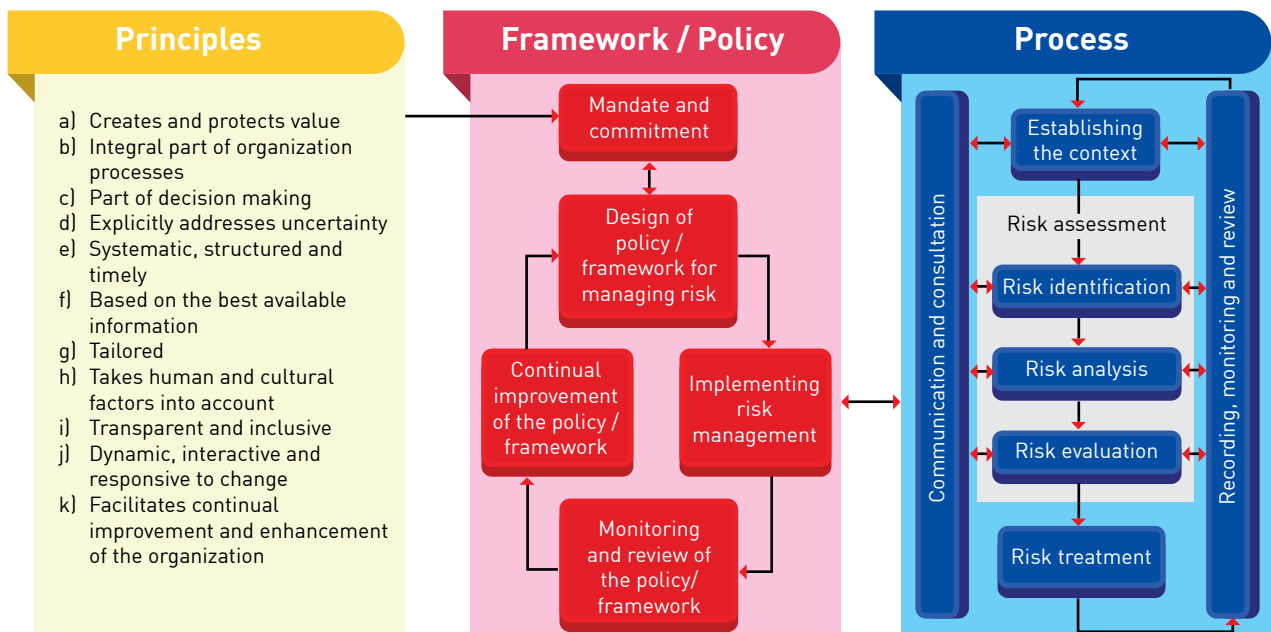
- Providing strategies, policies and organizational structure for management of risks that the Group assumes in its activities;
- Defining risk management roles and responsibilities within the organization and outlining procedures to mitigate risks;
- Ensuring consistent and acceptable management of risks throughout the business;
- Defining a reporting framework to ensure the communication of necessary risk management information to Senior Management and personnel engaged in risk management activities;
- Remaining agile and dynamic to accommodate the changing risk management needs of the organisation while maintaining control of the overall risk position;
- Detailing the approved methods for risk assessment; and
- Providing a system to accommodate the central accumulation of risk information, which can form part of each department's operational procedures.

Under the RMF, the Group has relevant policies and guidelines on risk assessment, reporting and disclosure which encompassed the following scope:

- Strategic risk assessment, which involves the identification and evaluation of risks that threaten the achievement of the Group's strategic objectives. This is carried out at the Senior Management level and provides a risk framework for the strategic planning process. Strategic risks are managed at corporate level; and
- Operational risk assessment, which involves a critical examination of each business unit's processes to identify and evaluate operational risks. This is carried out by the heads of business units with assistance from key personnel.

In compliance with the RMF, the undertaking of risk management activities are concentrated on all key business areas and operations. It is mainly based on International Organisation for Standardisation ("ISO") 31000:2018 Risk Management – Principles, Framework and Process that places emphasis on both the involvement of Senior Management and integration of risk management into the organisation as follows:

Overview of Enterprise Risk Management



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

With ISO31000:2018, it helps the organisation to increase the likelihood of achieving objectives, improve the identification of opportunities and threats and effectively allocate and use resources for risk treatment by:

- Review of the principles of risk management, which are the key criteria for its success;
- Focus on leadership by top management who should ensure that risk management is integrated into all organizational activities, starting with the governance of the organization;
- Greater emphasis on the iterative nature of risk management, drawing on new experiences, knowledge and analysis for the revision of process elements, actions and controls at each stage of the process; and
- Streamlining of the content with greater focus on sustaining an open systems model that regularly exchanges feedback with its external environment to fit multiple needs and contexts.

WHISTLEBLOWING POLICY

The Group has established a Whistleblowing Policy. Its objective is to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner to enable employees and stakeholders to raise genuine concerns about possible improprieties, improper conduct or other malpractices within the Group.

The Audit Committee is responsible for the interpretation and supervision of the enforcement of this policy. It is committed to investigate and address all causes of reported misconduct.

INTERNAL CONTROL PROCESSES

The Board is committed to maintaining strong features of control structure and environment for the proper conduct of the Group's business operations. The Board has the following internal control processes in place:

- Company's vision and mission and standard operating procedures for all major operations monitoring. The Group has in place a well-established and documented business processes;
- A formal organisational structure with delineated lines of authority, responsibility and accountability within the Group. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability. This organisational structure is aligned with its business and operational requirements;
- Group's vision, mission and strategic directions are communicated to employees at all levels through various means of communication and knowledge sharing;
- In most of the Group's business operations, periodic meetings are held to ensure that progress of business plans, exceptions and variations are fully discussed and appropriate actions taken. This ensures that business objectives are met. Adequate reports and minutes of meeting are generated for reviews on various business and operating units of the Group;
- The Board oversees the conduct of the Group's operations through various management reporting channels. Proper records are maintained, and the Board is informed of all major issues pertaining to financial and operational matters, internal control, regulatory compliance and risk management processes to ensure that it maintains full and effective supervision;
- The Group performs a comprehensive annual budgeting and forecasting exercise at the beginning of the financial year. Actual performance and significant variances against budget are monitored on an on-going basis;
- Key result areas and key performance indicators are established and aligned with strategic business objectives and are monitored on an on-going basis;
- Comprehensive management reports and accounts are prepared on a monthly basis for review by the Senior Management for effective monitoring and decision-making. Such management reports and accounts are also submitted on a quarterly basis to the Audit Committee and the Board for review; and
- The Group operates a comprehensive Management Information System ("MIS") that provides for transactions to be captured, compiled and reported. Management also uses the data and analysis provided by MIS to monitor their sales, service deliveries and call centre.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

MONITORING AND REVIEW

The Board delegates the day-to-day management functions to MD, who is assisted by a team of Senior Management in carrying out the duties. The role of the Senior Management is to drive each of the business operations in a manner that ensures the integrity of the internal control system and effective risk management processes are in place throughout the year.

From a process viewpoint, the MD presides over regular management meetings in each of the business operations. These meetings review financial performance, business issues and other related matters including internal control matters and risk management.

The Group's CAU whose primary responsibility is to conduct internal audit and provide assurance to the Board through the Audit Committee that the internal control system is functioning as intended. The Audit Committee receives feedback from the Head of CAU on the adequacy and effectiveness of internal control based on the conducted internal audit assignments. The Head of CAU has the relevant qualification to carry out the functions of the CAU according to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors ("IIA"), USA. This is in line with the International Professional Practices Framework 2017 ("IPPF 2017") authoritative guidance on the internal audit profession that has been promulgated by IIA.

The Corporate Assurance team conducts reviews and appraisals of the adequacy and effectiveness of the internal control processes within the Group. Reports of deficiencies together with recommendations as appropriate are tabled at Audit Committee meetings.

The involvement of the external auditors in conducting the audit on the statutory financial statements would provide further assurance on the adequacy and effectiveness of the internal control system.

Issues highlighted by the auditors, if any, are addressed or rectified by management. There were no control deficiencies noted during the period under review which had material impact on the Group's financial performance, operations and integrity of financial information.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system to safeguard shareholders' investment and Group's assets. It has received reasonable assurance from MD and CFO that the Group's risk management and internal control system are operating adequately and effectively. The risks taken are at an acceptable level within the business environment throughout the Group. The risk management and internal control system that existed provides a level of confidence and assurance to the Board.

This statement is made in accordance with the SORMIC — Guidelines for Directors of Listed Issuers ("Guidelines") issued on 31 December 2012, which is in line with the requirements of Paragraph 15.26(b) of the MMLR of BMSB and Part II of Principle B, Intended Outcome 9.0, Practices 9.1 and 9.2 read together with corresponding Guidance 9.1 and 9.2 of the MCGG issued by Securities Commission Malaysia.

The Board and external auditors have duly reviewed this report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") recognises the importance of practising acceptable standards of Corporate Governance ("CG") throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance and financial position of the Group and Company.

The Group's overall approach to corporate governance is to:

- promote heightened accountability at the leadership level (Board and Senior Management);
- adopt the substance behind corporate governance enumerations and not merely in form;
- conduct a thorough debate and rigorous enquiry process before establishing corporate governance systems, policies and procedures;
- identify opportunities to drive the synergistic implementation of corporate governance system, policies and procedures for improved strategic and operational decision making; and
- balance and meet the expectations of various stakeholders.

Measures and efforts have been and shall be taken to ensure the adoption and implementation of the Principles set out in the MCCG with Guidelines of Securities Commission Malaysia (SCM) and the MMLR of BMSB.

The CG overview statement is available on the Group's website, www.dp.com.my.

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS

Clear Functions Reserved for the Board and Those Delegated to Management

The respective roles and responsibilities of the Board and Management are clearly set out and understood by both parties to ensure accountability.

The Board is responsible for the overall oversight and management of the Group. It ensures that all significant matters are addressed as it is accountable under the applicable laws and regulations for the Group's activities, strategies, financial position and performance.

The Board delegates certain functions to the Board Committees, MD and the Senior Management.

Key matters reserved for the Board's approval are specified in the Board Charter and the approved Terms of Reference ["TOR"] of the respective Board Committees. These include the Group's goals and strategies, financial plans and forecast, quarterly financial statements, public announcements and matters concerning the appointment or re-appointment of external auditors.

Clear Roles and Responsibilities

The Board's primary responsibilities include giving strategic direction to the Group, identifying key risk areas and setting key performance indicators of the Group's business, monitoring investment decisions, considering significant financial matters and review the performance of management.

The Board also guided by the Board Charter which sets out the roles and responsibilities as listed below:

- a. Reviews and adopts strategic plan for the Group including monitoring the implementation of the strategic plan by management;
- b. Oversees the conduct of the Group's business and the performance of management to ensure the business is managed in accordance with the strategies and policies;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Clear Roles and Responsibilities (Cont'd)

- c. Identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures which effectively monitor and manage these risks;
- d. Establish succession planning and ensuring that all candidates appointed to the Senior Management positions are of sufficient caliber;
- e. Oversees the development and implementation of communications policy with its shareholders and other stakeholders to enable effective communication; and
- f. Reviews the adequacy and the integrity of the management information and internal control system of the Group.

The Board delegates the day-to-day management of the Group to the MD who further cascades the delegation to the management team. Both the MD and management are accountable to the Board for the authority delegated to them and update the Board on the operational progress and financial results on a quarterly basis.

The following procedures are stated clearly in the Board Charter to ensure the conduct of business is properly executed:

- a. The conduct of Board members will be consistent with their duties and responsibilities to the Group and to the shareholders;
- b. The Directors would always act within limitations imposed by the Board on its activities;
- c. Directors' responsibilities and limitations are primarily set out in the Company's Constitution, MMLR of BMSB, the Board and/or shareholders' resolutions and other relevant legislations, where applicable;
- d. The Board shall be disciplined in carrying out its role;
- e. The Board is engaged in an open discussion. The Chairman will seek for a consensus from the Board but may, call for a vote when necessary;
- f. The Board members are entitled to have access to all relevant Group's information and to Senior Management in discharging their duties and responsibilities to enable them to make informed decisions;
- g. The Board members are expected to strictly observe the confidentiality of confidential material given or presented to the Board; and
- h. The Board members may take an independent professional advice, if required, at expense of the Group, subject to prior approval of the Chairman.

Significant matters reserved for the consideration of the Board include the followings:

- Approval of the audited financial statements and quarterly financial results of the Group;
- Approval of annual budget;
- Approval for the appointment and remuneration of Directors and Senior Management;
- Proposed corporate exercise; and
- Borrowings from financial institutions.

As for the succession planning, the Board is responsible in reviewing candidates for the appointment of Director and ensuring that orderly succession of Executive Director and Senior Management positions are being filled. Remuneration, Quality and Nominating Committee ("RQN") was delegated by the Board to review succession plans and remuneration packages for the Directors and Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Code of Conduct and Ethics

The Group is committed to promote and maintain high standards of transparency, accountability and ethics in the conduct of its business and operations.

The Group's Employee Handbook governs the terms and conditions of employment and the standards of ethics and good conduct expected of the employees.

The Board has established the Code of Conduct and Ethics for Directors which describes the standards of business conduct and ethical behaviour for Directors in carrying out of their duties and responsibilities.

In addition, the Whistleblowing Policy and Procedures established by the Board applies to the Directors and employees of the Group and are designed to provide them with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct within the Group without fear of reprisal, victimisation, harassment or subsequent discrimination.

The Code of Conduct and Ethics for Directors and the Whistleblowing Policy and Procedures are made available for reference on the Company's website at www.dp.com.my.

Sustainability of Business

The Group recognises the importance of sustainability and its increasing impact to the business and is committed to understand and implement sustainable practices. The Group will set long term and short term targets for its sustainability efforts in order to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders. The Group acknowledges its corporate social responsibility in the community and will continue to support worthy causes.

Access to Information and Advice

To ensure effective conduct of Board meetings, a structured formal agenda and Board meeting papers relating to the agenda including progress reports on operations, periodic financial management reports, quarterly results of the Group and the Company, financial and corporate proposals, business strategy matters, minutes of the Board Committees and Directors' Circular Resolutions are circulated to all Directors prior to Board meeting. The Directors are thus given sufficient time to peruse the matters that will be tabled at the Board meetings to enable them to request for additional materials and conduct independent evaluation/analysis, where necessary and to participate in the deliberations of the issues to be raised and to make informed decisions.

At the Board meetings, the MD explains in detail the significant issues arising from the queries of the Board members whilst the Chief Financial Officer ("CFO") presents the financials of the Group. Senior Management are invited to attend Board meetings to furnish additional insights and professional views on specific items to be tabled for the Board's consideration.

Minutes of the Board and Board Committee meetings are circulated to Directors for their perusal prior to confirmation of the minutes at the following Board and Board Committee meetings respectively. The Directors may request for further clarification or raise comments or corrections on the minutes prior to confirmation of the minutes at the respective Board and Board Committee meetings. All matters arising from Board and Board Committee meetings are attended by the Management and the Board is updated on the progress and/or outcome of the matters at the next meeting or via email circulation if deemed urgent.

In exercising the Directors' duties, the Board has access to all information within the Group, the advice and services of the company secretaries and independent professional advice where necessary, at the Group's expense.

In addition to the quarterly reports, the Board makes public releases through Bursa announcement and press release.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Qualified and Competent Company Secretaries

The company secretaries play an advisory role in supporting the Board in carrying out its role and responsibilities. The primary responsibilities of the company secretaries include:

- a. Assist the Board to discharge their responsibilities in the best interests of the Group;
- b. Provide full assistance to the Board and its committees on issues of compliance with rules and procedures and statutory regulations;
- c. Circulate relevant news articles, guidelines and updates on statutory requirements for the Board members' reference and brief the Board on these updates at the Board meetings; and
- d. Ensure that all meetings of the Board and its committees are properly convened and that deliberations, proceedings and decisions thereof are properly minuted.

Board Charter

The Board Charter provides guidance and clarity for the Board and the Management regarding the role of the Board and the Board Committees, the requirements of Directors in carrying out their roles and in discharging their duties towards the Group.

The Board Charter periodically reviewed and updated in accordance with the needs of the Group and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available for reference at the Company's website www.dp.com.my.

Strengthen Composition Remuneration, Quality & Nominating ("RQN") Committee

The RQN Committee was established in 2003 and consists exclusively of Non- Executive Directors, a majority of whom are independent.

The presence of the Independent Non-Executive Directors ensures that independent views and objectivity are brought for the Board's deliberations and decision making processes.

The Independent Non-Executive Directors are not involved in the day-to-day management of the Company and not full-time salaried employees. They contribute independent views to matters under consideration, provide wide perspective on issues.

The present Committee consists of three (3) Independent Non-Executive Directors as follows:

Directors	Position
Nor Adha bin Yahya (Chairman)	Independent Non-Executive Director
Dato' Abdul Aziz bin Ishak	Independent Non-Executive Director
Ong Kuan Wah	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Strengthen Composition Remuneration, Quality & Nominating ("RQN") Committee (Cont'd)

The objective of the RQN is to assist the Board to implement procedures for the selection of Directors and assessing the effectiveness of the Board, Board Committees and contributions and performance of individual directors. Further, RQN is to establish a framework on remuneration of the Board members and Senior Management in line with the business strategy, responsibilities, expertise and long-term objectives of the Group.

The terms of reference of the RQN is made available for reference at the Company's website www.dp.com.my.

The principal roles of the RQN are inter-alia as follows:

- a. To review and recommend to the Board for approval, the remuneration structure and policy for Executive Director and Senior Management;
- b. To review the remuneration packages of the Senior Management;
- c. To review and recommend to the Board for approval, the policy and framework for the Performance - Linked Compensation ("PLC") Scheme (if any);
- d. To review and recommend to the Board, the appointment of new Executive Director/s and to assess the performance of Executive Director/s on an on-going basis;
- e. To review and recommend to the Board, the appointment of new Executive Directors and MD: and
- f. To review the Board's succession plans and training programmes for Board members.

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

The appointment of new Directors is under the purview of the RQN Committee which is responsible to perform a thorough assessment of the candidates and to deliberate on the assessment prior to recommending the candidates to the Board for its approval.

The RQN Committee reviewed the required mix of skills and experiences and other qualities, including core competencies which Directors should bring to the Board.

The RQN, after having given consideration to the following, recommended the appointments to the Board for approval:

- their abilities to act objectively and constructively in exercising their duties as Directors;
- demonstration of professional ethical standards and integrity as Directors; and
- critical analytical skills and judgements.

The RQN Committee has carried out an evaluation of the effectiveness of the Board, Board Committees and individual Directors. The RQN reviewed the outcome of the evaluation exercise and areas for continuous improvements.

The Group practices equality on age, gender, ethnicity or religion, throughout the organisation. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence, foresight and good judgement to ensure that the Board functions effectively and is able to discharge its duties in the best interests of the Group and shareholders.

The Group recognises the recommendation of the Code, on Gender Diversity Policy which was adopted by the Board and made available at the Company's website www.dp.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration Policies and Procedures

The RQN Committee is entrusted with the role of reviewing and recommending a suitable policy and framework in respect of the remuneration packages for Executive Directors and Senior Management personnel of the Company.

The remuneration of the Directors for the financial year ended 31 December 2022 ("FYE2022") and the preceding financial year ended 2021 ("FYE2021") for the Group and Company are as follows :

	Group		Company	
	FYE2022 31 Dec RM'000	FYE2021 31 Dec RM'000	FYE2022 31 Dec RM'000	FYE2021 31 Dec RM'000
Directors of Group / Company				
(i) Executive Director's Remuneration				
Salaries and allowances	568	568	568	568
Contributions to a defined contribution plan	69	69	69	69
Total Executive Directors' Remuneration	637	637	637	637
(ii) Non-Executive Directors' Remuneration				
Fees	198	210	144	156
Allowances	29	36	29	36
Total Non-Executive Directors' Remuneration	227	246	173	192
Total Directors' Remuneration (i & ii)	864	883	810	829
Benefits-in-kind (BIK)	34	19	34	19
Total Directors' Remuneration and BIK	898	902	844	848

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration Policies and Procedures (Cont'd)

The number of Directors of the Group and Company whose total remuneration during the respective FYE2021 and FYE2022 are within the following ranges:

	Group FYE2022	Number of Directors FYE2021	Company FYE2022	Company FYE2021
Executive Directors : RM600,001 to RM700,000	1	1	1	1
Non-Executive Directors : RM1 to RM100,000	4	4	4	4
Total	5	5	5	5

The remuneration of Directors on named basis received or to be received from the Group and Company respectively for the FYE2022 is analysed as below:-

	Group RM'000	Company RM'000
Directors of Group / Company		
(i) Executive Director:		
Mohamad Sabir Bin Mohamad Sabri		
- Salaries and allowances	568	568
- Contributions to a defined contribution plan	69	69
- BIK	34	34
Total Executive Director's Remuneration and BIK	671	671
(ii) Non-Executive Directors:		
Dato' Mohd Rizal Bin Mohd Jaafar		
Fees	36	36
Allowances	5	5
	41	41
Dato' Abdul Aziz Bin Ishak		
Fees	47	29
Allowances	8	8
	55	37

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration Policies and Procedures (Cont'd)

The remuneration of Directors on named basis received or to be received from the Group and Company respectively for the FYE2022 are as analysed below:-

	Group RM'000	Company RM'000
Directors of Group / Company		
(ii) Non-Executive Directors:		
Nor Adha Bin Yahya		
Fees	50	32
Allowances	8	8
	58	40
Ong Kuan Wah		
Fees	65	47
Allowances	8	8
	73	55
Total Non-Executive Directors' Remuneration	227	173
TOTAL EXECUTIVE and NON -EXECUTIVE DIRECTORS' REMUNERATION and BIK	898	844

The Board is mindful on the disclosure of details in relation to the remuneration of Directors. The Company complies with the disclosure requirements under the MMLR of BMSB. The Board is of the view that the transparency and accountability aspects of CG as applicable to Directors' remuneration are appropriately served by the above disclosure.

