

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000	CHANGES (AMOUNT/ %)
1 Revenue	7,674	7,713	-1%	7,674	7,713	-1%
2 Operating profit/ (loss)	(2,764)	(2,488)	-11%	(2,764)	(2,488)	-11%
3 Profit/ (Loss) Before Interest and Tax	(2,764)	(2,488)	-11%	(2,764)	(2,488)	-11%
4 Profit / (Loss) before taxation	(2,817)	(2,563)	-10%	(2,817)	(2,563)	-10%
5 Profit / (Loss) for the year	(2,817)	(2,563)	-10%	(2,817)	(2,563)	-10%
6 Profit / (Loss) attributable to owners of the Company	(2,688)	(2,557)	-5%	(2,688)	(2,557)	-5%
7 Basic loss per share (sen)	(0.45)	(0.55)		(0.45)	(0.55)	
8 Diluted loss per share (sen)	(0.43)	(0.55)		(0.43)	(0.55)	
9 Proposed/Declared dividend per share (sen)	-	-		-	-	
	AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
10 Net assets per share attributable to owners of the Company (RM)		0.05			0.05	

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000	CHANGES (AMOUNT/ %)
1 Gross interest income	32	28	14%	32	28	14%
2 Gross interest expense	33	55	-40%	33	55	-40%

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2021**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000
Revenue	7,674	7,713	7,674	7,713
Operating expenses	(10,476)	(10,248)	(10,476)	(10,248)
Other operating income	38	47	38	47
Operating profit / (loss)	(2,764)	(2,488)	(2,764)	(2,488)
Finance costs	(53)	(75)	(53)	(75)
Profit / (Loss) before tax	(2,817)	(2,563)	(2,817)	(2,563)
Taxation	-	-	-	-
Profit / (Loss) for the financial period/year	(2,817)	(2,563)	(2,817)	(2,563)
Other comprehensive income/(loss):				
Foreign currency translation differences	7	(178)	7	(178)
Other comprehensive income/(loss) for the period/year, net of tax	7	(178)	7	(178)
Total comprehensive income / (loss) for the period /year	(2,810)	(2,741)	(2,810)	(2,741)
Profit / (Loss) for the period/year attributed to :				
Owners of the Company	(2,688)	(2,557)	(2,688)	(2,557)
Non-controlling interest	(129)	(6)	(129)	(6)
	(2,817)	(2,563)	(2,817)	(2,563)
Total comprehensive income / (loss) for the period/year attributable to:				
Owners of the Company	(2,681)	(2,735)	(2,681)	(2,735)
Non-controlling interest	(129)	(6)	(129)	(6)
	(2,810)	(2,741)	(2,810)	(2,741)
Earning / (Loss) per share :				
- basic (sen)	(0.45)	(0.55)	(0.45)	(0.55)
- diluted (sen)	(0.43)	(0.55)	(0.43)	(0.55)
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per share (RM)		0.05		0.05

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	As at 31.03.2021 (Unaudited) RM'000	As at 31.12.2020 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,422	2,352
Intangible assets	6,151	2,540
Right of use assets	943	1,251
	<u>9,516</u>	<u>6,143</u>
Current Assets		
Inventories	213	202
Trade receivables	12,944	13,148
Other receivables	3,858	1,985
Contract assets	2,254	1,999
Amount due from related companies	83	83
Tax recoverable	379	312
Deposits, cash and bank balances	17,103	18,404
	<u>36,834</u>	<u>36,133</u>
TOTAL ASSETS	<u>46,350</u>	<u>42,276</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	75,317	72,727
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	66	59
Share Option Reserve	957	1,637
Retained profit / (Accumulated losses)	(33,566)	(30,878)
	<u>29,265</u>	<u>30,036</u>
Non-controlling interest	(519)	286
Total equity	<u>28,746</u>	<u>30,322</u>
Non-current liabilities		
Long term borrowings	37	45
Lease Liabilities	194	338
	<u>231</u>	<u>383</u>
Current Liabilities		
Trade payables	2,121	1,097
Other payables	5,684	3,359
Contract liabilities	2,773	1,383
Amount due to ultimate holding company	-	-
Amount due to immediate holding company	-	-
Amount due to a related company	264	215
Short term borrowings	5,220	4,540
Lease liabilities	794	957
Share Application Money	497	-
Provision for taxation	20	20
Total current liabilities	<u>17,373</u>	<u>11,571</u>
Total liabilities	<u>17,604</u>	<u>11,954</u>
TOTAL EQUITY AND LIABILITIES	<u>46,350</u>	<u>42,276</u>
Net assets per share (RM)	<u>0.05</u>	<u>0.05</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2021