Composition of the Board

The composition of the Board consists of members with a wide range of skills and experiences from the financial and business background to lead and control the Group.

The Board continues to give due consideration to its size, composition and spread of experience and expertise. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account the long-term interests of shareholders and stakeholders of the Group.

The current Board has five (5) members comprising three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Non-Independent Executive Director.

The composition of the Board is in compliance with Paragraph 15.02 of the MMLR of BMSB which requires that at least two (2) directors or 1/3 of the Board of Directors, whichever is the higher to be independent.

The Directors contribute to the Company through their business acumen, wide range of knowledge and skills from their vast experiences. They are made up of qualified and experienced professionals in the fields of accountancy, finance, computer science, economics and management. A brief description of the background of each director is contained in the Directors' Profile section. This composition and combination of different skills ensures an effective Board decision-making process and enables the Board to lead efficiently.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board to be Majority Independent Directors

The Board acknowledged the recommendation of the Code where the Chairman of the Board is not an independent director, and the Board constitutes a majority of independent directors. The current composition of the Board is in compliance with the requirements set out under the MMLR of BMSB and MCGG.

Fostering Commitment

The Board requires all members to devote sufficient time and effort to carry out their responsibilities. Each Director is expected to dedicate time and effort to effectively discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

Board meetings and Board Committee meetings are scheduled in advance of the new financial year to facilitate the Directors in planning their meeting schedule for the year.

In order for the Board meetings to be more effective, the meeting agenda at Board meetings are sequenced in such a way taking into consideration of the complexity of the proposal such as approval, discussion or notation by the Board.

Senior Management is also invited to attend board meetings to provide further clarity on agenda items being discussed.

During the FYE2022 under review, the Board have met five (5) times to review the Group's operations, strategy, business plans, review and approve the quarterly financial results, annual financial statements and other matters requiring the Board's approval. All Directors had attended the board meetings held during the financial year and complied with the minimum requirement of 50% attendance at board meetings as stipulated in the MMLR of BMSB.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Group.

The details of their number of attendance and number of meeting held during the FYE2022 are as follows:

Directors of the Company	Board Meetings	Attendance	%
Dato' Mohd Rizal bin Mohd Jaafar	5	5	100
Mohamad Sabir bin Mohamad Sabri	5	5	100
Dato' Abdul Aziz bin Ishak	5	5	100
Ong Kuan Wah	5	5	100
Nor Adha bin Yahya	5	5	100

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Professional Development of Directors

All Directors have attended and successfully completed the Mandatory Accreditation Programme accredited by BMSB. In addition, seminars and conferences organised by BMSB, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation.

During the FYE2022, the Directors had attended training covering a broad range of areas such as Companies Act 2016, corporate governance and statutory regulations. In addition, the Directors continuously receive briefings and updates on the developments in business environment, new regulations and statutory requirements.

Director	Programme Title and Organizer	Date
Dato' Mohd Rizal bin Mohd Jaafar	• BCM Awareness for Board, Senior Management and HoDs BSN	11 March 2022
	• In-House Training for Board of Directors & Shariah Committee of BSN (No. 01/2022)	5 July 2022
	• In-House Training for Board of Directors & Shariah Committee of BSN (No. 02/2022)	16 December 2022
Mohamad Sabir bin Mohamad Sabri	• Corporate Board Leadership Symposium 2022 - Mastering Governance in the Era of ESG	30 - 31 May 2022
Ong Kuan Wah	• MIA Webinar Series - Accounting for Financial Instruments in Accordance with MPERS (Covering Section 11, 12 & 22)	19 January 2022
	• MIA Webinar Series - Using Analytical Procedures in Audit	16 February 2022
	• National Tax Conference 2022	2 & 3 August 2022
Nor Adha bin Yahya	• AOB's Conversation with Audit Committees	07 April 2022
	• Financial Reporting Considerations under Uncertain Times	13 December 2022
	• Case Study-Based MFRS: MFRS 15 Revenue from Contracts with Customers MPERS Sections 23 & 34	14 December 2022
	• Sustainability and Climate Change Disclosure Requirements	15 December 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Professional Development of Directors (Cont'd)

All Directors will continue to attend and undergo relevant training programmes to further enhance their skills and knowledge where relevant. The Board of Directors will on a continuous basis, evaluate and determine the training needs of the Directors to discharge their duties.

Employees' Share Option Scheme (ESOS) Committee

The Board has delegated the ESOS Committee to review the rules and regulations relating to the ESOS and ensure that the ESOS is implemented in accordance with the ESOS by-Laws with regards to amongst others, eligibility, options offer and allocation, basis of allotment, termination and appeals, if any.

The ESOS Committee reports to the Board of their deliberations and recommendations. Minutes of the ESOS meeting are presented to the Board meetings for further discussion and direction. While the ESOS Committee has the authority to deliberate on matters delegated to them, all decisions and/or recommendations made by the ESOS Committee will be brought to the attention of the Board.

Assessment of Suitability and Independence of External Auditors

The Group through the Audit Committee has a transparent relationship with the external auditors. The Audit Committee reviews issues of accounting policies and presentation for external financial reporting, monitors the work of the internal audit function and ensures objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee,

As one of its functions stated above, the Audit Committee undertakes an annual assessment of the external auditors to gauge their performance, suitability and independence. Based on the results of this assessment, the Audit Committee shall make a recommendation to the Board for their re-appointment or termination.

In this regard, the Audit Committee had on February 2023 assessed the performance and independence of Messrs. Folks DFK & Co. as external auditor of the Company for services provided by them during the financial year under review and had recommended their re-appointment.

The details of the assessment process on suitability and independence of external auditors are set out separately in Audit Committee Report.

The External Auditors Assessment Policy has been established and adopted by the Board since May 2017. The policy is made available at the Company's website www.dp.com.my for reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Sound Framework to Manage Risks

The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis.

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems.

Directors and Principal Officers of the Group are indemnified under a Directors' and Officers' Liability Insurance against any liability incurred by them in the discharge of their duties. However, the Directors and Officers shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them.

The SORMIC made pursuant to Paragraph 15.26(b) of the MMLR of BMSB is separately set out in this Annual Report.

Internal Audit Function

The Board has established an Internal Audit function within the Group which is led by the Head of Corporate Assurance Unit ("CAU") who reports directly to the Audit Committee.

The primary responsibility of CAU's function is to provide assurance to the Board through the Audit Committee, The Audit Committee receives feedback from the Head of CAU on the adequacy and effectiveness of internal control every quarter based on the audit assignments undertaken by the CAU.

Details of the key elements of the Group's internal controls system are set out separately in the SORMIC and the Audit Committee Report sections of this Annual Report.

PRINCIPLE C — INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board is committed to disclose information on financial, organisational, governance or related transactions, to enable our stakeholders to assess the Group's performance. The public can access the latest information regarding the Group on the corporate website including public announcements, financial results, charters and annual reports. As part of the investor relations policy, there are regular engagements between Senior Management, fund managers and the wider investment community, both local and international.

Encourage Shareholder Participation at General Meetings

The Notice of General Meetings together with a copy of the Company's Annual Report and/or Circular to Shareholders will be despatched to the shareholders within the prescribed notice period prior to the scheduled general meetings. This will provide sufficient time to the shareholders to make the necessary arrangements to attend and participate either in person, by corporate representative or by proxy. The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations. This provides an avenue for the shareholders to make enquiries on the resolutions being proposed and to seek clarification on the business and performance of the Group.

Poll Voting

Resolutions set out in the Notice of any General Meeting or any Notice of Resolution which may properly be moved at any general meeting is voted by poll. The poll voting process at the General Meeting will be conducted in accordance with the provisions of the Constitution of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

Effective Communication and Proactive Engagement

The Company is always willing to meet up with institutional investors whenever the need arises, to elaborate or to further clarify the information which has been disclosed to the shareholders. The shareholders can access to the up- to-date information from the Company's website at www.dp.com.my.

Timely and High Quality Disclosure

The Company recognises the importance of providing adequate information to the shareholders on a timely basis. The shareholders are kept well informed of the developments and performance of the Company through timely announcements and disclosures made to BMSB including the release of financial results on a quarterly basis.

Appropriate Corporate Disclosure Policies and Procedures

The Group has put in place appropriate controls on the confidentiality of information where the Executive Directors and employees of the Group are required to sign a Confidentiality Agreement before appointment. This is to ensure that confidential information is properly handled to avoid improper use of such information. The Group upholds strict standards on confidentiality with regards to the undisclosed material information and to ensure that the dissemination of information to the shareholders and general public is done in a timely manner. The Board is mindful that information must be announced immediately.

In addition, the Board has established the Corporate Disclosure Policies and Procedures which applies to all Directors, management and employees of the Group. It outlines the Group's approach toward the determination and dissemination of material information which to maintain the confidentiality of information. It also provides guidelines to achieve consistent disclosure practices across the Group.

The Corporate Disclosure Policy and Procedures is made available on the Company's website at www.dp.com.my.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website incorporates the corporate information of the Group. The website also incorporates an Investor Relations section which provides all relevant information on the Company's shares, financial information, announcements made by the Company to BMSB as well as the latest media news on the Group. The Group has continuously leveraged on information technology for effective dissemination of information to the shareholders and the public.

Corporate Governance Priorities

Moving forward, the Group is committed to work towards achieving high standards of CG by ensuring compliance and continuous application of governance policies.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors, Messrs Folks DFK & Co and a corporation affiliated to Messrs Folks DFK & Co for the financial year ended 31 December 2022 are as follows:

	Group RM'000	Company RM'000
Audit fees paid or payable to:		
- Messrs Folks DFK & Co	163	58
Non-audit fees paid or payable to:		
- Messrs Folks DFK & Co	8	8
- Corporation affiliated to Messrs Folks DFK & Co	171	36
	179	44

2. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

3. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The Recurrent Related Party Transactions during the financial year ended 31 December 2022 are summarised as follows:-

	Group		Company	
	FYE2022 RM'000	FYE2021 RM'000	FYE2022 RM'000	FYE2021 RM'000
Widad Education Sdn Bhd*	25	-	-	-
- Sale of computer equipment				
Crystal Solaris Sdn Bhd*	285	-	-	-
- Project training services				
Widad Builders Sdn Bhd*				
- Rental of premises	588	588	588	588
- Sales of computer hardware	74	-	-	-
- Maintenance and support services	60	-	-	-

* The related party is a subsidiary of Widad Business Group Sdn Bhd, the ultimate holding company of the Company.

ADDITIONAL COMPLIANCE INFORMATION

(Cont'd)

4. UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

In the preceding financial year, the Company's issued and paid-up share capital was increased from RM72,727,627 comprising 602,595,817 ordinary shares as at 1 January 2021 to RM137,583,856 comprising 670,470,417 ordinary shares as at 31 December 2021 through the issuance of 67,874,600 new ordinary shares arising from the following: -

- i) Private placement of 48,354,600 new ordinary shares at the issue price of RM1.31 per share to independent third parties which increased the issued and paid-up share capital by RM60,355,619 after deducting share issue expenses; and
- ii) Exercise of 19,520,000 ESOS Options into 19,520,000 new ordinary shares at the exercise price of RM0.17 per share which increased the issued and paid-up share capital by RM 4,500,610 after including attributable fair value of the ESOS Options transferred from share options reserve.

The above private placement arose from the first tranche of up to 50,000,000 new ordinary shares out of the private placement of up to 138,597,000 new ordinary shares representing up to 20% of the issued shares of the Company ("Private Placement"), which was announced on 16 February 2021 to be undertaken by the Company in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 approved by the shareholders of the Company at its Annual General Meeting held on 24 June 2020.

All the new ordinary shares issued rank pari passu in all respects with the existing issued ordinary shares of the Company.

The Private Placement was deemed completed on 31 December 2021 after the Company withdrew its application to Bursa Malaysia Securities Berhad ("Bursa Securities") for further extension of time to complete its implementation as announced on 7 January 2022.

The issued and listing of 48,354,600 new ordinary shares has raised a total proceeds of RM63,344,526 which were utilized for working capital, repayment of bank borrowings of the Group, funding investments and projects and corporate exercise expenses. The balance of proceeds of RM10 million carried forward from the preceding financial year was fully utilised for working capital requirement during the current financial year.

The proceeds from the Private Placement were fully utilised as follows:-

Utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000
Working capital requirement	18,769	51,175
Repayment of bank borrowings	6,000	6,000
Future investment or projects	13,065	3,180
Estimated expenses for the Private Share Placement	130	2,989
Total	37,964	63,344

AUDIT COMMITTEE REPORT

The Audit Committee of Dataprep Holdings Bhd ("the Company") is pleased to present the Audit Committee Report of financial year ended 31 December 2022 ("FYE2022"), which described the Audit Committee's functions, roles and responsibilities for the Group and Company:

1. COMPOSITION OF AUDIT COMMITTEE

There are three (3) Audit Committee members, all of whom are independent non-executive directors.

The Members of the Audit Committee are as follows:

Chairman : Ong Kuan Wah

Members : Dato' Abdul Aziz bin Ishak
Nor Adha bin Yahya

The Chairman of the Audit Committee is a Chartered Accountant. He is a member of Malaysian Institute of Accountants and a member of Chartered Tax Institute of Malaysia which further complies with paragraph 15.09 1(c)(i) of the MMLR of BMSB.

The Secretaries to the Audit Committee are Geng Mun Mooi and Nor Fazieana Binti Daud.

2. ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Audit Committee met 4 times during the FYE2022. The attendance (√) records of the respective Audit Committee members and months of the meetings are as of follows:

Name of Member	Feb	Jun	Aug	Nov	Held	Attended
Mr. Ong Kuan Wah	√	√	√	√	4	4
Dato' Abdul Aziz bin Ishak	√	√	√	√	4	4
En. Nor Adha bin Yahya	√	√	√	√	4	4

The Audit Committee meeting had invited the MD, representatives of the external auditors, CFO, Head of CAU and relevant members of the Management to facilitate direct communication and provide clarification on internal audit issues, Group's operations as well as other matters within the Terms of Reference of the Audit Committee. Minutes of each Audit Committee Meeting were recorded and tabled for confirmation at the next following Audit Committee Meeting and subsequently presented to the Board for notation. The minutes of the Audit Committee Meeting were properly maintained by the company secretaries.

The Audit Committee may access to any form of independent advice from professionals to perform their duties.

The Audit Committee Chairman reports to the Board on a quarterly basis on all significant matters discussed. Amongst others, the report contains the Audit Committee's recommendations to approve the quarterly management reports and accounts, the quarterly consolidated financial results released to Bursa Malaysia, the annual financial statement of accounts, key disclosure statements in the Annual Report as well as significant audit issues raised by the external auditors and internal auditors. The Audit Committee continuously reviews and updates its Terms of Reference ["TOR"] to reflect the updated internal procedures of the management and current requirements as promulgated by the authorities.

The TOR is available on the Company's website, www.dp.com.my.

AUDIT COMMITTEE REPORT

(Cont'd)

3. ACTIVITIES OF THE AUDIT COMMITTEE

The summary of the activities carried out by the Audit Committee in the discharge of its duties and responsibilities for the FYE2022 is as follows:

(i) Financial Reporting

- a. Reviewed the audited financial statements of the Group and of the Company for inclusion in the Annual Report as well as the statutory auditors' report thereon prior to the submission to the Board for their consideration and approval, upon being satisfied that, inter alia, they were drawn up in accordance with the applicable MFRSs, International Financial Reporting Standards ("IFRSs") and the provision of the Companies Act 2016 in Malaysia;
- b. Reviewed and discussed the Quarterly Management Report and Accounts of the Company and of the Group as well as the unaudited quarterly financial results including the announcements pertaining thereto before recommending the same to the Board for approval and release to Bursa Malaysia;
- c. To uphold the integrity of information, the Chief Financial Officer had attended all Audit Committee Meetings held throughout the financial year and the management had provided assurance to the Audit Committee that appropriate accounting policies had been adopted and applied consistently and matters such as prudent judgement and estimates had been made in accordance with the requirements as stipulated in the relevant accounting standards;
- d. When reviewing the financial reports, the Audit Committee had obtained reasonable assurances that the financial performance and financial position as reflected in the Statement of Accounts had been prepared in accordance with the applicable MFRS in all aspects; and
- e. Reviewed the assurance provided by the MD and the CFO on the scope and performance of the internal control systems established by the Group. The assurance provided by the Senior Management was corroborated by independent confirmation received from the CAU based on the undertaking of internal audits conducted in accordance with the Internal Audit Planning Memorandum that had been approved by the Audit Committee.

(ii) External Auditors

- a. In November 2022, the Audit Committee had reviewed and discussed the Audit Planning Memorandum of the external auditors for FYE2022. This covers the audit approach, significant events, key areas of audit emphasis, proposed audit fees and non-audit fees and updates of accounting standards as well as other regulatory updates, as appropriate;
- b. In February 2023, the Audit Committee had reviewed and discussed the Audit Review Memorandum issued by the external auditors upon completion of the annual audit, covering significant audit findings, status of audit, professional independence, communication with Audit Committee, summary of unadjusted differences and expected auditor's opinion. The external auditors had expressed an opinion that the Group's financial statements were prepared in compliance with the MFRS and confirmed that the accounting records, other records and registers are properly kept in accordance with the provision of the Companies Act 2016;
- c. The Audit Committee had also assessed and evaluated the performance of the external auditors focusing on the question of professional independence and suitability for its reappointment as external auditors of the Group.

AUDIT COMMITTEE REPORT

[Cont'd]

3. ACTIVITIES OF THE AUDIT COMMITTEE (Cont'd)

(ii) External Auditors (Cont'd)

The Board had officially confirmed and endorsed that the external auditors are fully independent and suitable based on the assessment process and evaluation being performed as per the Group's External Auditor Assessment Policy (refer to the Company's website at www.dp.com.my) as follows:

(i) Independence

- a. The Audit Committee had reviewed and discussed on the status of independence of the external auditors for the FYE2022. The external auditors had provided written assurance presented in their Audit Planning Memorandum confirming their continuous compliance with the relevant ethical requirements concerning independence with respect to the audit of the group in accordance with the International Federation of Accountants code of ethics for professional accountants and the Malaysian Institute of Accountants ("MIA") By-Laws (on professional ethics, conduct and practice): and
- b. The Audit Committee had reviewed and discussed the summary of non-audit services rendered to the Group as presented in their Audit Review Memorandum. The non-audit services provided by the external auditors for the FYE2022 were in respect of tax compliance services and review of the SORMIC, which amounted to RM179,000.

The nature of the non-audit services rendered were looked into together with the related terms wherein it was concluded that the fees were reasonable and realistic in line with the complexity and magnitude of the services coupled with the types of assignments undertaken which would not impair the independence and objectivity of the external auditors. To this end, the Audit Committee is guided specifically by the By-Laws (on professional, ethics, conduct and practice) of the MIA and International Ethics Standards Board for Accountant ("IESBA") code of ethics.

(ii) Suitability and Performance

- a. In February 2023, the Audit Committee had assessed and evaluated the performance of the external auditors based on the following guidelines:
 - Calibre of the external audit firm of international status;
 - Quality of audit processes and performance based on International Auditing Standards of Practice;
 - Audit team with emphasis on the competency, qualification and experience of engagement partner, concurring partner, audit manager and audit senior which also covered on the matter of familiarity with Dataprep Holdings Bhd's ICT industry and operations;
 - Audit scope and planning in line with best practice;
 - Fairness and reasonableness of audit fee; and
 - Audit communication.

The Audit Committee also had taken the following criteria into consideration in assessing and evaluating on the performance of the external auditors:

- Competencies;
- Conduct of audit;
- Engagement partners involvement;
- Concurring partners involvement; and
- Professional working relationship between the management and the external auditors.

AUDIT COMMITTEE REPORT

(Cont'd)

3. ACTIVITIES OF THE AUDIT COMMITTEE (Cont'd)

(ii) External Auditors (Cont'd)

(ii) Suitability and Performance (Cont'd)

- b. The management had confirmed that the external auditors had provided full cooperation and extended relevant advise, suggestions and clarifications related to the accounting treatments and presentations of the financial and operational transactions to the management, maintained active engagement and communication during the audit processes and the audit fee proposed was competitive and reasonable based on the complexities and size of the audit and time spent on the audit undertakings. The outcome of the performance assessment supports the Audit Committee recommendation to the Board for the reappointment of Messrs. Folks DFK & Co. as the external auditors of the Group for the ensuing year;
- c. The Board at its meeting in February 2023 had approved the Audit Committee recommendations to reappoint Messrs. Folks DFK & Co., subject to the shareholders' approval to be sought at the forthcoming Annual General Meeting;
- d. Reviewed and discussed the opinion issued by the external auditors from their review on SORMIC for the FYE2022 which was effected in accordance with SORMIC - Guidelines for Directors of Listed Issuers;
- e. In February 2023, the Audit Committee had a private meeting with the external auditors without the presence of the MD and management. Generally, there were no significant unfavourable matters raised by the external auditors; and
- f. The Audit Committee shall conduct a review of the external auditors periodically as per the Group's External Auditor Assessment Policy to ensure that it continues to remain relevant and appropriate.

(iii) Internal Auditors

- a. Reviewed and approved the Internal Audit Planning Memorandum of the CAU's internal auditors for the working period from January to December of 2022 to ensure adequate scope of work, functions, resources, coverage on the activities of the Group, taking into consideration the assessment of key risk areas;
- b. Reviewed and discussed the internal audit reports issued by the CAU which incorporate the findings, recommendations and corrective actions committed by the management to ensure that all key risks are adequately addressed on timely basis and that effective controls are put in place;
- c. There were 9 internal audit reports being issued by the CAU during the FYE2022 which aligned to the approved Internal Audit Planning Memorandum. All internal audit reports were discussed and matters were resolved with recommendations of corrective measures made to the management;
- d. Reviewed the progress of action plans committed by the management for key findings highlighted in previous internal audit reports until the recommendations thereto had been fully rectified and that the preventive and corrective measures were put in place; and

AUDIT COMMITTEE REPORT

[Cont'd]

3. ACTIVITIES OF THE AUDIT COMMITTEE (Cont'd)

(iii) Internal Auditors (Cont'd)

- e. Reviewed the progress and activities of CAU on a quarterly basis which covered the following aspects:
 - The status of completion of the planned internal audit assignments as per the approved Internal Audit Planning Memorandum for the FYE2022;
 - Any request for modification to the approved Internal Audit Planning Memorandum to cater for ad-hoc internal audit assignments requested by the MD and Senior Management or significant changes in the business and corporate development as applicable;
 - Adequacy of resources and competencies in regard to the internal audit management; and
 - Significant matters, issues and challenges faced in the conduct of internal audit work.

(iv) Corporate Governance and Compliance

- a. Reviewed the published Annual Report of the company which encompasses relevant disclosure statements is set out in part (a) of Appendix 9(c) of the MMLR;
- b. Reviewed the recurrent related party transactions of the Group in accordance with the established guidelines and procedures and ensured that the review procedures are implemented as intended;
- c. Reviewed on a quarterly basis to determine the presence of any recurrent related party transactions to ensure full compliance with the relevant MMLR of BMSB and the related internal procedures; and
- d. Discussed and noted the updates on regulatory, statutory and professional body and relevant business news articles published by the mass media.

(v) Risk Management

- a. Reviewed and guided the risk management; and
- b. Risk Facilitators are to deal with risk owners for purposes of gathering significant risks confronting the Group's activities. Such information is submitted to the Senior Management and Board of Directors periodically by highlighting critical risks faced by the Group together with related responses in conformity with MCCG's requirements.

AUDIT COMMITTEE REPORT

(Cont'd)

4. CORPORATE ASSURANCE UNIT

The Head of CAU reports directly to the Audit Committee in accordance with the requirements of the paragraph 15.27 of the MMLR.

The main objective of the corporate assurance function is to assist the Board and management in discharging their responsibilities by providing an independent and reasonable assurance on the adequacy and effectiveness of system of internal control, risk management and corporate governance processes of the Group.

The purpose, authority and responsibility as well as the scope of the corporate assurance functions are articulated in the approved Internal Audit Charter. The key responsibilities of the CAU are as follows:

- (i) Developing an annual risk based audit plan to be submitted to the Audit Committee for approval;
- (ii) Executing the approved internal audit plan using a risk based methodology, as well as any special task or project initiated by the Board, Audit Committee and Senior Management;
- (iii) Issuing periodic internal audit reports with detailed findings, recommendations and corrective actions committed by the management and thereafter tabled to the Audit Committee for review and approval;
- (iv) Reporting on a timely basis to the Audit Committee any suspected fraud with appropriate details; and
- (v) Conducting investigation work as instructed and presenting the result thereof to the Audit Committee.

The corporate assurance activities for the FYE2022 were carried out in accordance with the Internal Audit Planning Memorandum which had been approved by the Audit Committee. The planned audit assignments were identified taking into consideration of all existing and potential risk factors of the Group compiled from the following sources:

- (i) Observation and risks identified from previous internal audit assignments;
- (ii) Observation and risks highlighted by the Audit Committee;
- (iii) Discussion with MD, key management personnel and Heads of Department;
- (iv) Review the Minutes of Meetings, relevant reports and matters deliberated in key meetings held throughout the working period by the Senior Management; and
- (v) Review on the recent strategic business activities.

CAU has performed a high level assessment on the risk factors based on Risk Matrix to identify the auditable areas for the audit. The identified key areas for the FYE2022 which constituted the subject matters of the internal audit work conducted by the CAU were as follows:

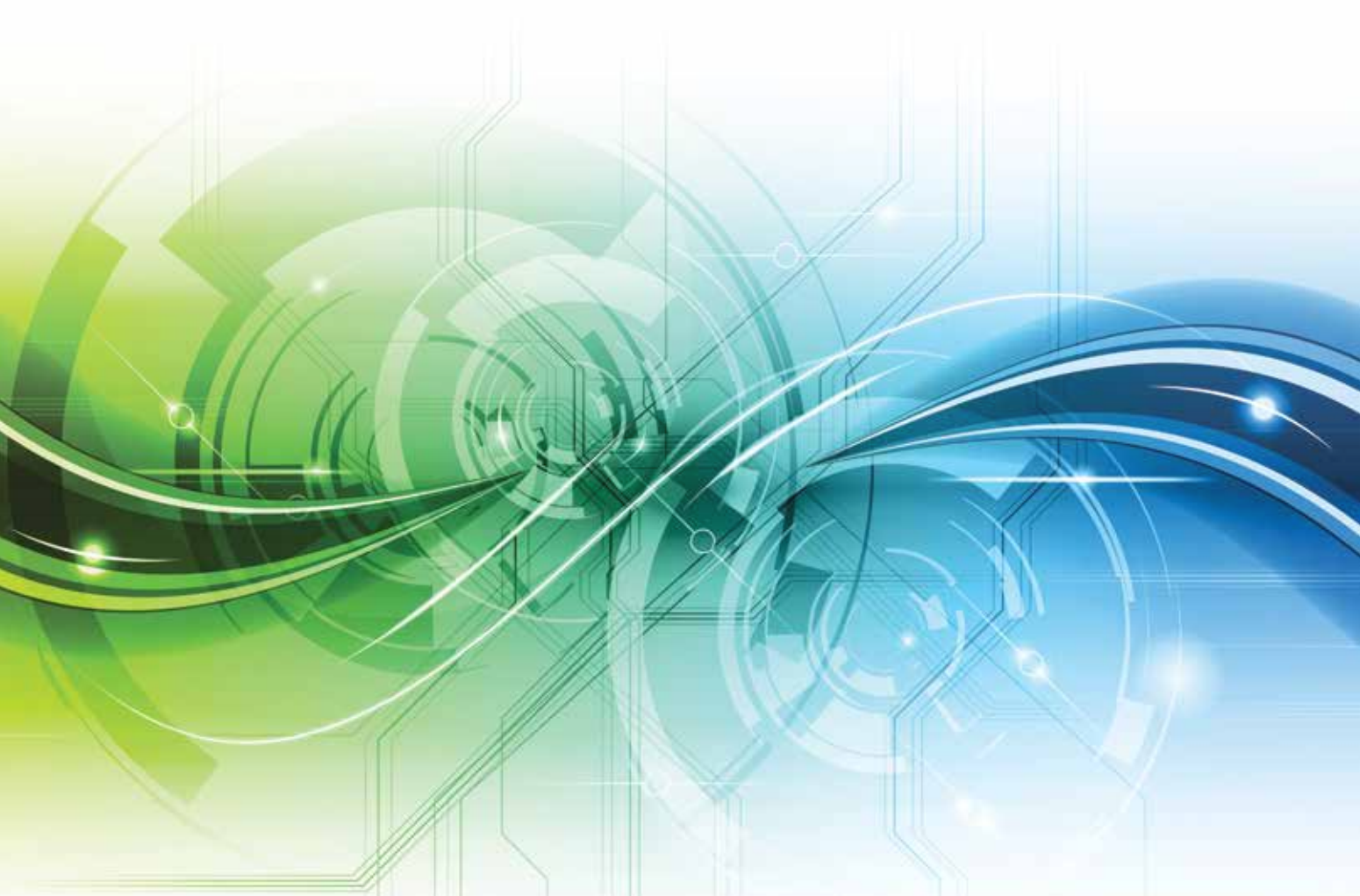
- (i) Logistics & Warehousing;
- (ii) Human Resources & Administration;
- (iii) Ridaa Associates : Project Management, Service Deliveries, Payments & Billings
- (iv) Dataprep Payment Solutions : dPurse e-Money

In addition, an audit of the Recurrent Related Party Transactions ("RRPTs") had been conducted quarterly for each of the financial year..

The total cost incurred by the CAU in discharging its functions and responsibilities for FYE2022 was RM149,535.

AUDITED FINANCIAL STATEMENTS

61-67	DIRECTORS' REPORT
68	STATEMENTS OF COMPREHENSIVE INCOME
69-70	STATEMENTS OF FINANCIAL POSITION
71-72	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
73	COMPANY STATEMENT OF CHANGES IN EQUITY
74-75	STATEMENTS OF CASH FLOWS
76-145	NOTES TO THE FINANCIAL STATEMENTS
146	STATEMENT BY DIRECTORS
146	STATUTORY DECLARATION
149	INDEPENDENT AUDITORS' REPORT TO THE MEMBERS



DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities and other details of the subsidiaries are set out in Note 17(a) to the financial statements. There were no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss net of tax	(18,535)	(3,031)
Attributable to:		
Owners of the Company	(17,610)	(3,031)
Non-controlling interests	(925)	-
	(18,535)	(3,031)

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

SHARE CAPITAL

The issued and paid-up share capital of the Company was increased from RM137,583,856 comprising 670,470,417 ordinary shares to RM138,537,084 comprising 674,670,417 ordinary shares during the financial year arising from the exercise of 4,200,000 ESOS Options into 4,200,000 new ordinary shares at the exercise price of RM0.17 per ordinary share and transfer of attributable fair value of the exercised ESOS Options from share options reserve. The new ordinary shares issued rank pari passu in all respects with the existing issued ordinary shares of the Company.

DATAPREP HOLDINGS BHD'S LONG TERM INCENTIVE PLAN

The Company's Long Term Incentive Plan ("LTIP") of up to 15% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) for the eligible directors, senior management and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) was approved by the shareholders of the Company at its Extraordinary General Meeting held on 17 July 2020. The LTIP comprises the Employee Share Option Scheme ("ESOS") and the Share Grant Scheme ("SGS") with the SGS further comprising the Retention Share Plan ("RSP") and the Performance Share Plan ("PSP"). The LTIP is administered by a LTIP Committee appointed by the Directors, in accordance with the By-Laws of the LTIP ("By-Laws") as approved by the shareholders. The LTIP is effective from 21 July 2020 for a duration of 10 years and shall expire on 20 July 2030 unless terminated earlier by the Company.

DIRECTORS' REPORT

(Cont'd)

DATAPREP HOLDINGS BHD'S LONG TERM INCENTIVE PLAN (Cont'd)

The ESOS is to enable the Company to award and grant options over unissued ordinary shares ("ESOS Options") to eligible directors and employees ("Eligible Persons") under the LTIP for them to subscribe new ordinary shares in the Company over the duration of the LTIP at the exercise price fixed for the ESOS Options at the time of award.

The SGS is intended for the Company to award such number of ordinary shares of the Company at no cash consideration to Eligible Persons whereby such person shall also hold a position of senior management or any such rank as may be designated by the LTIP Committee. The award of the shares under the RSP is intended to recognise, incentivise and retain the Eligible Persons whereas the PSP is intended to incentivise and motivate the Eligible Persons to contribute to the growth of their respective business segments based on specified performance targets as determined by the LTIP Committee.

The Company may not award any shares and options under the LTIP to any director, major shareholder and chief executive of the Company or the holding company of the Company and persons connected with them without obtaining prior approval of shareholders of the Company. In this respect, the shareholders of the Company have also approved the award of the ESOS Options and/or shares under the SGS to the existing Directors of the Company from time to time over the tenure of the LTIP at the Extraordinary General Meeting held on 17 July 2020.

No award of shares has been made under the SGS as at the date of this report. To-date, the Company has implemented only the ESOS through the offer of 36,675,000 ESOS Options with an exercise price of RM0.17 per share to Eligible Persons on 28 September 2020 as announced by the Company on that date. Upon the closing date of offer and for acceptance, the Company granted 27,280,000 ESOS Options to the Eligible Persons on 28 October 2020. These ESOS Options have no further vesting conditions and vested immediately with the Eligible Persons on the grant date. No further ESOS Options were granted during the current financial year.

The movements of the ESOS Options under LTIP during the financial year are as follows :-

Grant Date	Exercise Price	At 1.1.2022	Number of ESOS Options		At 31.12.2022
			Granted	Exercised	
28.10.2020	RM0.17	7,760,000	-	(4,200,000)	3,560,000

The salient features and terms of the ESOS under LTIP are as follows:

- The number of ESOS Options awarded shall be the equivalent of not less than one hundred (100) ordinary shares or not more than the maximum number of ordinary shares allowable for such Eligible Person under the LTIP and shall be in multiples of one hundred (100) ordinary shares. Each ESOS option is exercisable into one (1) new ordinary share, issued and fully paid-up. An ESOS award, regardless of the number of ESOS Options, shall be accepted by an Eligible Person with payment of RM1.00.
- Not more than 10% of the total number of ordinary shares, including under options by way of ESOS, available under the LTIP shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued ordinary shares (excluding treasury shares) of the Company. In addition, the number of ordinary shares allocated, in aggregate, to the eligible directors and senior management of the Group shall not exceed 80% of the total ordinary shares available under the LTIP.
- The maximum number of ESOS Options to be offered under ESOS shall not in aggregate exceed 15% of the total number of issued ordinary shares (excluding treasury shares) of the Company at any point in time during the duration of the LTIP.

DIRECTORS' REPORT

(Cont'd)

DATAPREP HOLDINGS BHD'S LONG TERM INCENTIVE PLAN (Cont'd)

The salient features and terms of the ESOS under LTIP are as follows (Cont'd):

- (d) The Eligible Persons shall be at least 18 years old and not an undischarged bankrupt nor subject to any bankruptcy proceedings, and (1) employed on a full time basis under an employment contract; (2) on the payroll of any company within the Group and has not served a notice to resign nor received a notice of termination; (3) employment as an employee has been confirmed; and (4) such employee falls within any other eligibility criteria as may be determined by the LTIP Committee at its discretion from time to time.
- (e) ESOS Options granted shall vest with the Eligible Persons on the vesting date when any stipulated vesting conditions for the award of the ESOS Options have been satisfied. The ESOS Options are exercisable at their exercise price at any time from the vesting date during the duration of the LTIP ("Option Period") either in whole or part of multiple of 100 ordinary shares by issuing a notice of exercise with the necessary payments to the Company in the form and manner as prescribed by the LTIP Committee from time to time. Any ESOS Option which remains unexercised at the expiry of the Option Period shall be automatically terminated and lapsed without any claim against the Company.
- (f) The ESOS Option exercise price shall be the weighted average market price of the Company for the five (5) market days immediately preceding the date of award of the ESOS Options, less a discount of not more than 10% from the weighted average market price or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time.
- (g) The new ordinary shares to be allotted and issued upon the exercise of ESOS Options will rank *pari passu* in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which precedes the date of allotment of the new shares.
- (h) The new shares to be allotted and issued to a grantee pursuant to the exercise of ESOS Options will not be subject to any retention period or restriction on transfer. Notwithstanding, a grantee who is a non-executive director must not sell, transfer or assign his shares obtained through the exercise of his ESOS Options offered to them pursuant to the LTIP within one (1) year from the date of offer of the ESOS Options in accordance with the listing requirements of Bursa Securities.

DIRECTORS

The names of the Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Mohd Rizal Bin Mohd Jaafar *
Mohamad Sabir Bin Mohamad Sabri *
Dato' Abdul Aziz Bin Ishak *
Nor Adha Bin Yahya *
Ong Kuan Wah *

* These Directors also served as directors of subsidiaries

In accordance with Clause 131 of the Company's Constitution, Mohamad Sabir Bin Mohamad Sabri and Nor Adha Bin Yahya retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS (Cont'd)

Other than the abovenamed Directors, the names of other Directors of subsidiaries who served during the financial year and during the period from the end of the financial year to the date of this report are as follows:-

Tan Sri Muhammad Ikmal Opat Bin Abdullah
 Hasrul Bin Hasan
 Zulfadhli Lubis MA
 Mohamad Rahmat Bin Wahab
 Hero Ekonomosa Arya
 Ilham Widad Bin Muhammad Ikmal Opat
 Nur Irdina Wardah Binti Muhammad Ikmal Opat
 Isyraf Widad Bin Muhammad Ikmal Opat
 Badrul Ilahan Bin Dato Hj. Abd Jabbar
 Rohzan Bin Abdul Rahman
 Masharuddin Bin Harun
 Sahril Bin Minhad
 Jasli Bin Muhaiyat
 Hep Kim Hong (Resigned on 12 December 2022)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than any benefits that may accrue to the Directors arising from the ESOS Options granted to them under the Company's LTIP.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed under the Directors' Remuneration section below.

DIRECTORS' REMUNERATION

The remuneration received or receivable by the Directors of the Company from the Company and its subsidiaries during the financial year are as follows: -

	Company RM	Subsidiaries RM	Total RM
Non-Executive Directors			
Fees	144,000	54,000	198,000
Allowances	29,250	-	29,250
Executive Director			
Salaries and other emoluments	636,384	-	636,384
Benefits-in-kind	33,673	-	33,673
	843,307	54,000	897,307

DIRECTORS' REPORT

(Cont'd)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors and officers of the Group and of the Company are covered under a Directors' and Officers' Liability insurance up to an aggregate limit of RM6,000,000 against any liability, if incurred by the Directors and officers in the discharge of their duties for the Company and its subsidiaries.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors of the Company who held office at the end of the financial year in shares and options over shares in the Company for the financial year were as follows :

Shareholdings in the Company	At 1.1.2022	Number of Ordinary Shares		At 31.12.2022
		Acquired	Disposed	
Dato' Mohd Rizal Bin Mohd Jaafar - Direct interest	2,000,000	500,000	-	2,500,000
Mohamad Sabir Bin Mohamad Sabri - Direct interest	515,200	-	-	515,200
Dato' Abdul Aziz Bin Ishak - Direct interest	300,000	1,700,000	-	2,000,000
Nor Adha Bin Yahya - Direct interest	1,704,000	500,000	-	2,204,000
- Indirect interest ^	200,000	-	-	200,000
Ong Kuan Wah - Direct interest	-	2,000,000	-	2,000,000

^ Indirect interest by virtue of interest held by spouse

	At 1.1.2022	Number of ESOS Options		At 31.12.2022
		Granted	Exercised	
Mohamad Sabir Bin Mohamad Sabri	2,000,000	-	-	2,000,000
Dato' Abdul Aziz Bin Ishak	1,700,000	-	(1,700,000)	-
Nor Adha Bin Yahya	500,000	-	(500,000)	-
Ong Kuan Wah	2,000,000	-	(2,000,000)	-

Except as disclosed above, the Directors of the Company in office at the end of the financial year do not have any interest in shares and options over shares in the Company and its related corporations for the financial year.

DIRECTORS' REPORT

[Cont'd]

AUDITORS' REMUNERATION

The remuneration paid or payable to the auditors of the Group and of the Company in respect of statutory audit and non-audit services for the financial year are RM213,956 and RM66,000 respectively.

No indemnity was given to nor was there any insurance effected for the auditors during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) 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 financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

(Cont'd)

HOLDING COMPANIES

The Company's immediate holding company is Wardah Communication Sdn Bhd. The Directors regard Widad Business Group Sdn Bhd as the ultimate holding company of the Company. Both companies are incorporated in Malaysia.