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

	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 Interest RM'000	Total Equity 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	-	-	-	-	(2,688)	(2,688)	(129)	(2,817)
Foreign currency translation loss of foreign operations	-	-	7	-	-	7	-	7
Total comprehensive loss for the year	-	-	7	-	(2,688)	(2,681)	(129)	(2,810)
Transactions with owners :								
Issuance of new ordinary shares through ESOS	1,910	-	-	-	-	1,910	-	1,910
Transfer from share options reserve	680	-	-	(680)	-	-	-	-
Acquisition of equity interest from non-controlling interest in a subsidiary	-	-	-	-	-	-	(676)	(676)
Total transactions with owners	2,590	-	-	(680)	-	1,910	(676)	1,234
At 31 March 2021	75,317	(13,509)	66	957	(33,566)	29,265	(519)	28,746

Note 1

Note 2

Note 1

The issued and paid-up share capital of the Company was increased from RM 72,727,627 comprising 602,595,817 ordinary shares to RM74,637,322 comprising 613,829,317 ordinary shares by way of the exercise of 11,233,500 ESOS options. The listing of 6,654,500 ordinary shares was on 8 March 2021 and 4,579,000 ordinary shares was on 19 March 2021 at the exercise price of RM0.17 per ordinary share. The corresponding fair value of the 11,233,500 share options of RM680,345.69 was transferred to share capital upon exercised.

Note 2

The Company via its subsidiary, Solisnet Sdn Bhd had on 10 December 2020 entered into a conditional Share Sale Agreement with Rohzan bin Abdul Rahman and Badrul Ilahan bin Dato' Hj. Abd Jabbar, the registered shareholders of RIDAA to acquire the existing 510,000 ordinary shares of RM1.00 each in RIDAA representing 51% of the total issued and paid-up share capital of RIDAA for a total cash consideration of RM3,000,000.00 only. The acquisition was duly completed on 15 February 2021.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2020

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

	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 Interest RM'000	Total Equity RM'000
At 1 January 2020	51,177	(13,509)	116	-	(21,138)	16,646	472	17,118
Loss for the financial year	-	-	-	-	(9,727)	(9,727)	(49)	(9,776)
Foreign currency translation loss of foreign operations	-	-	(57)	-	-	(57)	-	(57)
Total comprehensive loss for the year	-	-	(57)	-	(9,727)	(9,784)	(49)	(9,833)
Transactions with owners :								
Issuance of new ordinary shares through Private Placement	21,550	-	-	-	-	21,550	-	21,550
Fair Value of ESOS options granted	-	-	-	1,637	-	1,637	-	1,637
Acquisition of equity interest from non-controlling interest in a subsidiary	-	-	-	-	(13)	(13)	(137)	(150)
Total transactions with owners	21,550	-	-	1,637	(13)	23,174	(137)	23,037
At 31 December 2020	72,727	(13,509)	59	1,637	(30,878)	30,036	286	30,322

Note 1
Note 2
Note 3

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2020**

Note 1

On 21 April 2020, the Company has announced that it proposes to undertake proposed private placement of up to 139,060,500 new ordinary shares in Dataprep Holdings Bhd ("DHB"), representing up to 30% of the total number of issued shares of DHB to parties identified and to be identified at a later date ("Proposed Share Placement").

Bursa Securities via its letter dated 29 June 2020 had approved the listing of up to 139,060,500 Placement Shares to be issued pursuant to the Proposed Share Placement.

On 17 July 2020, the Proposals was approved by shareholders during the Extraordinary General Meeting("EGM").

The Company has issued and listed the first tranches of private placement of 30,120,482 ordinary shares to Widad Business Group Sdn Bhd ("WBG") on 1 September 2020. The Company's issued and paid-up share capital has increased from RM51,177,883.34 comprising 463,535,324 ordinary shares to RM56,177,883.34 comprising 493,655,806 ordinary shares and raised proceeds of RM5,000,000 from the first tranches as announced on 28 August 2020.

The Company's issued and paid-up share capital has increased from RM56,177,883.34 comprising 493,655,806 ordinary shares to RM60,177,883.34 comprising 517,185,217 ordinary shares and raised proceeds of RM4,000,000 from the final balance of the first tranches as announced on 6 October 2020.