AUDITORS

The auditors, Messrs Folks DFK & Co., have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Board of Directors,

Dato' Mohd Rizal Bin Mohd Jaafar
Chairman

Mohamad Sabir Bin Mohamad Sabri
Director

Date : 03 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	4	28,127	35,990	6,691	6,449
Cost of sales		(23,668)	(29,247)	-	-
Gross profit		4,459	6,743	6,691	6,449
Other income	5	228	444	362	620
Selling and distribution costs		(709)	(722)	-	-
Administrative expenses		(9,482)	(9,060)	(4,234)	(4,059)
Other expenses	6	(12,534)	(8,227)	(5,805)	(6,025)
Operating loss		(18,038)	(10,822)	(2,986)	(3,015)
Finance costs	7	(506)	(321)	(31)	(38)
Loss before taxation	8	(18,544)	(11,143)	(3,017)	(3,053)
Taxation	11	9	131	(14)	(79)
Loss for the financial year		(18,535)	(11,012)	(3,031)	(3,132)
Other comprehensive (loss)/income					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation (loss)/gain		(8)	7	-	-
Other comprehensive (loss)/income for the year, net of tax		(8)	7	-	-
Total comprehensive loss for the year		(18,543)	(11,005)	(3,031)	(3,132)
Loss for the financial year attributable to:					
Owners of the Company		(17,610)	(10,938)	(3,031)	(3,132)
Non-controlling interests		(925)	(74)	-	-
		(18,535)	(11,012)	(3,031)	(3,132)
Total comprehensive loss for the year attributable to:					
Owners of the Company		(17,618)	(10,931)	(3,031)	(3,132)
Non-controlling interests		(925)	(74)	-	-
		(18,543)	(11,005)	(3,031)	(3,132)
Loss per share attributable to owners of the Company (sen):					
Basic	12(a)	(2.61)	(1.68)		
Diluted	12(b)	(2.61)	(1.68)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	19,362	2,047	543	874
Investment property	14	564	-	-	-
Intangible assets other than goodwill	15	5,654	7,945	18	26
Goodwill	16	1,168	1,168	-	-
Investment in subsidiaries	17	-	-	25,818	24,318
Right-of-use assets	18	2,328	1,985	870	290
Amounts due from subsidiaries	23	-	-	22,402	45,628
		29,076	13,145	49,651	71,136
Current assets					
Inventories	19	7,394	180	-	-
Trade receivables	20	11,425	10,167	-	-
Other receivables	21	19,564	38,345	235	188
Contract assets	22	7,074	6,320	-	-
Amounts due from subsidiaries	23	-	-	69,638	39,669
Amounts due from related companies	24	387	75	-	-
Tax recoverable		564	370	70	21
Cash and bank balances	25	12,962	30,993	2,534	13,011
		59,370	86,450	72,477	52,889
TOTAL ASSETS		88,446	99,595	122,128	124,025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

(Cont'd)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Equity attributable to Owners of the Company					
Share capital	26	138,537	137,584	138,537	137,584
Merger deficit		(13,509)	(13,509)	-	-
Foreign exchange reserve		58	66	-	-
Share options reserve	27	216	455	216	455
Accumulated losses		(60,200)	(41,816)	(17,679)	(14,648)
		65,102	82,780	121,074	123,391
Non-controlling interests		1,834	1,972	-	-
Total equity		66,936	84,752	121,074	123,391
Non-current liabilities					
Long term borrowings	28	988	1,314	-	11
Lease liabilities	29	1,197	1,065	338	-
Deferred tax liabilities	30	1,185	1,074	-	-
		3,370	3,453	338	11
Current liabilities					
Trade payables	31	2,701	2,367	-	-
Other payables	32	2,335	2,430	130	252
Contract liabilities	22	4,871	2,739	-	-
Amount due to a related company	24	23	15	23	-
Short term borrowings	28	6,988	2,762	11	33
Lease liabilities	29	1,222	990	552	338
Provision for taxation		-	87	-	-
		18,140	11,390	716	623
Total liabilities		21,510	14,843	1,054	634
TOTAL EQUITY AND LIABILITIES		88,446	99,595	122,128	124,025

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

Group	Note	Attributable to the Owners of the Company ----->							Total equity RM'000
		Share capital RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Share options reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 January 2022		137,584	(13,509)	66	455	(41,816)	82,780	1,972	84,752
Loss for the financial year		-	-	-	-	(17,610)	(17,610)	(925)	(18,535)
Other comprehensive loss		-	-	(8)	-	-	(8)	-	(8)
- Foreign currency translation loss of foreign operations									
Total comprehensive loss for the year		-	-	(8)	-	(17,610)	(17,618)	(925)	(18,543)
Transactions with owners :									
Issuance of new shares		953	-	-	(239)	-	714	-	714
- Exercise of ESOS Options	26(a)								
Acquisition of non-controlling interest in a subsidiary	17(b)	-	-	-	-	(774)	(774)	774	-
Disposal of equity interest in subsidiaries	17(c)	-	-	-	-	-	-	13	13
Total transactions with owners		953	-	-	(239)	(774)	(60)	787	727
At 31 December 2022		138,537	(13,509)	58	216	(60,200)	65,102	1,834	66,936

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022 (Cont'd)

Group	Note	Attributable to the Owners of the Company ----->							Total equity RM'000
		Share capital RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Share options reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 January 2021		72,727	(13,509)	59	1,637	(30,878)	30,036	286	30,322
Loss for the financial year		-	-	-	-	(10,938)	(10,938)	(74)	(11,012)
Other comprehensive loss		-	-	-	-	-	-	-	-
- Foreign currency translation gain of foreign operations		-	-	7	-	-	7	-	7
Total comprehensive loss for the year		-	-	7	-	(10,938)	(10,931)	(74)	(11,005)
Transactions with owners : Issuance of new shares through									
- Private Placement	26(b)	63,345	-	-	-	-	63,345	-	63,345
- Exercise of ESOS Options	26(b)	4,501	-	-	(1,182)	-	3,319	-	3,319
Shares issue expenses		(2,989)	-	-	-	-	(2,989)	-	(2,989)
Non-controlling interest on acquisition of a subsidiary	17(d)	-	-	-	-	-	-	1,760	1,760
Total transactions with owners		64,857	-	-	(1,182)	-	63,675	1,760	65,435
At 31 December 2021		137,584	(13,509)	66	455	(41,816)	82,780	1,972	84,752

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022 (Cont'd)

<----- Attributable to the Owners of the Company ----->

	Note	Share capital RM'000	Non- Distributable Share options reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company					
At 1 January 2022		137,584	455	(14,648)	123,391
Loss for the financial year representing total comprehensive loss for the year		-	-	(3,031)	(3,031)
Transactions with owners:					
Issuance of new shares					
- Exercise of ESOS Options	26(a)	953	(239)	-	714
At 31 December 2022		138,537	216	(17,679)	121,074
At 1 January 2021		72,727	1,637	(11,516)	62,848
Loss for the financial year representing total comprehensive loss for the year		-	-	(3,132)	(3,132)
Transactions with owners:					
Issuance of new shares through					
- Private Placement	26(b)	63,345	-	-	63,345
- Exercise of ESOS Options	26(b)	4,501	(1,182)	-	3,319
Shares issue expenses		(2,989)	-	-	(2,989)
Total transactions with owners		64,857	(1,182)	-	63,675
At 31 December 2021		137,584	455	(14,648)	123,391

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows from Operating Activities				
Loss before taxation	(18,544)	(11,143)	(3,017)	(3,053)
Adjustments for:				
Depreciation of property, plant and equipment	2,735	763	380	378
Amortisation of intangible assets	2,458	1,971	8	8
Depreciation of investment property	8	-	-	-
Depreciation of right-of-use assets	1,219	1,254	531	579
Net (write-back of)/allowance for impairment losses on trade receivables	(16)	796	-	-
Gain on disposal of subsidiaries	(14)	-	-	-
Allowance for impairment losses on amounts due from subsidiaries	-	-	3,877	4,149
(Write-back of)/Allowance for obsolete inventories	(234)	33	-	-
Gain on disposal of property, plant and equipment	(2)	-	-	-
Inventories written off	229	-	-	-
Property, plant and equipment written off	1	8	-	-
Allowance for impairment loss on other receivable	2,760	-	-	-
Interest expense	488	301	31	38
Interest income	(153)	(414)	(63)	(326)
Operating (loss)/profit before working capital changes	(9,065)	(6,431)	1,747	1,773
Increase in inventories	(7,209)	(11)	-	-
Decrease/(Increase) in receivables	14,779	(33,562)	(47)	(3)
Increase in contract assets	(754)	(3,971)	-	-
Increase/(Decrease) in payables	272	(1,543)	(122)	(155)
Increase in contract liabilities	2,132	1,356	-	-
(Increase)/Decrease in amounts due from related companies	(312)	8	-	-
Increase/(Decrease) in amount due to a related company	8	(200)	23	(215)
Increase in amounts due from subsidiaries	-	-	(10,620)	(52,039)
Cash used in operations	(149)	(44,354)	(9,019)	(50,639)
Tax paid	(161)	(272)	(63)	(95)
Tax refunded	-	26	-	-
Interest received	153	414	63	326
Interest paid	(488)	(301)	(31)	(38)
Net cash used in operating activities	(645)	(44,487)	(9,050)	(50,446)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows from Investing Activities				
Purchase of property, plant and equipment (Note 13)	(20,486)	(211)	(49)	(78)
Additions to intangible assets (Note 15)	(173)	(1,294)	-	-
Purchase of investment property (Note 14)	(143)	-	-	-
Proceeds from disposal of property, plant and equipment	8	-	-	-
Net cash outflow from acquisition of subsidiary [Note 17(d)]	-	(3,987)	-	-
Subscription of additional shares in a subsidiary	-	-	(1,500)	(1,850)
Net cash used in investing activities	(20,794)	(5,492)	(1,549)	(1,928)
Cash Flows from Financing Activities				
Net proceeds from issuance of new shares in the Company	714	63,675	714	63,675
Placement of fixed deposits pledged	(235)	(547)	(37)	(35)
Net drawdown/(repayment) of borrowings	2,403	(786)	-	-
Payment of lease liabilities	(1,198)	(1,228)	(559)	(552)
Payment of hire purchase liabilities	(33)	(33)	(33)	(33)
Net cash from financing activities	1,651	61,081	85	63,055
Net (decrease)/increase in cash and cash equivalents	(19,788)	11,102	(10,514)	10,681
Effect of exchange rate fluctuations	(8)	7	-	-
Cash and cash equivalents at beginning of year	22,350	11,241	11,040	359
Cash and cash equivalents at end of year [Note 34(b)]	2,554	22,350	526	11,040

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

Dataprep Holdings Bhd (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office of the Company is as follows:

Level 8, Widad Semantan (WISE)
No. 3 Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

The Company’s immediate holding company is Wardah Communication Sdn Bhd. The Directors regard Widad Business Group Sdn Bhd as the ultimate holding company of the Company. Both companies are incorporated in Malaysia.

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 17(a).

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 03 April 2023.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies applied by the Group are consistent with those applied in the previous financial year other than the application of the amendments to MFRSs adopted as disclosed in Note 2.2 below, where applicable.

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM’000) unless otherwise presented.

2.2 Adoption of Amendments to MFRSs

During the financial year, the Group has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) which are effective for accounting period of the Group beginning on or after 1 January 2022 :-

Amendment to MFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141 contained in the document entitled
“Annual Improvements to MFRS Standards 2018 - 2020”
Amendments to MFRS 3 - Reference to the Conceptual Framework
Amendments to MFRS 116 - Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137 - Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the abovementioned amendments to MFRSs have no significant effect on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Amendments to MFRSs That Are In Issue But Not Yet Effective

The Group has not early adopted the following amendments to MFRSs that have been issued by the MASB but are not yet effective :-

Effective for annual periods beginning on or after 1 January 2023

Amendments to MFRS 101 - Disclosure of Accounting Policies

Amendments to MFRS 108 - Definition of Accounting Estimates

Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 - Non-current Liabilities with Covenants

Effective for annual periods beginning on or after a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will adopt the above amendments to MFRSs that are applicable when they become effective. The initial application of the amendments is not expected to have any significant impact on the financial statements of the Group and of the Company.

2.4 Basis of Consolidation and Business Combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transaction and events in similar circumstances.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting except for subsidiaries arising from common control transfers. The consideration transferred for the acquisition of a subsidiary is measured at fair value and is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquisition-related costs are recognised as an expense in the periods in which the costs are incurred.

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for non-current assets or disposal group that are classified as held for sale which shall be recognised at fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Basis of Consolidation and Business Combinations (Cont'd)

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquisition-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquisition-date fair value of any previously held equity interest is recognised immediately in profit or loss.

Subsidiaries arising from common control combinations are consolidated using the principles of merger accounting. The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations. Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented. On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any resulting credit difference (merger reserve) is classified under equity as a non distributable reserve and any resulting debit difference (merger deficit) is adjusted against suitable consolidated reserves or presented as a debit against equity.

Non-controlling interest represents that portion of profit or loss and net assets of a subsidiary not attributable, directly or indirectly, to the Group. For each business combination, non-controlling interest is measured either at its fair value at the acquisition date or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets. Non-controlling interest in the net assets of consolidated subsidiaries comprised the amount of non-controlling interest at the date of original combination and its share of changes in equity since the date of combination.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received by the Group is recognised directly in equity and attributed to owners of the Company. If the Group loses control of a subsidiary, the assets (including any goodwill) and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group :

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Intangible Assets

(a) Goodwill

Goodwill acquired in a business combination is determined as described in Note 2.4 and is initially measured at cost. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Computer Software

Computer software includes software purchased from third parties and costs of internally developed software.

Costs associated with developing software mainly comprise direct costs which include staff costs of the software development team and an appropriate portion of relevant overheads incurred in the development of computer software packages for resale. Computer software development cost is amortised when the asset is available for use over the period the asset is expected to generate economic benefits. Costs incurred in the development of software which are not or have ceased to be commercially viable are written off.

Computer software acquired separately is measured on initial recognition at cost. Following initial recognition, the computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. The computer software is amortised on a straight-line basis over its estimated economic useful life and assessed for impairment whenever there is an indication that the carrying amount of the computer software may be impaired. The annual amortisation rate is 20%.

The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimates being accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Intangible Assets (Cont'd)

(c) Research and Development Expenditure

Research expenditure on internal projects is recognised as an expense when it is incurred.

Development expenditure on internal projects that can be measured reliably is recognised as an intangible asset where it can be demonstrated that it is technically feasible and there is intention, and technical, financial and other resources are available, to complete and to use or sell the intangible asset or its output and probable future economic benefits will be generated from the sale or use thereof. Development expenditure that does not meet any of the criteria for recognition as an asset is recognised as an expense when it is incurred.

Development expenditure recognised as an asset is carried at cost less accumulated amortisation and any accumulated impairment losses.

Development expenditure is amortised, when the asset is available for use, using the straight-line method over the period the asset is expected to generate economic benefits.

(d) Customer Contracts

Unfulfilled customer contracts are separately identifiable intangible assets acquired in a business combination and are initially measured at their fair value determined at the acquisition date. The fair value determined is regarded as the cost of the intangible assets. Subsequent to initial recognition, these intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

The cost of the intangible assets is amortised over the remaining period of the contracts based on their estimated revenue contribution over the period, and is reviewed at the end of each reporting period with the effect of any changes in estimates being accounted for prospectively.

2.7 Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Building-in-progress is not depreciated. Depreciation on such capital work-in-progress commences when the asset is ready for its intended use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer equipment	14% - 40%
Furniture, fittings, office and Electronic Data Capture ("EDC") equipment	10% - 20%
Motor vehicles	20%
Renovation	10% - 20%
Telecommunication network towers	4%
Medical laboratory equipment	10%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Property, Plant and Equipment, and Depreciation (Cont'd)

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference, if any, between the net disposal proceeds, and the net carrying amount is recognised in profit or loss.

2.8 Investment Properties

Investment properties are land and/or buildings which are owned or held under a freehold or leasehold interest either for rental yields or for capital appreciation or for both, and not occupied by the Group. The investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Investment properties are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets as disclosed under Note 2.11.

The Group's investment property which is with stratified leasehold interest is depreciated on a straight-line basis to write-off the cost of the property over its estimated useful life of 50 years.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss in the period of the retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use.

2.9 Contract Assets and Contract Liabilities

A contract asset is the Group's right to consideration for goods or services transferred to a customer when the right is subject to conditions other than passage of time. Contract assets are reviewed for impairment on the same basis as financial assets in accordance with the Group's accounting policy on impairment of financial assets as disclosed in Note 2.13.

A contract liability is the Group's obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers for the consideration due under the contracts with the customers.

2.10 Contract Costs

Contract costs are recognised as an asset when the following criteria are met :

- (a) In relation to incremental costs of obtaining a contract, the Group recognises the costs as an asset if the Group expects to recover those costs.
- (b) In relation to costs to fulfil a contract, the Group recognises the contract costs as an asset if (i) they relate directly to a contract or to an anticipated contract that the Group can specifically identify; (ii) when the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (iii) the costs are expected to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Contract Costs (Cont'd)

These assets are initially measured at cost and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration expected to be received less the remaining costs expected to be incurred. A reversal of impairment loss is recognised in profit or loss when the impairment conditions no longer exist or have improved. The increased carrying amount does not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

2.11 Impairment of Non-financial Assets

The carrying amounts of non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial Assets

The Group recognises all financial assets in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. A regular way purchase or sale is a purchase or sale of a financial asset that requires delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned. Trade date accounting refers to :-

- the recognition of an asset to be received and the liability to pay for it on the trade date i.e. the date the Group commits itself to purchase or sell an asset; and
- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Classification

The Group classifies its financial assets into the following measurement categories depending on the business models used for managing the financial assets and the contractual cash flow characteristics of the financial assets :

- (a) at amortised cost;
- (b) fair value through other comprehensive income; and
- (c) fair value through profit or loss.

Financial assets are reclassified when and only when the Group changes its business model for managing the financial assets and the reclassification of all affected financial assets is applied prospectively from the reclassification date i.e. on the first day of the first reporting period following the change in business model.

Measurement

At initial recognition, trade receivables without a significant financing component are measured at their transaction price when they are originated.

Other financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's debt instruments are categorised into the following measurement categories:

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial Assets (Cont'd)

Measurement (Cont'd)

(a) Debt instruments (Cont'd)

(i) Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and it is not designated as at fair value through profit or loss at initial recognition :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

These financial assets are measured at amortised cost using the effective interest method less any impairment losses. Interest income, gains or losses on derecognition, foreign exchange gains or losses and impairment are recognised in profit or loss.

(ii) Fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI if both of the following conditions are met and it is not designated as at FVTPL at initial recognition :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Changes in fair value of these financial assets are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognised in profit or loss.

(iii) Fair value through profit or loss ("FVTPL")

A financial asset is measured at FVTPL if it does not meet the criteria for amortised cost or FVOCI. This includes all derivative financial assets.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair value of financial assets at FVTPL and interest or dividend income are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial Assets (Cont'd)

Measurement (Cont'd)

(b) Equity instruments

The Group subsequently measures all equity investments at fair value.

For equity investments at FVTPL, changes in fair value are recognised in profit or loss. Where the Group has elected to present the changes in fair value in other comprehensive income, the amounts presented are not subsequently transferred to profit or loss when the equity investments are derecognised. The cumulative gains or losses is transferred to retained profits instead. The election is made on an instrument-by-instrument basis and it is irrevocable. The amount presented in other comprehensive income includes the related foreign exchange gains or losses.

Dividend income from equity investments at FVTPL and FVOCI is recognised in profit or loss as other income when the Group's right to receive payment has been established.

Changes in the fair value of equity investments at FVTPL are recognised in other income or expenses, as applicable, in the profit or loss. Impairment losses or reversal of impairment losses on equity instruments measured at FVOCI are recognised in other comprehensive income and are not reported separately from other changes in fair value.

Derecognition of financial assets

The Group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset without retaining control or transfers substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.13 Impairment of Financial Assets

The Group recognises loss allowance for expected credit losses ("ECLs") on the following items, where applicable :

- financial assets measured at amortised cost
- debt instruments measured at fair value through other comprehensive income ("FVOCI")
- contract assets
- financial guarantee contracts

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Impairment of Financial Assets (Cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months i.e. a 12-month ECL. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default i.e. a lifetime ECL. In making the assessment of whether there has been a significant increase in credit risk, a comparison is made between the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition of the asset, taking into consideration of reasonable and supportable information including forward-looking information that are available without undue cost and effort.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow in its entirety or a portion thereof.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt instruments measured at FVOCI is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowance for any obsolescence and/or slow moving items.

Cost is determined using the weighted average basis and comprises the purchase price plus the incidental cost of bringing the inventories to their intended location and condition. Costs incurred on projects expected to be completed within one year are reflected as work in progress.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated necessary costs of sale.

2.15 Cash and Cash Equivalents

For the purposes of statements of cash flows prepared using the indirect method, cash and cash equivalents include cash on hand and at bank and deposits at call net of outstanding bank overdrafts.

2.16 Financial Liabilities

The Group recognises all financial liabilities in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Financial Liabilities (Cont'd)

Classification and measurement

Financial liabilities are initially measured at fair value minus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial liabilities at fair value through profit or loss are expensed to profit or loss when incurred.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

(a) Fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL upon initial recognition or derivatives that are liabilities.

A financial liability is classified as held for trading if :-

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at fair value with any gains or losses arising from changes in fair value recognised in profit or loss. If a financial liability is designated as at FVTPL, the change in fair value that is attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining change in fair value of the liability is presented in profit or loss. The net gains or losses recognised in profit or loss do not include any exchange differences or interest paid on the financial liability. Exchange differences and interest expense on financial liabilities at FVTPL are recognised separately in profit or loss as part of other income or other expenses.

(b) Amortised cost

All financial liabilities, other than those categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

A gain or loss on financial liabilities at amortised cost is recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.17 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

2.19 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Leases

(a) The Group as a lessee

The Group assesses whether a contract is, or contains a lease at the inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where applicable, the Group applies, by class of underlying asset, the practical expedient of not separating non-lease components from lease components and instead accounts for them as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the commencement date for all leases except for short-term leases with lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments in respect of short-term leases and leases of low value assets as an expense on a straight-line basis over the term of the leases.

At the lease commencement date, the right-of-use asset is initially measured at cost which comprises the initial amount of the corresponding lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the site on which it is located or to restore the underlying asset to the condition required by the terms of the lease.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Leases (Cont'd)

(a) The Group as a lessee (Cont'd)

Right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment loss. The right-of-use asset is depreciated on a straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset shall be depreciated from the commencement date to the end of the useful life of the underlying asset. The right-of-use asset is also assessed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets and adjusted for any remeasurement of corresponding lease liability.

The lease term is determined as the non-cancellable period plus periods covered by an extension or termination option when the lease is reasonably certain to be extended or not to be terminated after considering all facts and circumstances that create an economic incentive for the Group to exercise an extension option or not to exercise a termination option.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, at the incremental borrowing rate of the Group entity.

Lease payments included in the measurement of the lease liability comprise: -

- fixed payments, including in-substance fixed payments, less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- exercise price of a purchase option if the lessee is reasonably certain to exercise; and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments that are linked to future performance or usage of the underlying asset are excluded from the measurement of the lease liability and these payments are recognised in profit or loss in the period in which the event or condition that triggers the payments occurs.

Lease liability is subsequently measured at amortised cost through increasing its carrying amount to reflect accretion of interest on the lease liability using the effective interest method and reducing the carrying amount by the lease payments made.

The carrying amount of the lease liability is remeasured to reflect changes to lease payments arising from a change in the lease term, a change in linked index or rate, a change in the estimated amount payable under a residual value guarantee, a change in the assessment of an option to purchase the underlying asset or a lease modification that is not accounted for as a separate lease. The amount of remeasurement is adjusted to the carrying amount of the associated right-of-use asset or recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Leases (Cont'd)

(b) The Group as a lessor

When the Group enters into a leasing arrangement as a lessor, it determines at the lease inception whether the lease is a finance lease or an operating lease. If the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee, the lease is classified as a finance lease. If not, the lease is an operating lease.

If the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short term lease not recognised, the sublease shall be classified as an operating lease.

The Group recognises an asset held under a finance lease as a receivable at an amount equal to the net investment in the lease. The net investment in the lease is measured as the sum of the present value of the lease payments receivable from the lessee using the interest rate implicit in the lease. If the interest rate implicit in a sublease is not readily determined, the discount rate used for the head lease is applied to measurement of the net investment in the sublease. The attributable finance lease income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease. The net investment in the lease is subject to impairment in accordance with the Group's accounting policy for impairment of financial assets as disclosed in Note 2.13.

The Group recognises lease payments from an operating lease as income on a straight-line basis over the lease term. The income is included as part of other income.