The Company's issued and paid-up share capital has increased from RM60,177,883.34 comprising 517,185,217 ordinary shares to RM70,965,419.34 comprising 591,582,017 ordinary shares and raised proceeds of RM10,787,536 as announced on 20 October 2020.

The Company's issued and paid-up share capital has increased from RM70,965,419.34 comprising 591,582,017 ordinary shares to RM72,727,627.34 comprising 602,595,817 ordinary shares and raised proceeds of RM1,762,208 as announced on 21 December 2020.

Note 2

The fair value of the number of the employee share option scheme ("ESOS") of 27,030,000 granted on 28 October 2020 was measured using the Trinomial Option Pricing model. The fair value of share options granted was measured at the grant date at RM0.060564 which was equivalent to RM 1,637,045. The total fair value of share options granted of RM1,637,045 was recognized as employee benefits expense with a corresponding adjustment to the equity.

Note 3:

On 2 April 2018, the issued share capital of Tamadun was increased from 10,000 ordinary shares to 500,000 ordinary shares and the new shares shall rank pari passu in all respects with the existing ordinary shares. On the same date, Tamadun had disposed 150,000 ordinary shares to an outside corporation for a consideration of RM150,000, representing 30% of the equity interest in Tamadun and thereafter, the Group 's shareholding in Tamadun was reduced from 100% to 70%.

On 15 July 2020, The Company had transfer back the remaining 150,000 ordinary shares representing 100% equity interest in Tamadun Interaktif Sdn Bhd from non-controlling interest (Abroo Sdn Bhd) from 70% to 100%.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
AS AT 31 MARCH 2021

	31.03.2021 (Unaudited) RM'000	31.12.2020 (Audited) RM'000
Cash Flow from Operating Activities		
Loss before taxation	(2,817)	(9,767)
Adjustment for :-		
Non-cash items	(3,295)	4,150
Non-operating items	17	214
Operating loss before working capital changes	(6,095)	(5,403)
Increase in inventories	(12)	-
Increase in receivables	(1,667)	(1,771)
Increase in contract asset	(256)	(1,968)
Increase in payables	3,348	1,067
Decrease / (Increase) in contract liabilities	1,390	(933)
Increase in amount due from related companies	-	(83)
Decrease amount due to ultimate holding company	-	(105)
Decrease in amount due to immediate holding company	-	(23)
Increase / (Decrease) in amount due to a related company	49	(387)
Cash used in operations	(3,243)	(9,606)
Tax paid	(67)	(130)
Tax refunded	-	12
Interest received	32	127
Interest paid	(49)	(341)
Net cash used in operating activities	(3,327)	(9,938)
Cash flow from Investing Activities		
Purchase of plant and equipment	(259)	(77)
Purchase of intangible assets	-	(429)
Proceeds from issuance of new ordinary shares	2,590	21,550
Acquisition of additional shares in subsidiaries	(676)	(150)
Net cash generated from investing activities	1,655	20,894
Cash flow from Financing Activities		
(Placement) / Withdrawal of fixed deposits pledged	(702)	124
(Repayment) / Drawdown of borrowings	(276)	312
Payment of lease liabilities	(307)	(1,325)
Payment of hire purchase liabilities	(8)	(23)
Net cash used in financing activities	(1,293)	(912)
Net increase/ (decrease) in cash and cash equivalents	(2,965)	10,044
Effect of exchange rate fluctuations	7	(57)
Cash and cash equivalents at beginning of the period/year	11,241	1,254
Cash and cash equivalents at end of the period/year	8,283	11,241
Cash and cash equivalents at end of the financial year comprise the following:		
	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Deposits with licensed commercial banks	6,930	6,228
Cash and bank balances	10,173	12,176
	17,103	18,404
Short Term Borrowing :		
-Overdraft	(1,890)	(935)
	15,213	17,469
Less : fixed deposits pledged	(6,930)	(6,228)
	8,283	11,241

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). The condensed consolidated interim financial statements also comply with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) and the provisions of the Companies Act 2016 in Malaysia.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2020. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2020 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretations:

During the financial year, the Group has adopted the following new MFRS and IC Interpretation and 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 2021:-

Amendments to MFRS 16 - Covid'19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform (Phase 2)

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

- (a) Effective for annual periods beginning on or after 1 January 2022
 - 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
- (b) Effective for annual periods beginning on or after 1 January 2023
 - Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current
 - Amendments to MFRS 101 - Disclosure of Accounting Policies
 - Amendments to MFRS 108 - Definition of Accounting Estimates
- (c) Effective for financial 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 Associates 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. Audit qualification of the preceding annual financial statement

The Auditors’ Report of the Group’s Annual Financial Statements for the financial year ended 31 December 2020 was not subject to any qualification.

3. Seasonality or cyclical of the operations

The Group does not experience any seasonal or cyclical sales cycle. However, there may be fluctuations between the quarters due to the nature and size of the ICT projects secured and the milestone of completion on a project-by-project basis.

4. Material unusual items

There were no material unusual or exceptional items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in estimates

There were no changes in accounting estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

6. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities

Debt Securities

There was no cancellation, repurchase, resale and repayment of debt securities other than the issuance of equity in the current quarter.

Equity Securities

LONG TERM INCENTIVE PLAN ("LTIP")- EMPLOYEE SHARE OPTION SCHEME ("ESOS") AND SHARE GRANT SCHEME ("SGS")

The LTIP consists of an ESOS and a SGS which comprises the Retention Share Plan ("RSP") and Performance Share Plan ("PSP"). The Company's LTIP is governed by the By-Laws which were approved by the shareholders on 17 July 2020. This LTIP was implemented on 21 July 2020 and will expire on 20 July 2030 ("the Option Period"). On 28 September 2020, the Company has announced the offer of Options to the eligible employee and directors of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company under the LTIP ("Offer"). The shares Options offered to Eligible Persons as defined in the By-Laws was up to 36,675,000 number of shares Options at exercise offer price of RM0.17 and were effective and exercisable from the date of announcement on 28 September 2020. The number of shares Options granted and accepted by the Eligible Persons within 30 days of offer period which lapsed on 27 October 2020 was 27,030,000.

The number of ordinary shares issued under the ESOS during the current quarter was 11,233,500. The new ordinary shares issued under the ESOS, shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company.

6. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities (Cont'd)

The number of ordinary shares of the Company listed and issued under ESOS during the current quarter was as follows:-

	Share Capital No of Units	Share Capital RM
As at 1 January 2021	602,595,817	72,727,627.34
Issuance of new ordinary shares pursuant to ESOS:-		
On 8 March 2021	6,654,500	1,131,265
On 19 March 2021	4,579,000	778,430
As at 31 March 2021	<u>613,829,317</u>	<u>74,637,322.34</u>

The movement of shares options over ordinary shares of the Company during the current quarter was as follows:-

Grant Date	Exercise Price RM	Number of share options			As at 31.3.2021
		Granted	Exercised	Lapsed	
28 October 2020	0.17	27,030,000	11,233,500	-	15,796,500

Subsequent to the current quarter, on 1 April 2021 up to 3 May 2021, the Company announced that a total of 7,083,500 new ordinary shares was issued under ESOS and listed on 2 April 2021, 16 April 2021 and 3 May 2021 respectively. The issued share capital has increased from RM 74,637,322.34 to RM 75,841,517.34, representing an increase in the number of ordinary shares of the Company from 613,829,317 to 620,912,817.

Pursuant to the Proposed Private Placement of up to 138,597,000 new ordinary shares in the Company representing 20% of the total number of issued shares of the Company to independent third party investor(s), on 3 May 2021, the Company announced the issued and listing of 48,354,600 new ordinary shares which further increased the number of ordinary shares to 669,267,417 and the share capital to RM139,186,043.34

7. Dividend paid

No dividend was paid by the Company since the end of the preceding financial period.

8. Segmental information

The Group’s segmental reporting by business segment as at 31 March 2021 is as follows: -

BUSINESS SEGMENT	EXTERNAL SALES RM'000	INTERSEGMENT SALES RM'000	ELIMINATION RM'000	GROUP SALES RM'000
(a) <i>IT Related Products and Services and Trading</i>	7,496	42	(42)	7,496
(b) <i>Payment Solutions & Services</i>	178			178
SALES BY SEGMENT	7,674	42	(42)	7,674
(a) <i>IT Related Products and Services and Trading</i>	(2,735)		1,630	(1,105)
(b) <i>Payment Solutions & Services</i>	(266)			(266)
SEGMENT RESULTS	(3,001)	-	1,630	(1,371)
Interest income				32
Unallocated expenses				(1,445)
Loss from operations				(2,784)
Interest expenses				(33)
Loss before taxation				(2,817)
Taxation				-
Loss after taxation				(2,817)

9. Valuation of property, plant and equipment

The Group has not revalued its property, plant and equipment.