When a lease contract contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract to each component.

2.22 Income Tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Income Tax (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference 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, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.23 Employee Benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Employee Benefits (Cont'd)

(c) Equity-settled share-based compensation

The Company operates an Employee Share Option Scheme ("ESOS") under its Long Term Incentive Plan, which granted share options to eligible directors and employees of the Group to acquire ordinary shares in the Company as their compensation for services rendered to the Group.

At the grant date, the fair value of share options granted to the directors and employees is recognised as an employee benefits expense with a corresponding increase to share options reserve in equity when the share options vested immediately. When there are vesting conditions to be fulfilled before the share options become vested, such employee benefits expense and the corresponding increase in equity is recognised over the vesting period in which the directors and employees become unconditionally entitled to the share options, with the amount recognised as an expense adjusted over the period to reflect the actual number of share options that are expected to vest. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value of the share options.

In the Company's separate financial statements, the grant of the share options to directors and employees of its subsidiaries is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as additional equity contribution to subsidiaries resulting in an increase to the investment in subsidiaries with a corresponding increase to share options reserve in equity.

When share options are exercised for issuance of new shares, the attributable portion of share options reserve is transferred to share capital. Upon expiry of the ESOS, the remaining share options reserve attributable to unexercised share options, which shall lapsed, is transferred to retained profits.

2.24 Foreign Currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Foreign Currencies (Cont'd)

(b) Foreign currency transactions (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(c) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities presented are translated at the closing rate prevailing at reporting date;
- Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.25 Revenue from Contracts with Customers

The Group recognises revenue from a contract with customer when it satisfies a performance obligation by transferring control of a promised good or service to the customer. Performance obligations may be satisfied over time or at a point in time. Revenue is measured based on the consideration specified in the contract which the Group expects to be entitled in exchange for transferring the good or service, excluding the amounts collected on behalf of third parties.

The Group recognises revenue from the following business activities :

(a) Sales of computer systems, equipment and software and multimedia components

Revenue from sales of computer systems, equipment and software and multimedia components including set-up installation is recognised by the Group over time by reference to the stage of completion of the contract work based on performance to-date. The stage of completion is determined by reference to the proportion that contract costs incurred to date bear to the estimated total contract costs. Progress billings are rendered based on the terms of the contracts and payment terms are generally on 30 to 45 days upon delivery of invoice.

Foreseeable losses on a contract are recognised in accordance with the provisions for onerous contracts under MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*. In this respect, the unavoidable costs to be incurred by the Group in meeting its obligations under the contract which exceed the economic benefits expected to be received from the contract shall be a present obligation recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.25 Revenue from Contracts with Customers (Cont'd)

(a) Sales of computer systems, equipment and software and multimedia components (Cont'd)

Revenue from ad-hoc sales of computer equipment and parts in the course of maintenance services is recognised at a point in time when control of the asset is transferred to the customer upon delivery of the products and acceptance by the customer. Invoice is rendered to the customer upon delivery of products and credit term granted is at 30 to 60 days.

(b) Rendering of Information Communication Technology (“ICT”) related services

Revenue from provision of maintenance, technology and software services, consultancy and system integration services and provision of application and content is recognised over time when the required services are rendered and accepted by the customers. The amount of revenue recognised is based on that the Group has the right to invoice the customers under the contracts, which correspond directly with the value of services transferred to the customers for the Company’s performance to-date. Invoice is rendered periodically based on the timelines specified in the contracts. Credit term granted is generally at 30 to 60 days.

(c) Provision of payment solution and services

Revenue from provision of payment solution and services through renting of Electronic Data Capture (“EDC”) equipment is recognised over time equally over the period of the contracts. The rental income is generally invoiced upfront for the whole contract term. Credit term granted is 30 days.

In respect of e-wallet payment solution and services, revenue is recognised over time based on transactions recorded. Billing is rendered on monthly basis with credit term of 30 days.

In respect of the Company, management fees from its subsidiaries are recognised as revenue upon rendering of services for which the Company has the right to specified consideration.

2.26 Revenue from Other Sources and Other Income

(a) Leasing of computer equipment

Lease rental income from leasing of telecommunication network towers is recognised as disclosed under Note 2.21(b).

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Dividend income

Dividends from subsidiaries are recognised when the right to receive payment is established.

2.26 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are measured at the higher of (i) the amount determined in accordance with the expected credit loss model; and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.28 Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the financial year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year, net of any treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, net of any treasury shares held, for the effects of all dilutive potential ordinary shares.

2.29 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group. Operating segment results are reviewed by chief operating decision maker i.e. the Group Managing Director who makes decision about resources to be allocated to the segments and to assess their performance and for which discrete financial information is available.

2.30 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows :

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards and International Financial Reporting Standards requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(a) Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the management is of the opinion that any instances of application of judgement, apart from those involving estimations which are dealt with in Note 3(b), are not expected to have a significant effect on the amounts recognised in the financial statements except as disclosed below: -

Determining the lease term with continuous extension option

The Group has entered into contracts with land owners for leases of vacant land for construction of telecommunication monopoles on sites for lease to customers in the telecommunication industry. The lease granted option to the Group to renew and extend the lease of the land continuously until either party gives notice to terminate the lease. The Group assesses at the lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options and determines the reasonable period of extension for the lease. When determining the lease term, the Group considers all facts and circumstances including the useful lives of the assets to be constructed on sites, the cost that will be incurred to change the location of assets if an option to extend is not taken and the expected duration of contracts with customers. The lease term determined for the recognition of the lease obligations and the related right-of-use land is as disclosed in Note 18(a).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment assessment for non-financial assets other than goodwill

The Group assesses impairment of property, plant and equipment, investment properties and investments in subsidiaries when the events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. This requires an estimation of the value in use of the cash generating units ("CGU") to which the assets are allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment losses on cost of investment in subsidiaries are as disclosed in Note 17.

(ii) Useful lives of property, plant and equipment

The cost of computer equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these computer equipment to be at 7 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred tax assets

Deferred tax assets are recognised for unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group is RM7,746,000 (2021: RM671,000). The total unrecognised tax losses and capital allowances of the Group and of the Company are RM136,963,000 and RM4,173,000 (2021: RM116,220,000 and RM5,510,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(iv) Impairment losses of receivables

The Group made impairment loss allowances for receivables and advances to subsidiaries based on assumptions about risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of credit loss experience, existing market conditions as well as forward looking estimates at the end of reporting period.

Where expectations differ from the original estimates, such difference will impact the carrying value of the receivables. The carrying amounts of trade receivables, other receivable and balances due from subsidiaries and the cumulative allowances for impairment losses are disclosed in Notes 20, 21 and 23 respectively.

(v) Impairment assessment of goodwill

The Group performs an annual impairment testing of goodwill by carrying out an assessment of the carrying value of the goodwill against the recoverable amount of the cash-generating unit ("CGU") to which the goodwill has been allocated. The recoverable amount of the CGU is determined based on its value in use. The measurement of the value in use requires the management to estimate the future cash flows expected to arise from the CGU's on-going operations, the growth rate that reflects the management's expected future performance and a suitable discount rate in order to calculate the present value of those future cash flows. The relevant information and assumptions are disclosed in Note 16.

(vi) Revenue recognition

The Group recognises revenue from contracts with customers which are performed over time based on the stage of completion of the services rendered at the reporting date. Significant judgement based on past experiences of similar type of services is required in this revenue recognition method as it involves estimation of costs allocation to budgets and recoverability of contract costs incurred from customers.

4. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers:				
ICT related products and services	27,778	35,417	-	-
Payment solutions and services	309	573	-	-
Management services	-	-	6,691	6,449
	28,087	35,990	6,691	6,449
Revenue from other sources:				
Telecommunication network tower leasing income	40	-	-	-
	28,127	35,990	6,691	6,449
Timing of recognition of revenue from contracts with customers: -				
At a point in time	2,498	1,782	6,691	6,449
Over time	25,589	34,208	-	-
	28,087	35,990	6,691	6,449

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

4. REVENUE (Cont'd)

For the purpose of segment revenue under segment information in Note 40, revenue from leasing of telecommunication network towers is included as part of revenue from ICT related products and services business segment.

The Group applies the practical expedient of not providing an estimate of the aggregate amount of revenue attributable to unsatisfied performance obligations as at the end of the reporting period on the basis that the performance obligations are part of contracts that have an expected duration of less than a year or that the revenue recognised corresponds directly with the value to the customers of the Group's performance completed to-date and for which the Group has the right to invoice.

5. OTHER INCOME

The following amounts have been included in other income: -

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income:				
- deposits with licensed commercial banks	153	414	63	326
Rental income	-	-	294	294

6. OTHER EXPENSES

The following amounts have been included in other expenses: -

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation of property, plant and equipment (Note 13)	2,735	763	380	378
Depreciation of investment property (Note 14)	8	-	-	-
Amortisation of intangible assets (Note 15)	2,458	1,971	8	8
Depreciation of right-of-use assets (Note 18)	1,219	1,254	531	579
Allowance for impairment losses on amounts due from subsidiaries (Note 23)	-	-	3,877	4,149
Rental of premises				
- short-term leases	226	158	-	-
Rental of equipment				
- leases of low-value assets	32	32	12	10
Allowance for impairment loss on other receivable [Note 21(a)]	2,760	-	-	-
Corporate exercise expenses	58	62	58	62

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

7. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expense :				
- overdrafts and banker acceptances	263	158	-	-
- term loans	85	51	-	-
- hire purchase	1	3	1	3
- lease liabilities	139	89	30	35
	488	301	31	38
Finance charges on trade facilities	18	20	-	-
	506	321	31	38

8. LOSS BEFORE TAXATION

In addition to the disclosures in Notes 4, 5, 6 and 7, the following amounts have been charged/(credited) in arriving at loss before taxation:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Employee benefits expense (Note 9)	18,275	18,318	4,234	4,059
Auditors' remuneration:				
- Statutory audit				
- Folks DFK & Co.	163	157	58	58
- Other audit firms	43	41	-	-
- Non-audit services				
- Folks DFK & Co.	8	8	8	8
Net realised foreign exchange (gain)/loss	(4)	2	-	-
Non-executive directors' remuneration (Note 10)	227	246	173	192
Allowance for obsolete inventories (Note 19)	-	33	-	-
Write-back of allowance for obsolete inventories (Note 19)	(234)	-	-	-
Inventories written off	229	-	-	-
Write-back of allowance for impairment losses on trade receivables (Note 20)	(38)	(39)	-	-
Allowance for impairment losses on trade receivables (Note 20)	22	835	-	-
Impaired trade receivables written off	24	-	-	-
Property, plant and equipment written off	1	8	-	-
Gain on disposal of subsidiaries (Note 17(c))	(14)	-	-	-
Internet and network expenses	62	65	23	21

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

[Cont'd]

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries and allowances	15,615	15,678	3,650	3,532
Social security contributions	215	223	32	28
Contributions to a defined contribution plan	1,869	1,887	428	413
Other staff related expenses	576	530	124	86
	18,275	18,318	4,234	4,059

Included in employee benefits expense are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM1,141,000 (2021: RM1,082,000) and RM637,000 (2021: RM637,000) in respect of the Group and the Company respectively as further disclosed in Note 10.

Wages, salaries and allowances in respect of the Group are stated net of wages subsidy of RM4,080 (2021: RM56,800) received from the Malaysian government for certain employees who fulfilled eligibility criteria under the government wages subsidy programme to alleviate the impact of the COVID-19 pandemic.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company				
Executive Directors' remuneration:				
- Salaries and allowances	568	568	568	568
- Contributions to a defined contribution plan	69	69	69	69
	637	788	637	788
Non-Executive Directors' remuneration :				
- Fees	198	210	144	156
- Allowances	29	36	29	36
	227	246	173	192

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

10. DIRECTORS' REMUNERATION (Cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of Subsidiaries				
Executive Directors' remuneration :				
- Salaries and allowances	453	375	-	-
- Contributions to a defined contribution plan	51	35	-	-
- Fees	-	35	-	-
	504	445	-	-
Executive Directors' remuneration (Note 9)	1,141	1,082	637	637
Non-Executive Directors' remuneration (Note 8)	227	246	173	192
Total Directors' remuneration	1,368	1,328	810	829
Benefits-in-kind	34	19	34	19
Total Directors' remuneration including benefits-in-kind	1,402	1,347	844	848

11. TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current Malaysian taxation	14	213	14	79
(Over)/Under provision of taxation in prior year	(134)	42	-	-
Deferred taxation (Note 30)	111	(386)	-	-
	(9)	(131)	14	79

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

11. TAXATION (Cont'd)

- (a) Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year. The applicable income tax rate for the subsidiary which was acquired during the previous financial year remained at the lower Malaysian statutory tax rate of 17% for the previous year of assessment.

Taxation for other countries is calculated at the rates prevailing in the respective countries.

Reconciliations of the income tax amount applicable to loss before taxation at the statutory income tax rate to income tax (income)/expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss before taxation	(18,544)	(11,143)	(3,017)	(3,053)
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	(4,451)	(2,674)	(724)	(733)
Tax saving on lower statutory tax rate	-	(55)	-	-
Expenses not deductible for tax purposes	406	460	1,053	1,122
Utilisation of deferred tax assets not recognised in prior year	(314)	(503)	(315)	(310)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	4,488	2,603	-	-
Tax rate difference in foreign jurisdiction	(4)	(4)	-	-
(Over)/Underprovision of taxation in prior year	(134)	42	-	-
Income tax (income)/expense	(9)	(131)	14	79
Tax savings recognised during the financial year arising from: Utilisation of unutilised tax losses not recognised in prior year	416	475	325	338

- (b) Subject to agreement with the relevant tax authorities, the Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances which can be used to set-off against future taxable income:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax losses	132,833	113,934	4,173	5,510
Unabsorbed capital allowances	11,876	2,958	-	-
	144,709	116,892	4,173	5,510

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

11. TAXATION (Cont'd)

Pursuant to the Finance Act 2018, any unutilised tax losses in Malaysia for the year of assessment 2019 onwards shall be available for utilisation for a maximum period of seven consecutive years of assessment immediately following that year of assessment and any excess at the end of the seventh year shall be disregarded. The Finance Act 2021 which became effective on 1 January 2022 has extended the maximum period for carrying forward of the unutilised tax losses to 10 years with effect from year of assessment 2019. Consequently, the unutilised tax losses in Malaysia of the Group and of the Company at the end of the reporting period shall expire in the year of assessment as tabulated below: -

Year of Assessment	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
2028	76,525	77,863	4,173	5,510
2029	9,914	9,914	-	-
2030	17,829	17,403	-	-
2031	11,573	8,657	-	-
2032	16,897	-	-	-
Total unutilised tax losses	132,738	113,837	4,173	5,510

The Group's remaining unutilised tax losses arising from a subsidiary in People's Republic of China amounting to approximately RM95,000 [equivalent to CNY150,406] (2021: RM97,000 [equivalent to CNY148,529]) shall expire within one to five years.

12. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2022	Group 2021
Loss attributable to owners of the Company (RM'000)	(17,610)	(10,938)
Weighted average number of ordinary shares in issue ('000)	673,935	649,250
Basic loss per share for the financial year (sen)	(2.61)	(1.68)

(b) Diluted

For the purpose of calculating diluted loss per share, the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of all potential ordinary shares arising from the assumed exercise of the ESOS Options where applicable.

The computation of diluted loss per share for the current and previous financial years excluded the exercise of ESOS Options as their exercise would not result in any dilutive potential ordinary shares after adjusting for the number of such ordinary shares that would have been issued at fair value being average market price of the shares during the year. Accordingly, the diluted loss per share equals the basic loss per share for the current and previous financial years.

(c) Ordinary share transaction subsequent to the end of reporting period

Additional new ordinary shares issued by the Company arising from the private placement of new ordinary shares subsequent to the end of the reporting period that would have changed significantly the number of ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period are disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT

Group	Building- in-progress RM'000	Computer equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Telecom- munication network towers RM'000	Medical Laboratory Equipment RM'000	Total RM'000
At 31 December 2022								
Cost								
At 1 January 2022	357	4,623	4,276	385	1,148	-	-	10,789
Additions	72	174	34	93	-	243	19,870	20,486
Disposals	-	(7)	-	-	-	-	-	(7)
Write-off	-	(15)	-	-	-	-	-	(15)
Transfer to investment property (Note 14)	(429)	-	-	-	-	-	-	(429)
At 31 December 2022	-	4,775	4,310	478	1,148	243	19,870	30,824
Accumulated Depreciation								
At 1 January 2022	-	3,923	3,688	385	746	-	-	8,742
Charge for the year (Note 6)	-	248	292	8	196	4	1,987	2,735
Disposals	-	(1)	-	-	-	-	-	(1)
Write-off	-	(14)	-	-	-	-	-	(14)
At 31 December 2022	-	4,156	3,980	393	942	4	1,987	11,462
Carrying Amount								
At 31 December 2022	-	619	330	85	206	239	17,883	19,362

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Building- in-progress RM'000	Computer equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Group						
At 31 December 2021						
Cost						
At 1 January 2021	-	4,471	4,213	385	1,107	10,176
Arising from acquisition of a subsidiary [Note 17(d)]	242	72	47	-	53	414
Additions	115	80	16	-	-	211
Write-off	-	-	-	-	(12)	(12)
At 31 December 2021	357	4,623	4,276	385	1,148	10,789
Accumulated Depreciation						
At 1 January 2021	-	3,608	3,349	385	482	7,824
Arising from acquisition of a subsidiary [Note 17(d)]	-	72	36	-	51	159
Charge for the year (Note 6)	-	243	303	-	217	763
Write-off	-	-	-	-	(4)	(4)
At 31 December 2021	-	3,923	3,688	385	746	8,742
Carrying Amount						
At 31 December 2021	357	700	588	-	402	2,047
Company						
At 31 December 2022						
Cost						
At 1 January 2022		711	1,114	277	842	2,944
Additions		46	3	-	-	49
At 31 December 2022		757	1,117	277	842	2,993
Accumulated Depreciation						
At 1 January 2022		620	695	277	478	2,070
Charge for the year (Note 6)		17	194	-	169	380
At 31 December 2022		637	889	277	647	2,450
Carrying Amount						
At 31 December 2022		120	228	-	195	543

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Computer equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Company					
At 31 December 2021					
Cost					
At 1 January 2021	633	1,114	277	842	2,866
Additions	78	-	-	-	78
At 31 December 2021	711	1,114	277	842	2,944
Accumulated Depreciation					
At 1 January 2021	605	501	277	309	1,692
Charge for the year (Note 6)	15	194	-	169	378
At 31 December 2021	620	695	277	478	2,070
Carrying Amount					
At 31 December 2021	91	419	-	364	874

- (a) Included in property, plant and equipment of the Group and of the Company are the costs of fully depreciated assets, which are still in use amounting to approximately RM6,454,000 and RM1,021,000 (2021: RM6,078,000 and RM1,021,000) respectively.
- (b) The telecommunication network towers in relation to a subsidiary's operation as a licensed network facilities provider are situated on leased land as disclosed in Note 18. The use of the towers are licensed to telecommunication operators under operating leases for up to 15 years including extension option period. The lease income recognised in profit or loss is included under revenue of the Group as disclosed in Note 4.

Maturity analysis of the undiscounted lease payments receivable is as follows:

	2022 RM'000	Group 2021 RM'000
Within one year	89	-
Between one to two years	89	-
Between two to three years	89	-
Between three to four years	89	-
Between four to five years	89	-
Later than five years	624	-
	1,069	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

14. INVESTMENT PROPERTY

	2022 RM'000	Group 2021 RM'000
Cost		
At 1 January	-	-
Transfer from property, plant and equipment (Note 13)	429	-
Additions	143	-
At 31 December	572	-
Accumulated Depreciation		
At 1 January	-	-
Charge for the year (Note 6)	8	-
At 31 December	8	-
Carrying Amount		
At 31 December	564	-

- (a) The investment property of the Group attributable to a subsidiary represents a stratified leasehold condominium unit which is non-income generating for the financial year. Direct operating expenses in respect of the investment property are as follows: -

	2022 RM'000	Group 2021 RM'000
Direct operating expenses	2	-

- (b) The estimated fair value of investment property of the Group is determined as follows: -

	2022 RM'000	Group 2021 RM'000
Level 2 fair value	580	-

The fair value of the investment property at the end of the financial year is based on an assessment performed internally by reference to the comparable market value of similar properties. The fair value is determined in accordance with Level 2 of the fair value measurement hierarchy. In the assessment of the fair value, the sales prices of comparable properties in the locality are adjusted for factors which affect value such as the size of the properties. The most significant input to this valuation approach is price per square foot. There is no transfer between levels in the fair value measurement hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

15. INTANGIBLE ASSETS OTHER THAN GOODWILL

	← Group →				
	Customer Contracts RM'000	Computer software RM'000	Development Expenditure RM'000	Total RM'000	Company Computer Software RM'000
At 31 December 2022					
Cost					
At 1 January 2022	6,082	3,168	2,757	12,007	1,181
Additions	-	16	157	173	-
Disposals of subsidiaries [Note 17(c)]	-	(6)	-	(6)	-
At 31 December 2022	6,082	3,178	2,914	12,174	1,181
Accumulated Amortisation					
At 1 January 2022	1,607	2,455	-	4,062	1,155
Charge for the year (Note 6)	1,899	352	207	2,458	8
At 31 December 2022	3,506	2,807	207	6,520	1,163
Carrying Amount					
At 31 December 2022	2,576	371	2,707	5,654	18
At 31 December 2021					
Cost					
At 1 January 2021	-	3,151	1,480	4,631	1,181
Arising from acquisition of a subsidiary [Note 17(d)]	6,082	-	-	6,082	-
Additions	-	17	1,277	1,294	-
At 31 December 2021	6,082	3,168	2,757	12,007	1,181
Accumulated Amortisation					
At 1 January 2021	-	2,091	-	2,091	1,147
Charge for the year (Note 6)	1,607	364	-	1,971	8
At 31 December 2021	1,607	2,455	-	4,062	1,155
Carrying Amount					
At 31 December 2021	4,475	713	2,757	7,945	26

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

15. INTANGIBLE ASSETS OTHER THAN GOODWILL (Cont'd)

(a) Customer contracts

Customer contracts refer to material unfulfilled contracts identified separately from goodwill and recognised by the Group arising from the acquisition of a subsidiary in the previous year as disclosed in Note 17(d).