10. Significant events

There were no significant events which occurred during the current quarter under review.

11. Changes in the composition of the Group

- (a) Acquisition of RIDAA Associates Sdn Bhd (“RIDAA”) by the Company’s wholly-owned subsidiary, Solsisnet Sdn Bhd

The Company via its subsidiary, Solsisnet Sdn Bhd had on 10 December 2020 entered into a conditional Share Sale Agreement with Rohzan bin Abdul Rahman and Badrul Ilahan bin Dato’ Hj. Abd Jabbar, the registered shareholders of RIDAA to acquire the existing 510,000 ordinary shares of RM1.00 each in RIDAA representing 51% of the total issued and paid-up share capital of RIDAA for a total cash consideration of RM3,000,000.00 only. The acquisition was duly completed on 15 February 2021.

11. Changes in the composition of the Group(Cont'd)

- (b) Acquisition of Asia Solutions Centre Sdn. Bhd (“Asia Solutions”) by the Company’s wholly-owned subsidiary, Dataprep (Malaysia) Sdn Berhad

The Company via its subsidiary, Dataprep (Malaysia) Sdn Berhad had on 15 March 2021 entered into a Share Sale Agreement with Asia Solutions Centre Sdn. Bhd. and Asia Coding Centre Sdn Bhd, the registered shareholders of Asia Solutions to acquire the existing 51 ordinary shares of RM1.00 each in Asia Solutions representing 51% of its total issued and paid-up share capital for a total cash consideration of RM51.00 only.

As announced on 26 March 2021, Dataprep (Malaysia) Sdn Berhad, a wholly owned subsidiary of the Company has on 26 March 2021 completed the acquisition of 51 ordinary shares, representing 51% of the total issued and paid-up share capital of Asia Solutions for a total cash consideration of RM51.00.

- (c) Acquisition of Asia Biomed Centre Sdn. Bhd (“Asia Biomed”) by the Company’s wholly-owned subsidiary, Dataprep (Malaysia) Sdn Berhad

The Company via its subsidiary, Dataprep (Malaysia) Sdn Berhad had on 15 March 2021 entered into a Share Sale Agreement with Asia Biomed Centre Sdn. Bhd. and Asia Coding Centre Sdn Bhd, the registered shareholders of Asia Biomed to acquire the existing 510 ordinary shares of RM1.00 each in Asia Biomed representing 51% of its total issued and paid-up share capital for a total cash consideration of RM510.00 only.

As announced on 26 March 2021, Dataprep (Malaysia) Sdn Berhad, a wholly owned subsidiary of the Company has on 26 March 2021 completed the acquisition of 510 ordinary shares, representing 51% of the total issued and paid-up share capital of Asia Biomed for a total cash consideration of RM510.00.

12. Changes in contingent liabilities (Secured)

Contingent Liabilities :-	Group		
	31.03.2021 RM'000	31.12.2020 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for performance guarantee of a subsidiary (secured)	1,075	966	109
	1,075	966	109

13. Review of performance

a. Comparison of results for the current quarter with the preceding year corresponding quarter.

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [31/03/2021] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [31/03/2020] RM'000	CHANGES (AMOUNT/ %)
Revenue	7,674	7,713	-1%	7,674	7,713	-1%
Operating profit / (loss)	(2,764)	(2,488)	-11%	(2,764)	(2,488)	-11%
Profit / (Loss) Before Interest and Tax	(2,764)	(2,488)	-11%	(2,764)	(2,488)	-11%
Profit / (Loss) before taxation	(2,817)	(2,563)	-10%	(2,817)	(2,563)	-10%
Profit / (Loss) for the year	(2,817)	(2,563)	-10%	(2,817)	(2,563)	-10%
Profit / (Loss) attributable to owners of the Company	(2,688)	(2,557)	-5%	(2,688)	(2,557)	-5%

The Group's recorded sales of RM7.67 million as compare with the preceding year corresponding quarter of RM7.71 million.

The loss before taxation of RM2.82 million in the current quarter as against RM2.56 million in the preceding year corresponding quarter. The loss before taxation of RM2.82 million was due to projects with lower gross profit margin secured.