(b) Development expenditure

Development expenditure of the Group represents direct cost incurred for the development of various mobile applications at various stages. An e-wallet application which has been put into commercial use for the current year is amortised at the annual rate of 20%.

16. GOODWILL

	2022 RM'000	Group 2021 RM'000
Cost		
At 1 January	1,168	-
Arising from acquisition of a subsidiary [Note 17(d)]	-	1,168
At 31 December	1,168	1,168

(a) Impairment testing on goodwill

For the purpose of impairment testing, goodwill arising from the acquisition of Ridaa Associates Sdn Bhd is allocated to the acquired subsidiary being the cash-generating unit ("CGU") which is expected to benefit from the synergies of the business combination.

For the purpose of annual impairment assessment, the recoverable amount of this CGU is computed based on its value in use. The computation of value in use is based on a discounted cash flow model using the cash flow forecast and projections covering a five-year period and approved by management. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The key assumptions for the computation of value in use are further described in Note 16(b).

No impairment loss on goodwill was recognised for the year based on the assessment performed as at end of the financial year as the recoverable amount of the CGU exceeded its carrying amount on that date. The Directors believed that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

16. GOODWILL (Cont'd)

(b) Key assumptions used for value in use computation

Key assumptions used by management for the computation of value in use and the management's approach to determine the values assigned to each of the key assumptions are as follows:-

<u>Assumptions</u>	<u>Values and approach used in determining the value</u>
Revenue	Revenue estimated over the five-year period reflects revenue from those secured contracts and new contracts that are tendered or identified with assigned success probabilities, and new revenue from provision of telecommunication network facilities with projected compounded annual growth rate of approximately 300% (2021: 120%) over the five-year period.
Inflation rate	3% (2021: 3%) Based on an approximation of year-on-year inflation rate of Malaysia for the past five-year period. The CGU's operational costs primarily arise within Malaysia based on management's plan.
Long term growth rate	3% (2021: 3%) Long term average growth rate for the industry based on outlook by management used to extrapolate cash flows beyond the five-year forecast period.
Pre-tax discount rate	6% (2021: 6%) Based on average market rate incorporating specific risks relating to the CGU and Malaysia in which the CGU operates.

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	98,978	97,478
Equity contributions arising from ESOS	88	88
	99,066	97,566
Less: Accumulated impairment losses	(73,248)	(73,248)
	25,818	24,318

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

17. INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Composition of the Group

Details of the subsidiaries which are held directly by the Company, unless otherwise stated, are as follows:

Name	Country of incorporation and operations	Company's effective interest		Principal Activities
		2022 %	2021 %	
Dataprep (Malaysia) Sdn Berhad	Malaysia	100	100	Provision of ICT outsourcing and managed services.
Solsis (M) Sdn Bhd	Malaysia	100	100	Provision of computer hardware, network services, applications and contact centre.
Solsisnet Sdn Bhd	Malaysia	100	100	Provision of networking equipment, services and training.
Dataprep Payment Solutions Sdn Bhd	Malaysia	100	100	Provision of information technology, services and secured payment solutions.
Instant Office Sdn Bhd	Malaysia	100	100	Dormant.
88 Daiman Sdn Bhd	Malaysia	100	100	Dormant.
Tamadun Interaktif Sdn Bhd	Malaysia	100	100	Dormant.
Dataprep (HK) Limited #	Hong Kong SAR, People's Republic of China	100	100	Investment holdings.
Dataprep (Beijing) Limited # <i>[held through Dataprep (HK) Limited]</i>	People's Republic of China	100	100	Dormant.
Dataprep International (Labuan) Ltd #	Malaysia	100	100	Investment holdings.
PT Dataprep Teknologi Indonesia # <i>[held through Dataprep International (Labuan) Ltd]</i>	Indonesia	65	65	Sales and marketing of ICT products, software and services.
DP Kyoto Tech Middle East Limited # <i>[held through Dataprep International (Labuan) Ltd]</i>	United Arab Emirates	51	51	Provision of education technologies, infrastructure, network and support services (presently dormant).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

17. INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Composition of the Group (Cont'd)

Details of the subsidiaries which are held directly by the Company, unless otherwise stated, are as follows (cont'd):

Name	Country of incorporation and operations	Company's effective interest		Principal Activities
		2022	2021	
		%	%	
Ridaa Associates Sdn Bhd <i>[held through Solsisnet Sdn Bhd]</i>	Malaysia	51	51	Supply and installation of multimedia goods, hardware and other multimedia components including provision of related maintenance support services, and provision of telecommunication network facilities
Dataprep Asia Sdn Bhd <i>[held through Dataprep (Malaysia) Sdn Bhd]</i>	Malaysia	100	51	Provision of services relating to healthcare information technology solution and general trading
Asia Solutions Centre Sdn Bhd # <i>[held through Dataprep (Malaysia) Sdn Berhad]</i>	Malaysia	-	51	Dormant [Note 17(c)]
Asia Biomed Centre Sdn Bhd # <i>[held through Dataprep (Malaysia) Sdn Berhad]</i>	Malaysia	-	51	Dormant [Note 17(c)]

Not audited by Folks DFK & Co.

(b) Acquisition of additional equity interest in an indirect subsidiary, Dataprep Asia Sdn Bhd ("DASB") by the Company's wholly owned subsidiary, Dataprep (Malaysia) Sdn Berhad ("DPM")

The Group through DPM acquired the remaining 49% equity interest in DASB from the non-controlling interest for a cash consideration of RM490 resulting in DASB becoming a wholly owned indirect subsidiary during the current financial year. DASB has deficit in shareholders' equity as at the date of acquisition. The acquisition of the additional equity interest is reflected in the equity of the Group through an increase in the carrying amount of non-controlling interest with the difference between the amount adjusted for non-controlling interest and fair value of consideration paid, amounting to RM774,272 recognised as a loss attributed to owners of the Company.

(c) Disposal of subsidiaries, Asia Solutions Centre Sdn Bhd ("Asia Solutions") and Asia Biomed Centre Sdn Bhd ("Asia Biomed") by the Company's wholly owned subsidiary, Dataprep (Malaysia) Sdn Berhad ("DPM")

DPM disposed of its two dormant subsidiaries, Asia Solutions and Asia Biomed during the current financial year for a total cash consideration of RM539 which resulted in a gain of RM14,586 for the Group. As both subsidiaries are dormant, the disposals have no material effect on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

17. INVESTMENT IN SUBSIDIARIES (Cont'd)

(d) Acquisition of Ridaa Associates Sdn Bhd ("RIDAA") by Solsisnet Sdn Bhd in previous year

The Company's wholly owned subsidiary, Solsisnet Sdn Bhd had on 15 February 2021 completed the acquisition of 510,000 ordinary shares in RIDAA representing 51% of the total issued and paid-up share capital of RIDAA for a total cash consideration of RM3,000,000 pursuant to a Share Sale Agreement dated 10 December 2020 with Rohzan bin Abdul Rahman and Badrul Ilahan bin Dato' Hj. Abd Jabbar, the vendors of the ordinary shares in RIDAA.

RIDAA is in the business of selling multimedia goods, hardware and other multimedia components and carrying out works as extra low voltage electrical contractors as well as activities under Network Facility Provider License, Network Service Provider License and Applications Service Provider Class License issued by the Malaysian Communications and Multimedia Commission ("MCMC"). The acquisition of RIDAA had enabled the Group to expand its core business into the multimedia and communication industry, which is expected to create synergies and improve the Group's future financial performance.

The acquisition of RIDAA had contributed to the financial results of the Group for the previous year from the date of acquisition as follows :-

	RM'000
Revenue	6,418
Profit for the year	1,622

If the acquisition of RIDAA had occurred on 1 January 2021, RIDAA would have contributed to the financial results of the Group for the previous year as follows :-

	RM'000
Revenue	6,575
Profit for the year	869

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

17. INVESTMENT IN SUBSIDIARIES (Cont'd)

(d) Acquisition of Ridaa Associates Sdn Bhd ("RIDAA") by Solsisnet Sdn Bhd in previous year (Cont'd)

The amount recognised for assets acquired and liabilities assumed as at the acquisition date were as follows :-

	Fair Value Recognised RM'000	Carrying Amount RM'000
Property, plant and equipment	255	255
Intangible assets	6,082	-
Trade and other receivables	613	613
Contract assets	350	350
Cash and bank balances	690	690
Trade and other payables	(1,884)	(1,884)
Borrowings	(1,054)	(1,054)
Deferred tax liability	(1,460)	-
Net identifiable assets acquired	3,592	(1,030)
Non-controlling interests based on share of net assets	(1,760)	
Goodwill arising on acquisition (Note 16)	1,168	
Fair value of purchase consideration	3,000	

The goodwill is attributable mainly to its valuable network facilities and services provider licenses obtained from MCMC and expertise of assembled workforce which do not qualify to be recognised as intangible assets separately from goodwill. Goodwill is not deductible for tax purposes.

Net cash outflow from the acquisition of subsidiary is derived as follows :-

	RM'000
Cash purchase consideration	3,000
Add: Cash and cash equivalents (net of overdraft) acquired	987
Net cash outflow from acquisition of subsidiary	3,987

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

17. INVESTMENT IN SUBSIDIARIES (Cont'd)

(e) Information on a subsidiary that has material non-controlling interests

Information on the subsidiary of the Group that has material non-controlling interests are as follows :-

Name of subsidiary	Proportion of ownership and voting rights held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2022 %	2021 %	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ridaa Associates Sdn Bhd	49	49	(140)	25	1,645	1,785

Summarised financial information of the subsidiary before inter-company elimination :-

	2022 RM'000	2021 RM'000
Assets/(Liabilities)		
Non-current assets	1,363	396
Current assets	6,994	6,383
Non-current liabilities	(1,142)	(161)
Current liabilities	(5,817)	(6,376)
Net assets	1,398	242
Results For Year		
Revenue	7,672	6,418
Profit for the year/Total comprehensive income	1,025	1,622
Cash Flows For Year		
Cash flows from/(used in) operating activities	80	(559)
Cash flows used in investing activities	(694)	(296)
Cash flows (used in)/from financing activities	(648)	3,004
Net (decrease)/increase in cash and cash equivalents	(1,262)	2,149

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

18. RIGHT-OF-USE ASSETS

Group	Vacant Land RM'000	Office Premises RM'000	Total RM'000
At 31 December 2022			
Cost			
At 1 January	-	3,099	3,099
Addition	451	1,111	1,562
Derecognition	-	(1,168)	(1,168)
At 31 December	451	3,042	3,493
Accumulated Depreciation			
At 1 January	-	1,114	1,114
Charge for the year(Note 6)	15	1,204	1,219
Derecognition	-	(1,168)	(1,168)
At 31 December	15	1,150	1,165
Carrying Amount			
At 31 December	436	1,892	2,328
			Office Premises RM'000
At 31 December 2021			
Cost			
At 1 January			2,638
Addition			1,988
Derecognition			(1,527)
At 31 December			3,099
Accumulated Depreciation			
At 1 January			1,387
Charge for the year (Note 6)			1,254
Derecognition			(1,527)
At 31 December			1,114
Carrying Amount			
At 31 December			1,985

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

18. RIGHT-OF-USE ASSETS (Cont'd)

Company	Office Premises	
	2022 RM'000	2021 RM'000
Cost		
At 1 January	1,111	1,111
Addition	1,111	-
Derecognition	(1,111)	-
At 31 December	1,111	1,111
Accumulated Depreciation		
At 1 January	821	242
Charge for the year (Note 6)	531	579
Derecognition	(1,111)	-
At 31 December	241	821
Carrying Amount		
At 31 December	870	290

- (a) The Group and the Company lease office premises with tenancy terms of two years for the operations of the Group and the Company.

The Group also leases vacant land for the erection of monopoles for use as telecommunication network towers which are licensed to telecommunication operators as disclosed in Note 13(b).

The land leases contain extension options exercisable by the Group to enable it to continue the leases indefinitely after the end of the non-cancellable contract period. The Group includes extension options in arriving at lease terms of 25 years which is consistent with the estimated useful economic life of the monopoles for recognition of the lease obligations and related right-of-use land.

Obligations for the lease payments in respect of the leases of office premises and vacant land are recognised as lease liabilities as disclosed in Note 29.

- (b) The Company subleases a portion of the office premises to a subsidiary under an operating lease.

The lease income recognised in profit or loss is included in other income of the Company as disclosed in Note 5.

Maturity analysis of the undiscounted lease payments receivable is as follows :-

	Company	
	2022 RM'000	2021 RM'000
Within one year	294	172
Between one to two years	172	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

19. INVENTORIES

	2022 RM'000	Group 2021 RM'000
At cost		
Computer equipment, spares and supplies	641	861
Healthcare supplies	7,200	-
	7,841	861
Allowance for obsolete inventories		
At 1 January	(681)	(648)
Write-back (Note 8)	234	-
Addition (Note 8)	-	(33)
At 31 December	(447)	(681)
	7,394	180

The cost of inventories recognised as an expense during the financial year for the Group amounted to approximately RM9,301,000 (2021 : RM14,928,000).

20. TRADE RECEIVABLES

	2022 RM'000	Group 2021 RM'000
Trade receivables	14,527	13,285
Less: Allowance for impairment losses	(3,102)	(3,118)
	11,425	10,167

Trade receivables are non-interest bearing and are generally on 30 days to 90 days (2021 : 30 days to 90 days) terms.

Credit risk exposure

Information about the exposure to credit risk and allowance for expected credit losses ("ECLs") in respect of trade receivables are as tabulated below:-

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
As at 31 December 2022			
Current	5,394	-	5,394
1 to 30 days past due	2,276	-	2,276
31 to 60 days past due	113	-	113
61 to 90 days past due	51	-	51
More than 91 days past due	39	-	39
	7,873	-	7,873
Credit impaired			
More than 180 days past due	6,654	3,102	3,552
	14,527	3,102	11,425

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

20. TRADE RECEIVABLES (Cont'd)

Credit risk exposure (Cont'd)

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
As at 31 December 2021			
Current	2,945	-	2,945
1 to 30 days past due	3,267	-	3,267
31 to 60 days past due	174	-	174
61 to 90 days past due	90	-	90
More than 91 days past due	274	-	274
	6,750	-	6,750
<u>Credit impaired</u>			
More than 180 days past due	6,535	3,118	3,417
	13,285	3,118	10,167

Further information on credit risk exposure together with the recognition and measurement of allowance for ECLs are disclosed in Note 38(d).

Allowance for impairment losses

Movements in allowance for impairment losses on trade receivables are as follows: -

	Group	
	2022 RM'000	2021 RM'000
At 1 January	3,118	2,322
Addition (Note 8)	22	835
Write-back (Note 8)	(38)	(39)
At 31 December	3,102	3,118

21. OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivable [Note 21(a)]	11,203	-	-	-
Prepayments	7,417	37,584	67	52
Deposits	614	471	123	122
Advances to employees	7	8	-	-
Interest income receivable	18	14	18	14
Sundry receivables	305	268	27	-
	19,564	38,345	235	188

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

21. OTHER RECEIVABLES (Cont'd)

- (a) Other receivable represents the net carrying amount of a balance due from a former related party. The former related party was formerly a corporate shareholder of a subsidiary and project partner in relation to a contract of services planned by the subsidiary which has been aborted during the current financial year. The net carrying amount of the other receivable is as stated below: -

	2022 RM'000	Group 2021 RM'000
Gross amount	13,963	-
Less: Allowance for impairment loss		
At 1 January	-	-
Addition (Note 6)	(2,760)	-
At 31 December	(2,760)	-
	11,203	-

The amount due is unsecured, interest free and repayable on demand.

- (b) Prepayments as at the end of the previous year included balances amounting to RM36,470,000 prepaid for test equipment and supplies attributable to a planned contract of services by a subsidiary. The amount prepaid for the contract included total payments of RM32,828,000 made to a then corporate shareholder of the subsidiary, being the project partner in relation to the contract as at the end of the previous year. The planned contract of services has been aborted by the subsidiary during the current year.

22. CONTRACT ASSETS / CONTRACT LIABILITIES

	2022 RM'000	Group 2021 RM'000
Contract assets	7,074	6,320
Contract liabilities	4,871	2,739

Contract assets relate to the Group's rights to consideration for services rendered which have been recognised as revenue from contracts customers but not yet billed at the reporting date pending verification and agreement by the customers.

Contract liabilities relate to the progress billing to customers, for which the related obligations for services have not been performed at the reporting date.

Revenue recognised for the current year from amount included in contract liabilities at the beginning of the year amounted to RM2,721,000 (2021: RM1,368,000).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

23. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Amounts due from subsidiaries	136,271	125,651
Less: Allowance for impairment losses		
At 1 January	(40,354)	(36,205)
Addition(Note 6)	(3,877)	(4,149)
At 31 December	(44,231)	(40,354)
	92,040	85,297
Presented as follows:		
Non-current assets	22,402	45,628
Current assets	69,638	39,669
	92,040	85,297

Amounts due from subsidiaries that are impaired at the financial year end related to loss making subsidiaries.

The amounts due from subsidiaries are unsecured, interest free and repayable on demand. The classification of the net amount into current and non-current portions is based on their expected timing of settlement.

24. AMOUNTS DUE FROM/(TO) RELATED COMPANIES

Related companies refer to fellow subsidiaries which share the same ultimate holding company with the Company. The immediate and ultimate holding companies of the Company are as disclosed in Note 1.

The amounts due from/(to) related companies represent trade and related balances which are unsecured, interest free and repayable on demand.

25. CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with licensed commercial banks	7,693	7,458	2,008	1,971
Cash and bank balances	5,269	23,535	526	11,040
	12,962	30,993	2,534	13,011

Deposits of the Group and of the Company are pledged as security for banking facilities granted to the Group and not available for general use.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

25. CASH AND BANK BALANCES (Cont'd)

The range of the deposits interest rates as at the end of the financial year was as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Licensed Commercial Banks	2.30 - 2.80	1.80 - 3.60	2.35	1.85

The range of the deposits maturities as at the end of the financial year was as follows:

	Group		Company	
	2022 Days	2021 Days	2022 Days	2021 Days
Licensed Commercial Banks	30 - 365	30 - 365	210	210

26. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Issued and fully paid:				
At beginning of financial year	670,470	602,595	137,584	72,727
Issuance of new shares during the financial year				
- Private Placement	-	48,355	-	63,345
- Exercise of ESOS Options	4,200	19,520	714	3,319
Transfer from share options reserve upon exercise of ESOS Options	-	-	239	1,182
Shares issue expenses	-	-	-	(2,989)
At end of financial year	674,670	670,470	138,537	137,584

Pursuant to Section 74 of the Companies Act 2016, all shares issued before or upon commencement of the Act shall have no par or nominal value.

- (a) The issued and paid-up share capital of the Company was increased from RM137,583,856 comprising 670,470,417 ordinary shares to RM138,537,084 comprising 674,670,417 ordinary shares during the current financial year arising from the exercise of 4,200,000 ESOS Options into 4,200,000 new ordinary shares at the exercise price of RM0.17 per ordinary share and transfer of attributable fair value of the exercised ESOS Options from share options reserve. The new ordinary shares issued rank pari passu in all respects with the existing issued ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

26. SHARE CAPITAL (Cont'd)

- (b) In the previous year, the Company's issued and paid-up share capital was increased from RM72,727,627 comprising 602,595,817 ordinary shares to RM137,583,856 comprising 670,470,417 ordinary shares through the issuance of 67,874,600 new ordinary shares arising from the following: -
- (i) Private placement of 48,354,600 new ordinary shares at the issue price of RM1.31 per share to independent third parties which increased the issued and paid-up share capital by RM60,355,619 after deducting share issue expenses; and
 - (ii) Exercise of 19,520,000 ESOS Options into 19,520,000 new ordinary shares at the exercise price of RM0.17 per share which increased the issued and paid-up share capital by RM4,500,610 after including attributable fair value of the ESOS Options transferred from share options reserve.

All the new shares issued ranked pari passu in all respects with the existing issued ordinary shares of the Company.

27. SHARE OPTIONS RESERVE

	Group and Company	
	2022	2021
	RM'000	RM'000
At beginning of financial year	455	1,637
Transfer to share capital upon exercise of ESOS Options	(239)	(1,182)
At end of financial year	216	455

The share options reserve represents the equity-settled share options granted to eligible directors and employees ("Eligible Persons") under the Employee Share Option Scheme ("ESOS") which is a component of the Company's Long Term Incentive Plan ("LTIP"). The reserve is made up of the cumulative value of services received from the Eligible Persons for the issuance of the share options. The reserve shall be reduced by the exercise or lapse of the share options over the option period and any reserve relating to unexercised share options at the end of the option period will be transferred to revenue reserve.

The LTIP consisting of the ESOS and a Share Grant Scheme ("SGS") which in turn comprises the Retention Share Plan ("RSP") and Performance Share Plan ("PSP"), was approved by the shareholders of the Company on 17 July 2020.

The LTIP is administered by a LTIP Committee appointed by the Directors, in accordance with the By-Laws of the LTIP ("By-Laws") as approved by the shareholders on 17 July 2020. The LTIP is effective from 21 July 2020 for a duration of 10 years and shall expire on 20 July 2030 unless terminated earlier by the Company.

The SGS is intended for the Company to award such number of ordinary shares of the Company at no cash consideration to Eligible Persons whereby such person shall also hold a position of senior management or any such rank as may be designated by the LTIP Committee. The award of the shares under the RSP is intended to recognise, incentivise and retain the Eligible Persons whereas the PSP is intended to incentivise and motivate the Eligible Persons to contribute to the growth of their respective business segments based on specified performance targets as determined by the LTIP Committee. No award of shares has been made under the SGS since the establishment of the LTIP.

The Company has implemented only the ESOS which granted options over unissued ordinary shares ("ESOS Options") to Eligible Persons under the LTIP for them to subscribe new ordinary shares in the Company over the duration of the LTIP at the exercise price fixed for the ESOS Options at the time of award.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

27. SHARE OPTIONS RESERVE (Cont'd)

The salient features and terms of the ESOS under LTIP are as follows:

- (a) The number of ESOS Options awarded shall be the equivalent of not less than one hundred (100) ordinary shares or not more than the maximum number of ordinary shares allowable for such Eligible Person under the LTIP and shall be in multiples of one hundred (100) ordinary shares. Each ESOS option is exercisable into one (1) new ordinary share, issued and fully paid-up. An ESOS award, regardless of the number of ESOS Options, shall be accepted by an Eligible Person with payment of RM1.00.
- (b) Not more than 10% of the total number of ordinary shares, including under options by way of ESOS, available under the LTIP shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued ordinary shares (excluding treasury shares) of the Company. In addition, the number of ordinary shares allocated, in aggregate, to the eligible directors and senior management of the Group shall not exceed 80% of the total ordinary shares available under the LTIP.
- (c) The maximum number of ESOS Options to be offered under ESOS shall not in aggregate exceed 15% of the total number of issued ordinary shares (excluding treasury shares) of the Company at any point in time during the duration of the LTIP;
- (d) The Eligible Persons shall be at least 18 years old and not an undischarged bankrupt nor subject to any bankruptcy proceedings, and (1) employed on a full time basis under an employment contract; (2) on the payroll of any company within the Group and has not served a notice to resign nor received a notice of termination; (3) employment as an employee has been confirmed; and (4) such employee falls within any other eligibility criteria as may be determined by the LTIP Committee at its discretion from time to time.
- (e) ESOS Options granted shall vest with the Eligible Persons on the vesting date when any stipulated vesting conditions for the award of the ESOS Options have been satisfied. The ESOS Options are exercisable at their exercise price at any time from the vesting date during the duration of the LTIP ("Option Period") either in whole or part of multiple of 100 ordinary shares by issuing a notice of exercise with the necessary payments to the Company in the form and manner as prescribed by the LTIP Committee from time to time. Any ESOS Option which remains unexercised at the expiry of the Option Period shall be automatically terminated and lapsed without any claim against the Company.
- (f) The ESOS Option exercise price shall be the weighted average market price of the Company for the five (5) market days immediately preceding the date of award of the ESOS Options, less a discount of not more than 10% from the weighted average market price or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time.
- (g) The new ordinary shares to be allotted and issued upon the exercise of ESOS Options will rank *pari passu* in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which precedes the date of allotment of the new shares.
- (h) The new shares to be allotted and issued to a grantee pursuant to the exercise of ESOS Options will not be subject to any retention period or restriction on transfer. Notwithstanding, a grantee who is a non executive director must not sell, transfer or assign his shares obtained through the exercise of his ESOS Options offered to them pursuant to the LTIP within one (1) year from the date of offer of the ESOS Options in accordance with the listing requirements of Bursa Securities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

27. SHARE OPTIONS RESERVE (Cont'd)

The movements of the ESOS Options under LTIP during the financial year are as follows :-

Grant Date	Exercise Price	At 1.1.2022	Number of ESOS Options		At 31.12.2022
			Granted	Exercised	
28.10.2020	RM0.17	7,760,000	-	(4,200,000)	3,560,000

Grant Date	Exercise Price	At 1.1.2021	Number of ESOS Options		At 31.12.2021
			Granted	Exercised	
28.10.2020	RM0.17	27,280,000	-	(19,520,000)	7,760,000

The ESOS Options have no further vesting conditions and vested immediately on the grant date. The outstanding ESOS Options at the end of the reporting period are exercisable on that date and have remaining contractual life of 7.55 (2021 : 8.55) years expiring on 20 July 2030.

Fair value of the ESOS Options was measured by the Group using the Trinomial Option Pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of ESOS Options measured at the grant date and the assumptions used are as follows:

	Granted on 28.10.2020
Fair value of ESOS Options	RM0.060564
Share price of Company	RM0.195
Exercise price of ESOS Options	RM0.17
Expected volatility of the share price	10%
Expected life of the ESOS Options	3522 days
Expected dividend yield	-
Annual risk-free interest rate	2.20%

The expected volatility is a historical volatility calculated using daily closing market prices. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the options granted were incorporated in the measurement of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

28. BORROWINGS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Secured:				
Hire purchase payable	-	11	-	11
Term loans	988	1,303	-	-
	988	1,314	-	11
Current				
Secured:				
Hire purchase payable	11	33	11	33
Banker acceptances	3,947	1,249	-	-
Term loans	315	295	-	-
Bank overdrafts	2,715	1,185	-	-
	6,988	2,762	11	33
Total borrowings	7,976	4,076	11	44

The banker acceptances, bank overdrafts and term loans attributable to subsidiaries are secured by way of legal charges over the fixed deposits of the Company and of the subsidiaries together with corporate guarantees by the Company and joint and several guarantees of certain directors of a subsidiary.

The hire purchase is used by the Company to finance the acquisition of a motor vehicle and forms part of borrowings of the Group and of the Company.

Banker acceptances are subject to interest rates ranging from 4.18% to 5.71% (2021:7.06%) per annum. Interest on bank overdrafts are payable at rates ranging from 7.60% to 7.65% (2021: 6.65% to 6.97%) per annum. Term loans are subject to interest at rates varying between 3.50% to 7.81% (2021: 3.50% to 7.06%) per annum. Hire purchase liabilities bear effective interest rate of 4.44% (2021: 4.44%) per annum.

The maturities of the total borrowings are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
On demand or within one year	6,988	2,762	11	33
More than 1 year and less than 2 years	336	326	-	11
More than 2 years and less than 5 years	652	988	-	-
	7,976	4,076	11	44

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

29. LEASE LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current	1,222	990	552	338
Non-current	1,197	1,065	338	-
	2,419	2,055	890	338
Balance attributable to a related company	890	338	890	338

Lease liabilities are in respect of the future lease payments for the tenancies of the office premises and vacant land which are recognised as right-of-use assets in Note 18.

Maturity analysis of the undiscounted lease payments is as follows: -

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Not later than 1 year	1,327	1,076	588	343
Later than 1 year and not later than 2 years	789	703	343	-
Later than 2 years and not later than 5 years	108	410	-	-
Later than 5 years	710	-	-	-
Total outstanding lease payments	2,934	2,189	931	343
Total cash outflow for leases for the year	1,595	1,507	601	588

30. DEFERRED TAX

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of financial year	(1,074)	-	-	-
Arising from acquisition of a subsidiary [Note 17(d)]	-	(1,460)	-	-
Recognised in profit or loss	(111)	386	-	-
At end of financial year	(1,185)	(1,074)	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	2,995	685	209	80
Deferred tax liabilities	(4,180)	(1,759)	(209)	(80)
	(1,185)	(1,074)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

30. DEFERRED TAX (Cont'd)

The components and movements of the deferred tax liabilities and assets during the financial year prior to the offsetting are as follows:

Deferred Tax Assets of the Group:

	Unutilised Tax Losses RM'000	Unabsorbed Capital Allowances RM'000	Other Deductible Temporary Differences RM'000	Total RM'000
At 1 January 2022	-	161	524	685
Recognised in profit or loss	648	1,050	612	2,310
At 31 December 2022	648	1,211	1,136	2,995
At 1 January 2021	52	131	309	492
Recognised in profit or loss	(52)	30	215	193
At 31 December 2021	-	161	524	685

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Other Taxable Temporary Differences RM'000	Total RM'000
At 1 January 2022	211	1,548	1,759
Recognised in profit or loss	1,500	921	2,421
At 31 December 2022	1,711	2,469	4,180
At 1 January 2021	192	300	492
Arising from acquisition of a subsidiary [Note 16(b)]	-	1,460	1,460
Recognised in profit or loss	19	(212)	(193)
At 31 December 2021	211	1,548	1,759

Deferred Tax Assets of the Company:

	Unutilised Tax Losses RM'000	Other Deductible Temporary Differences RM'000	Total RM'000
At 1 January 2022	-	80	80
Recognised in profit or loss	-	129	129
At 31 December 2022	-	209	209
At 1 January 2021	29	214	243
Recognised in profit or loss	(29)	(134)	(163)
At 31 December 2021	-	80	80

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

30. DEFERRED TAX (Cont'd)

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM'000	Other Taxable Temporary Differences RM'000	Total RM'000
At 1 January 2022	11	69	80
Recognised in profit or loss	(10)	139	129
At 31 December 2022	1	208	209
At 1 January 2021	34	209	243
Recognised in profit or loss	(23)	(140)	(163)
At 31 December 2021	11	69	80

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other deductible temporary differences	17	2,754	17	3
Unutilised tax losses	130,133	113,934	4,173	5,510
Unabsorbed capital allowances	6,830	2,286	-	-
	136,980	118,974	4,190	5,513

Deferred tax assets have not been recognised in respect of these items as it is not probable that there will be sufficient future profits for offset against them in the near term.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

31. TRADE PAYABLES

	2022 RM'000	Group 2021 RM'000
Trade payables	2,701	2,367

The credit terms of the Group's trade payables range from 30 days to 90 days (2021: 30 days to 90 days).

32. OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Accrued professional fees	250	246	72	72
Accrued staff costs	182	159	-	-
Deposits from customers	263	349	-	-
Sundry payables	660	670	55	18
Other accruals	585	676	3	162
Sales and Service Tax (SST) payable	395	330	-	-
	2,335	2,430	130	252

33. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or when both parties are under the common control of another party.

(a) Transactions and year-end outstanding balances with subsidiaries

(i) Transactions

	2022 RM'000	Company 2021 RM'000
Management services charged to the subsidiaries (Note 4)	6,691	6,449
Rental charged to a subsidiary (Note 5)	294	294

(ii) Year end outstanding balances

	2022 RM'000	Company 2021 RM'000
Amounts due from subsidiaries	136,271	125,651
Less: Allowance for impairment losses	(44,231)	(40,354)
	92,040	85,297

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

33. RELATED PARTY DISCLOSURES (Cont'd)

(a) Transactions and year-end outstanding balances with subsidiaries (Cont'd)

(ii) Year end outstanding balances (Cont'd)

The terms and conditions of the abovementioned balances are disclosed in Note 23.

Allowance for impairment losses recognised as an expense in the current financial year amounted to RM3,877,000 (2021 : RM4,149,000).

(b) Transactions and year end outstanding balances with related companies

(i) Transactions

	2022 RM'000	Group 2021 RM'000
Sale of computer equipment to related companies	99	-
Project training services provided to a related company	285	-
Maintenance and support services provided to a related company	60	-
Rental of premises charged by a related company	588	588

Future rentals for the remaining lease of the premises payable to a related company are recognised as lease liabilities as disclosed in Note 29.

(ii) Year end outstanding balances

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amounts due from related companies	387	75	-	-
Amount due to a related company	23	15	23	-

The terms and conditions of the abovementioned balances are disclosed in Note 24.

(c) Transactions and year end outstanding balance with other related party

(i) Transactions

	2022 RM'000	Group 2021 RM'000
Prepayment for purchase of goods to a related party	746	32,828
Purchase of goods from a related party	1,352	-
Goods returned to a related party	13,216	-
Purchase of property, plant and equipment from a related party	20	-
Expenses charged by a related party	34	-

The related party refers to a corporate shareholder of a subsidiary at the time of transactions. The party has ceased to be a shareholder of the subsidiary and hence no longer regarded as a related party of the Group at the end of the current year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

33. RELATED PARTY DISCLOSURES (Cont'd)

(c) Transactions and year end outstanding balances with other related party (Cont'd)

(ii) Year end outstanding balance

	2022 RM'000	Group 2021 RM'000
Amount due from former related party	13,963	-
Less: Allowance for impairment loss	(2,760)	-
	11,203	-

The terms and conditions of the abovementioned balance are disclosed in Note 21(a).

(d) Compensation of key management personnel

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short term employee benefits	1,819	1,776	1,366	1,366
Post-employment benefits				
- Defined contribution plan	215	199	164	164
Benefits-in-kind	41	23	41	23
	2,075	1,998	1,571	1,553
Non-executive directors				
- Short term benefits	227	246	173	192
	2,302	2,244	1,744	1,745
Outstanding amount payable included in other payables	54	644	-	162

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

34. NOTES TO STATEMENTS OF CASH FLOWS

(a) Liabilities arising from financing activities

Changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes, during the financial year are analysed in the reconciliation below:-

Group	Term loans RM'000	Banker Acceptances RM'000	Hire Purchase Financing RM'000	Lease Liabilities RM'000	Total RM'000
At 1 January 2022	1,598	1,249	44	2,055	4,946
Non-cash changes :-					
Additions	-	-	-	1,562	1,562
Cash changes :-					
Net (repayment)/ drawdown of borrowings	(295)	2,698	-	-	2,403
Payment of lease liabilities	-	-	-	(1,198)	(1,198)
Payment of hire purchase financing	-	-	(33)	-	(33)
Net changes in cash flows	(295)	2,698	(33)	(1,198)	1,172
At 31 December 2022	1,303	3,947	11	2,419	7,680

	Term loans RM'000	Banker Acceptances RM'000	Hire Purchase Financing RM'000	Lease Liabilities RM'000	Total RM'000
At 1 January 2021	-	3,573	77	1,295	4,945
Non-cash changes :-					
Arising from acquisition of a subsidiary	60	-	-	-	60
Additions	-	-	-	1,988	1,988
Cash changes :-					
Net drawdown/ (repayment) of borrowings	1,538	(2,324)	-	-	(786)
Payment of lease liabilities	-	-	-	(1,228)	(1,228)
Payment of hire purchase financing	-	-	(33)	-	(33)
Net changes in cash flows	1,538	(2,324)	(33)	(1,228)	(2,047)
At 31 December 2021	1,598	1,249	44	2,055	4,946

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

34. NOTES TO STATEMENTS OF CASH FLOWS (Cont'd)

(a) Liabilities arising from financing activities (Cont'd)

Changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes, during the financial year are analysed in the reconciliation below (Cont'd):-

Company	Hire Purchase Financing RM'000	Lease Liabilities RM'000	Total RM'000
At 1 January 2022	44	338	382
Non-cash changes :-			
Addition	-	1,111	1,111
Cash changes :-			
Payment of lease liabilities	-	(559)	(559)
Payment of hire purchase financing	(33)	-	(33)
Net changes in cash flows	(33)	(559)	(592)
At 31 December 2022	11	890	901
At 1 January 2021	77	890	967
Cash changes :-			
Payment of lease liabilities	-	(552)	(552)
Payment of hire purchase financing	(33)	-	(33)
Net changes in cash flows	(33)	(552)	(585)
At 31 December 2021	44	338	382

(b) Cash and cash equivalents at end of year

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with licensed commercial banks (Note 25)	7,693	7,458	2,008	1,971
Cash and bank balances (Note 25)	5,269	23,535	526	11,040
	12,962	30,993	2,534	13,011
Short term borrowings - Overdrafts (Note 28)	(2,715)	(1,185)	-	-
	10,247	29,808	2,534	13,011
Less : Deposits pledged (Note 25)	(7,693)	(7,458)	(2,008)	(1,971)
	2,554	22,350	526	11,040

35. CAPITAL COMMITMENT

	Group	
	2022 RM'000	2021 RM'000
Authorised and contracted for :-		
Purchase of property	-	215

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

36. CONTINGENT LIABILITIES

	2022 RM'000	Group 2021 RM'000
Bank guarantees issued by financial institutions for performance guarantees of a subsidiary (secured)	1,488	1,019

The bank guarantees are secured by pledge of fixed deposits of the Group and Company and corporate guarantees by the Company.

37. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include deposits, cash and bank balances, amounts due from related companies and trade and other receivables.

Financial liabilities of the Group include trade and other payables, amount due to a related company and borrowings.

Financial assets of the Company also include amounts due from subsidiaries.

A. Categories of Financial Instruments

Financial assets as per statements of financial position

	Group		Company	
	Carrying amount RM'000	Financial assets at amortised cost RM'000	Carrying amount RM'000	Financial assets at amortised cost RM'000
2022				
Trade receivables	11,425	11,425	-	-
Other receivables	12,147	12,147	168	168
Deposits, cash and bank balances	12,962	12,962	2,534	2,534
Amounts due from subsidiaries	-	-	92,040	92,040
Amounts due from related companies	387	387	-	-
	36,921	36,921	94,742	94,742
2021				
Trade receivables	10,167	10,167	-	-
Other receivables	761	761	136	136
Deposits, cash and bank balances	30,993	30,993	13,011	13,011
Amounts due from subsidiaries	-	-	85,297	85,297
Amounts due from related companies	75	75	-	-
	41,996	41,996	98,444	98,444

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

37. FINANCIAL INSTRUMENTS (Cont'd)

A. Categories of Financial Instruments (Cont'd)

Financial liabilities as per statements of financial position (Cont'd)

	Group		Company	
	Carrying amount	Financial liabilities at amortised cost	Carrying amount	Financial liabilities at amortised cost
	RM'000	RM'000	RM'000	RM'000
2022				
Trade payables	2,701	2,701	-	-
Other payables	2,335	2,335	130	130
Amount due to a related company	23	23	23	23
Borrowings	7,976	7,976	11	11
	13,035	13,035	164	164
2021				
Trade payables	2,367	2,367	-	-
Other payables	2,430	2,430	252	252
Amount due to a related company	15	15	-	-
Borrowings	4,076	4,076	44	44
	8,888	8,888	296	296

B. Fair Value of Financial Instruments

(i) Fair value of financial instruments that are not carried at fair value and whose carrying amounts are not reflective of fair value

Financial Liabilities	Group and Company	
	Carrying Amount	Fair Value
	RM'000	RM'000
At 31 December 2022:		
Hire purchase payable (Note 28)	11	11
At 31 December 2021:		
Hire purchase payable (Note 28)	44	43

(ii) Financial instruments that are not carried at fair value and whose carrying amounts are reflective of fair value

The carrying amounts of deposits, cash and bank balances, receivables and payables and short term bank overdrafts and banker acceptances approximate their fair values due to the relatively short term nature of these financial instruments. The fair values of term loans approximate their carrying amounts.

The carrying amounts of balances with subsidiaries and related companies approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing the financial risks to which the Group is exposed and to minimise or avoid the incidence of loss that may result from its exposure to such risks and to enhance returns where appropriate. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the current year and previous year, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(a) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has interest rate risk in respect of deposits with licensed commercial banks, hire purchase payable, banker acceptances, bank overdrafts and term loans.

The Group's deposits with licensed commercial banks, term loans and hire purchase payable are based on fixed rates. The Group's banker acceptances facility is based on floating rate but such rate is fixed for each drawdown. The Group's bank overdrafts are based on floating rate.

Market interest rates movements are monitored with a view to ensuring that the most competitive rates are secured and where appropriate borrowing arrangements and interest bearing deposits are restructured or reduced.

Sensitivity analysis for interest rate risk

As the Group's deposits with licensed commercial banks, hire purchase payable, banker acceptances and term loans as at the end of the reporting period are based on fixed rates, a change in interest rates at the end of the reporting period would not affect profit or loss or equity.

The Group's profit or loss and equity will be affected by a change in market interest rate as at the end of the reporting period due to its floating rate bank overdrafts. An increase of 50 basis points in the market interest rate at the end of the reporting period would have decreased the profit or loss and equity by RM19,000 (2021: RM6,000). A decrease of the same basis points would have the equal but opposite effect on the profit or loss and equity. This sensitivity analysis assumes that all other risk variables as at the end of the reporting period remain constant.

(b) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily United States Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

There is no unhedged financial assets and financial liabilities of the companies within the Group that are not denominated in their functional currencies as at the end of the reporting period.

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows :-

Group

	Maturity Profile			Effective interest rate %
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	Later than 5 years RM'000	
2022				
Financial liabilities				
Trade payables	2,701	-	-	-
Other payables	2,335	-	-	-
Amount due to a related company	23	-	-	-
Hire purchase payable	11	-	-	4.44%
Term loans	391	1,085	-	3.50%-7.81%
Banker acceptances	3,947	-	-	4.18%-5.71%
Bank overdrafts	2,715	-	-	7.60%-7.65%
	12,123	1,085	-	
2021				
Financial liabilities				
Trade payables	2,367	-	-	-
Other payables	2,430	-	-	-
Amount due to a related company	15	-	-	-
Hire purchase payable	35	11	-	4.44%
Term loans	391	1,474	-	3.50%-7.06%
Banker acceptances	1,249	-	-	7.06%
Bank overdrafts	1,185	-	-	6.65%-6.97%
	7,672	1,485	-	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows (Cont'd) :-

Company

	Maturity Profile			Effective interest rate %
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	Later than 5 years RM'000	
2022				
Financial liabilities				
Other payables	130	-	-	-
Amount due to a related company	23	-	-	-
Hire purchase payable	11	-	-	4.44%
	164	-	-	
Financial guarantee contracts	8,309	-	-	
2021				
Financial liabilities				
Other payables	252	-	-	-
Hire purchase payable	35	11	-	4.44%
	287	11	-	
Financial guarantee contracts	4,594	-	-	

Financial guarantee contracts (corporate guarantees) of the Company represents the maximum amount of guarantees that could be called in respect of facilities utilised at the end of reporting period as disclosed in Note 38(d).

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counter parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts. The Group does not offer credit terms without the approval of either the Chief Corporate Officer or the Managing Director.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(d) Credit risk (Cont'd)

The Group assesses changes in its exposure to customers' credit risk based primarily on past due information for customers' balances, their past payment trend and historical defaults experience, if any, together with other relevant credit risk related information affecting the financial standing of the customers which are available to management. The Group also considers macroeconomic information in respect of current market development and industry outlook that may affect its credit risk exposure.

The Group measures its exposure to credit risk by way of an allowance for expected credit losses ("ECLs"). ECLs take into consideration the probability of a default in payment of trade receivables before they become credit impaired. The Group uses the simplified approach, i.e. lifetime ECLs in determining the allowance for ECLs on trade receivables which have been grouped based on their shared credit risk characteristics. In this respect, the ECLs are computed by way of an allowance matrix using past due information with loss rates determined based on past credit loss experience. For any trade receivables which are determined as credit impaired at the reporting date, ECLs are assessed and measured on an individual basis. Trade receivables are determined as credit impaired when they have defaulted on their payments and are considered to have financial difficulties in repaying their debts.

Information on the exposure to credit risk and impairment of trade receivables are disclosed in Note 20.

The Group determines concentration of credit risk by monitoring customer industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's gross trade receivables at the reporting date is as follows:

	2022 RM'000	2021 RM'000
By industry sectors:		
Government agencies and linked corporations	3,630	2,283
Private corporations	10,897	11,002
	14,527	13,285

Contract assets have substantially the same risk characteristics as the trade receivables for contracts which they relate to. As at the reporting date, the Group has assessed that the contract assets have low credit risk and the related expected credit loss is insignificant.

The Group has made appropriate allowance for impairment loss on the amount due from a former related party as disclosed in Note 21(a) based on management's assessment of the changes in credit risk of the receivable at the reporting date.

Other receivables including amount due from related companies are assessed to have low credit risk exposure due to their short maturities. Cash and cash equivalents are placed with major financial institutions which have low credit risk. The Group views that any expected credit losses arising on these financial assets are insignificant.

The Company considers advances to its subsidiaries generally have low credit risk and monitors the financial position of the subsidiaries in managing the exposure to their credit risk. Appropriate loss allowance has been made for outstanding balances due from subsidiaries as disclosed in Note 23 using the general approach under MFRS 9 based on management's assessment of changes in credit risk at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(d) Credit risk (Cont'd)

The Company's exposure to credit risk arising from financial guarantees (corporate guarantees) given to financial institutions for banking facilities and to suppliers for credit terms granted to certain subsidiaries is limited to the amount utilised by the subsidiaries at any point of time which amounted to RM8,309,000 (2021: RM4,594,000) at the end of the reporting period. As at the reporting date, there is no indication that these subsidiaries would not be able to fulfil their obligations for the amount of facilities utilised. Accordingly, the Company expects no credit loss arising from these financial guarantees.

The maximum exposure to credit risk is represented by the carrying amount of financial assets in the statements of financial position of the Group and of the Company at the reporting date.

None of the Group's financial assets are secured by collateral or other credit enhancement.

39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in accordance to changes in economic condition. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using debt to equity ratio, which is total debt divided by total equity. The Group includes within total debt, borrowings, trade and other payables. Capital includes equity attributable to the owners of the Company.

The debt to equity ratio as at the end of the reporting period is as follows:

	2022	Group 2021
Total debts (RM'000)	15,454	10,943
Equity attributable to the owners of the Company, representing total capital (RM'000)	65,102	82,780
Debts to equity ratio	24%	13%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

40. SEGMENT INFORMATION

The Group's operating segments are its business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced. Information by geographical location is not presented as the Group's operations are located primarily in Malaysia.

The operating businesses are organised and managed separately according to the nature of the products and services provided with each segment representing a strategic business unit that offers different services and serves different markets.

The Group is providing the following services:

- (i) ICT related products and services
- (ii) Payment solutions and services

Business Segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment.

31 December 2022

	ICT related products and services RM'000	Payment solutions and services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	27,818	309	-	28,127
Intersegment sales	453	-	(453)	-
Total revenue	28,271	309	(453)	28,127
RESULTS				
Segment (loss)/profit	(17,048)	(1,719)	6,691	(12,076)
Interest income				153
Unallocated expenses				(6,133)
Loss from operations				(18,056)
Interest expense				(488)
Loss before tax				(18,544)
Taxation				9
Loss after tax				(18,535)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

40. SEGMENT INFORMATION (Cont'd)

Business Segments (Cont'd)

31 December 2022 (Cont'd)

	ICT related products and services RM'000	Payment solutions and services RM'000	Elimination RM'000	Group RM'000
OTHER INFORMATION				
Segment assets	86,195	2,241	-	88,436
Unallocated assets				10
Total assets				88,446
Segment liabilities	21,041	462	-	21,503
Unallocated liabilities				7
Total liabilities				21,510
Capital expenditure	20,796	6	-	20,802
Depreciation and amortisation:				
- property, plant and equipment and intangible assets	4,835	358	-	5,193
- investment property	8	-	-	8
- right-of-use assets	1,219	-	-	1,219
Net allowance for/(write-back of) impairment losses on receivables	2,759	(15)	-	2,744
Write-back of allowance for obsolete inventories	(234)	-	-	(234)
Inventories written off	229	-	-	229
Property, plant and equipment written off	1	-	-	1

31 December 2021

Revenue				
External sales	35,417	573	-	35,990
Intersegment sales	162	-	(162)	-
Total revenue	35,579	573	(162)	35,990

RESULTS

Segment (loss)/profit	(10,518)	(1,125)	6,449	(5,194)
Interest income				414
Unallocated expenses				(6,062)
Loss from operations				(10,842)
Interest expense				(301)
Loss before tax				(11,143)
Taxation				131
Loss after tax				(11,012)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

40. SEGMENT INFORMATION (Cont'd)

Business Segments (Cont'd)

31 December 2021 (Cont'd)

	ICT related products and services RM'000	Payment solutions and services RM'000	Elimination RM'000	Group RM'000
OTHER INFORMATION				
Segment assets	60,329	2,770	-	63,099
Unallocated assets				36,496
Total assets				99,595
Segment liabilities	14,220	600	-	14,820
Unallocated liabilities				23
Total liabilities				14,843
Capital expenditure	7,986	15	-	8,001
Depreciation and amortisation:				
- property, plant and equipment and intangible assets	2,573	161	-	2,734
- right-of-use assets	1,254	-	-	1,254
Net allowance for/(write-back of) impairment losses on receivables	816	(20)	-	796
Allowance for obsolete inventories	33	-	-	33
Property, plant and equipment written off	8	-	-	8

Segment assets consist of primarily property, plant and equipment, investment property, intangible assets including goodwill, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities.

Capital expenditure comprise additions to property, plant and equipment (Note 13), investment property (Note 14) and intangible assets other than goodwill (Note 15) including those resulting from acquisitions.

Information on Major Customers

Revenue within ICT related products and services segment from transactions with major customers who individually accounted for 10 percent or more of the Group's revenue are summarised below :-

	2022 RM'000	2021 RM'000
Customer A	-	3,757
Customer B	-	5,635
Customer C	7,131	3,587
Customer D	3,766	-
Customer E	2,878	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(Cont'd)

41. SIGNIFICANT EVENT SUBSEQUENT TO END OF FINANCIAL YEAR

On 28 March 2023, the Company announced that it has completed the private placement of 15,375,100 new ordinary shares ("Placement Shares") in the Company with the listing and quotation of the Placement Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on that date. The Placement Shares were issued at the issue price of RM0.1626 per Placement Share as fixed and announced by the Company on 17 March 2023.

The aforesaid shares issuance is pursuant to a proposed private placement of up to 67,823,041 Placement Shares in accordance with the general mandate under Sections 75 and 76 of the Companies Act 2016 obtained from the shareholders of the Company at the Annual General Meeting held on 30 June 2021 as announced by the Company on 20 May 2022. Bursa Securities has approved the listing and quotation of the proposed Placement Shares on 22 June 2022 and has subsequently granted extension of time of 6 months from 22 December 2022 to 22 June 2023 for the Company to complete the proposed private placement.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **Dato' Mohd Rizal Bin Mohd Jaafar** and **Mohamad Sabir Bin Mohamad Sabri**, being two of the Directors of **Dataprep Holdings Bhd**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 68 to 145 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Board of Directors,

Dato' Mohd Rizal Bin Mohd Jaafar

Chairman

Mohamad Sabir Bin Mohamad Sabri

Director

Date : 03 April 2023

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Geng Mun Mooi**, the Officer primarily responsible for the financial management of Dataprep Holdings Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 68 to 145 are, in my opinion 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, Geng Mun Mooi at
Kuala Lumpur in the Federal Territory
on 03 April 2023.

Geng Mun Mooi
(MIA 8365)

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPREP HOLDINGS BHD. (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DATAPREP HOLDINGS BHD, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 68 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPREP HOLDINGS BHD. (Incorporated in Malaysia)
(Cont'd)

Key Audit Matters (Cont'd)

Key audit matters	Our audit approach to address the key audit matters
<p>1. <u>Revenue recognition under contract accounting</u></p> <p>Refer to Notes 2.9, 2.25(a), 3(b)(vi), 4 and 22 to the financial statements.</p> <p>The Group recognises revenue from contracts with customers over time using the stage of completion method. The stage of completion is measured by the proportion of actual contract costs incurred to date over the estimated total contract costs in the project budgets for contracts in progress. Revenue recognised for performance obligations under the contracts satisfied as at the end of the reporting period is taken up as contract assets if not billed pending customers' acceptance. In this respect, significant judgement is required from management in determining the estimated total contract costs allocation to budgets as well as the recoverability of cost incurred from customers for contract works performed. Such judgement involves estimation uncertainty which has significant impact to the amount of revenue recognised for the financial year.</p>	<p>Our audit approach included the following:</p> <ul style="list-style-type: none"> • Performed an update of our understanding of the Group's project budgeting processes including relevant controls and performed tests to assess the reliability of the project budgets. • Verified the contract sums and material cost elements in the project budgets, for selected significant on-going projects, against their supporting documentation including contracts, key assumptions and workings for estimates of contract costs. We also considered the accuracy of management's past estimates and assessed the consistency of assumptions used across the selected projects. • Performed inquiries with management to assess whether the status of on-going contracts accord with the stage of completion determined for revenue recognition and also whether the estimates used for project budgets are reasonable. We further assessed whether management has updated the project budgets where actual revenue or costs have deviated significantly from estimates. • Performed recomputation to assess the mathematical accuracy of revenue and costs recognised based on stage of completion method and considered the implications of any identified error and change in estimates. • Verified actual contract billings and costs recognised for selected projects to supporting invoices.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPREP HOLDINGS BHD. (Incorporated in Malaysia)
(Cont'd)

Key Audit Matters (Cont'd)

Key audit matters	Our audit approach to address the key audit matters
<p>2. <u>Valuation of trade receivables and contract assets</u></p> <p>Refer to Notes 2.13, 3(b)(iv), 20, 22 and 38(d) to the financial statements.</p> <p>Trade receivables and contract assets are subject to assessment for expected credit loss ("ECL") based on the simplified approach impairment model under MFRS 9 <i>Financial Instruments</i>. The ECL impairment model is a forward-looking approach which requires management's significant judgement on assumptions and estimates which have significant impact on the valuation of trade receivables and contract assets of the Group. For determining ECL at the reporting date, the Group uses a provision matrix based on the age of receivables and assumptions on credit risk profiling, expected loss rate, expected future cash flows and macro economic conditions.</p>	<p>Our audit approach included the following:</p> <ul style="list-style-type: none"> • Evaluated the management's procedures for reviewing and monitoring of trade receivables and contract assets to determine their recoverability. • Assessed the appropriateness of the ECL impairment model used by the Group considering management's assumptions, data inputs and estimates used for the impairment computation against the Group's past history of credit losses and both existing and future market conditions. • Assessed the reasonableness of the assumptions used by management to estimate the future cash flows expected to be recovered by the Group with respect to those credit impaired trade receivables assessed for ECL individually. • Performed recomputation of the impairment loss allowed for at the reporting date based on the adopted ECL impairment model for mathematical accuracy.
<p>3. <u>Impairment of goodwill</u></p> <p>Refer to Notes 2.4, 2.6(a), 2.11, 3(b)(v) and 16 to the financial statements.</p> <p>The Group is required to test the amount of goodwill allocated to the cash-generating unit ("CGU") for impairment annually. The approach to impairment testing together with the key assumptions used are disclosed in Note 16.</p> <p>Goodwill impairment assessment by management involves significant judgements and assumptions on revenue growth, inflation rate and discount rate used in the computation of value in use of the CGU.</p>	<p>Our audit approach included the following:</p> <ul style="list-style-type: none"> • Assessed the reasonableness of the five-year projected cash flows of the CGU prepared by management through checking the key assumptions including revenue growth, inflation rate and long term growth rate used in the preparation of the projected cash flows. • Assessed the reasonableness of the discount rate used by management in the computation of the value in use of the CGU and performed recomputation of the workings. • Evaluated the sensitivity analysis performed by management on impact of reasonable changes in the key assumptions used in the value in use computation to goodwill impairment.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPREP HOLDINGS BHD. (Incorporated in Malaysia)
(Cont'd)

Key Audit Matters (Cont'd)

Key audit matters	Our audit approach to address the key audit matters
<p>4. <u>Assessment of impairment on the carrying value of the Company's investment in subsidiaries and amounts due from subsidiaries</u></p> <p>Refer to Notes 2.11, 2.13, 3(b)(i), 3(b)(iv), 17 and 23 to the financial statements.</p> <p>The Company assesses the recoverable amount of the investment in a subsidiary based on the higher of its value in use ("VIU") and fair value less cost to sell when there are indications that the carrying value of the subsidiary may have been impaired. The Company has determined that the recoverable amount is based on VIU which involves estimation of future cash flows from the subsidiary. This estimation is inherently uncertain and requires management's significant judgement on both future cash flows and the discount rate applied to the future cash flows in arriving at the VIU.</p> <p>The Company's assessment of the recoverability of amounts due from subsidiaries also involves management's significant judgement and estimates on the expected future operating cash flows of the subsidiaries while considering their current financial conditions.</p> <p>The extent of significant judgement required from management and the significance of the amount of investment in and advances to subsidiaries resulted in the above matters being identified as key audit matters for the Company.</p>	<p>Our audit approach included the following:</p> <ul style="list-style-type: none"> • Compared the cash flow projections of subsidiaries to their performance for recent periods to assess the reasonableness of key assumptions on revenue and growth rate used in the cash flow projections. • Assessed the reasonableness of the discount rate which reflects the specific risk relating to the investments in subsidiaries. • Performed a sensitivity analysis over terminal growth rate and discount rate used in deriving the VIU to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount of the investment in subsidiaries. • Assessed the business plans and strategies for the subsidiaries which may impact the availability and timing of future cash flows from operations to meet repayment obligations of amount due to the Company through discussion with the management.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPREP HOLDINGS BHD. (Incorporated in Malaysia)
(Cont'd)

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 information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and 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 this other information, 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 Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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 Group or 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 Group and 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.

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 skepticism throughout the audit. We also :-

- Identify and assess the risks of material misstatement of the financial statements of the Group and 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 Group's and the Company's internal control.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPREP HOLDINGS BHD. (Incorporated in Malaysia)

(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 Group's or 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 Group and 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 Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17(a) to the financial statements.

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.

FOLKS DFK & CO.
FIRM NO. : AF 0502
CHARTERED ACCOUNTANTS

NG YONG CHIN
NO : 03051/05/2023 J
CHARTERED ACCOUNTANT

Kuala Lumpur
Date : 03 April 2023

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

Total Number of Issued Shares	: 690,045,517
Class of Shares	: Ordinary Shares
No. of Shareholders	: 15,700

Voting rights: One vote for one ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	% of shareholders	No. of Shares	% of Issued
Less than 100	283	1.80	6,328	0.00
100 - 1,000	2,749	17.51	1,743,523	0.25
1,001 - 10,000	6,546	41.69	35,347,396	5.12
10,001 - 100,000	5,227	33.29	186,214,183	26.99
100,001 to less than 5% of issued shares	894	5.69	376,734,087	54.60
5% and above of issued shares	1	0.02	90,000,000	13.04
Total	15,700	100.00	690,045,517	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Dato' Mohd Rizal Bin Mohd Jaafar	2,000,000	0.29	-	-
2	Mohamad Sabir Bin Mohamad Sabri	515,200	0.09	-	-
3	Dato' Abdul Aziz Bin Ishak	2,000,000	0.29	-	-
4	Ong Kuan Wah	2,000,000	0.29	-	-
5	Nor Adha Bin Yahya	2,204,000	0.32	200,000	0.03

SUBSTANTIAL SHAREHOLDER

No.	Name of Substantial Shareholder	No. of Shares	%
1	BI Nominees (Tempatan) Sdn Bhd Wardah Communication Sdn Bhd	90,000,000	13.04

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

(Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	BI NOMINEES (TEMPATAN) SDN BHD WARDAH COMMUNICATION SDN BHD	90,000,000	13.04
2	SITI MUNAJAT BINTI MD GHAZALI	16,750,000	2.43
3	KENANGA NOMINEES (TEMPATAN) SDN BHD SENTOSA JAYA CAPITAL SDN BHD FOR NOR BAKSHAH BINTI ABU BAKAR	15,375,100	2.23
4	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR RAJESH A/L JAIKISHAN	8,500,000	1.23
5	LIEW SEE KIM	8,310,600	1.20
6	TEE KIAN HENG	7,000,000	1.01
7	APEX SECURITIES BERHAD	4,575,000	0.66
8	VICTOR CHAI CHENG WAH	3,632,100	0.53
9	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANITHA BINTI MOHAMED HANIFFA	3,500,000	0.51
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TAN YEW HOCK (PB)	3,200,000	0.46
11	LEONG WYE KEONG	3,000,000	0.44
12	TEH BENG HOCK	3,000,000	0.44
13	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT	3,000,000	0.44
14	TAN KIM LIN	2,700,000	0.39
15	TEO CHIN SIONG	2,648,600	0.38
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR AHMAD FARIS BIN ABDUL HALIM (PB)	2,564,000	0.37
17	CGS-CIMB SECURITIES SDN BHD IVT (CZC) LAM JUN WAH	2,500,000	0.36
18	TENGGU YUSOF BIN TENGGU AHMAD SHAHRUDDIN C/O DAYANG ENTERPRISE HOLDINGS BHD	2,471,900	0.36
19	LIM ANN KOK	2,300,000	0.33
20	TAN SU MING	2,272,100	0.33
21	NOR ADHA BIN YAHYA	2,204,000	0.32
22	ABDUL AZIZ BIN ISHAK	2,000,000	0.29
23	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN BOON HUAT	2,000,000	0.29
24	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD RIZAL BIN MOHD JAAFAR	2,000,000	0.29
25	ONG KUAN WAH	2,000,000	0.29
26	PHANG CHIN KHIONG	2,000,000	0.29
27	YEW SOON KEONG	2,000,000	0.29
28	SREESANTHAN A/L ELIATHAMBY	1,935,000	0.28
29	TAN SAY LEONG	1,892,600	0.27
30	SAW SZE SYEH	1,869,000	0.27
	Total	207,200,000	30.03

Dataprep Holdings Bhd
 Registration No. 198901005754 (183059-H)
 (Incorporated in Malaysia)

No. of shares held :	
CDS Account No. :	

I/We * _____ NRIC/Passport/Registration No.* _____
(Full name in block)

of _____
(Address)

with email address _____ mobile phone no. _____
 being a member/members* of **Dataprep Holdings Bhd** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and / or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend, speak and vote for *me/us and on my/our behalf at the Thirty Forth Annual General Meeting of the Company to be conducted on a fully virtual basis at the of the Company to be held at Broadcast venue, Widad Semantan (WISE), No. 3, Jalan Semantan, 50490 Damansara Heights, Kuala Lumpur on Monday, 12 June 2023 at 10.00 a.m. or any adjournment thereof.

Please indicate with an "x" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the proxy will vote or abstain from voting at his/her discretion.

ORDINARY RESOLUTIONS		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
1.	To approve the aggregate directors' fees and benefits payable to directors of the Company not exceeding the amount of RM400,000 from 1 January 2023 to the next Annual General Meeting of the Company.				
2.	To re-elect the director, Mohamad Sabir bin Mohamad Sabri				
3.	To re-elect the director, Nor Adha bin Yahya				
4.	To re-appoint the retiring auditors, Messrs. Folks DFK & Co				
5.	Authority to Allot and Issue Shares				
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				

* delete whichever is not applicable.

Dated this _____ 2023

 Signature of Member(s) / Common Seal

Notes:-

1. In view of the Coronavirus Disease (COVID-19) situation and as part of our safety measures, the Thirty Forth Annual General Meeting ("34th AGM") of DATAPREP HOLDINGS BHD ("DATAPREP" or "The Company") will be conducted on a fully virtual basis through remote participation and electronic voting from the Broadcast Venue ("Online AGM"). This is in line with the Guidance Notes on the Conduct of General Meetings for the Listed Issuers issued by the Securities Commission Malaysia revised on 5 March 2021.
 The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to physically present at the 34th AGM in person at the Broadcast Venue on the day of the meeting.
2. A member entitled to present via RPV at this meeting is entitled to appoint more than (1) proxy to attend, speak and vote instead of the member at the meeting. A proxy may but need not be a member of the Company.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings(s) to be represented by each proxy.
4. A members can also appoint Chairman of the Meeting as a proxy. Please ensure that your details are accurate as any non-compliance may result in you not being able to receive your DBF.
5. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or submit via email at: AGM-support.DPI@megacorp.com.my not less than forty-eight (48) hours before the time of holding the 34th AGM, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
8. Should the member has appointed proxy but decide to participate himself instead, the member has to revoke the appointed proxy and reach the Poll Administrator not less than forty-eight (48) hours before the AGM.
9. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 88 of the Company's Constitution, a Record of Depositors as at 1st June 2023 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

The Poll Administrator

Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

1st Fold Here

Dataprep Holdings Bhd.

Registration No. 198901005754 (183059-H)

Dataprep @Widad Semantan

No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur

Tel : + 603-7843 1600 Fax : +603-7956 2324

Website : www.dp.com.my