The performance of the business segments for the current quarter as compared to the preceding year corresponding quarter is as follows:-

IT Related Products and Services and Trading

The revenue for the current quarter was RM7.50 million as compared to preceding year corresponding quarter of RM7.47 million.

The loss before taxation of RM1.1 million for this segment in the current quarter as against a loss before taxation of RM0.94 million for this segment in the preceding year corresponding quarter was due to projects with lower gross profit margin secured.

Payment Solutions and Services

The revenue decreased from RM0.24 million in the preceding year corresponding quarter to RM0.18 million in the current quarter was due to lower number of terminal installed.

This segment recorded a loss before taxation of RM0.27 million in the current quarter as against a loss before taxation of RM0.15 million due to lower number of terminal installed.

b. Assets and Liabilities

Total assets increased from RM42.28 million as at 31 December 2020 to RM 46.35 million as at 31 March 2021 was attributable to higher intangible asset which comprised of goodwill of RM3.7 million derived from acquisition of a subsidiary.

Total liabilities increase from RM11.95 million as at 31 December 2020 to RM17.60 million as at 31 March 2021 was due to timing difference of settlement of trade payable, other payable and short term borrowing.

14. Comparison of results for the current quarter with the immediate preceding quarter.

		CURRENT YEAR QUARTER [31/03/2021] RM'000	IMMEDIATE PRECEDING QUARTER [31/12/2020] RM'000	CHANGES (AMOUNT/%)
1	Revenue	7,674	12,591	-39%
2	Operating profit / (loss)	(2,764)	(2,878)	4%
3	Profit / (Loss) Before Interest and Tax	(2,764)	(2,878)	4%
4	Profit / (Loss) before taxation	(2,817)	(2,971)	5%
5	Profit / (Loss) for the year	(2,817)	(2,980)	5%
6	Profit / (Loss) attributable to owners of the Company	(2,688)	(2,967)	9%

The Group's revenue for the current quarter was RM7.67 million as compared to the immediate preceding quarter of RM12.59 million was due to completion of projects secured.

The Group recorded a loss before taxation of RM2.82 million in the current quarter as compared to loss before taxation of RM2.97 million in the immediate preceding quarter. The loss before taxation of RM2.82 million was due to projects with lower gross profit margin secured.

15. Prospects

The Group is focusing on its business strategy to improve its revenue and profitability by actively participating in tenders to secure more ICT projects with better gross profit margin contributions. It also continues to pursue more ICT business opportunities in the public sector by collaborating with strategic ICT partners and maintain good relations with existing customers by emphasizing on good track record of deliveries. The Group is managing its operation, productivity and efficiency of manpower to improve the profitability of projects secured.

The Group aims to be the digital solution provider in line with MyDIGITAL initiatives. The vast experiences in digital technology and handling of significant scale projects for the past 50 years provide the Group with the expertise needed by the government’s digital transformation programs to modernize its services solutions, end-to-end online government services, cashless e-payments, and usage of cloud storage across the government.

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 is targeting the e-money segment for the education sector to boost the revenue for its payment solutions and services segment. Subject to regulatory approval, the Group plans to expand the usage of e-wallet to the public via its general wallet and to be used by other wallet partners under the white label arrangement.

The Group is looking forward to widen its business opportunities for new stream of revenue through its newly acquired subsidiary, Ridaa Associates Sdn Bhd (“RIDAA”) and aim to secure more projects in line with the Government ‘s My DIGITAL initiatives and especially in the telecommunication sector.

On 12 March 2021, the Company via its wholly-owned subsidiary, Dataprep (Malaysia) Sdn Berhad had entered into a Memorandum of Collaboration with Asia Coding Centre Sdn Bhd (“Asia Coding”) for a tenure of 3 years and may be mutually extended by both parties to undertake a project in relation to providing an integrated solution technology for Covid-19 screening to Kementrian Kesihatan Malaysia (“KKM project”). Asia Coding is in the business of providing services relating to information technology and general trading. Asia Coding is certified by Medical Device Authority Malaysia as Authorized Representative, Distributor & Importer (License No.: MDA-1299-WDP120) and Certificate Holder of Conformity for Good Distribution Practice for Medical Devices (GDPMD) (Registration No. : MDA/CAB-020).

As announced on 26 March 2021, Dataprep (Malaysia) Sdn Berhad, a wholly owned subsidiary of the Company has on 26 March 2021 completed the acquisition of 51 ordinary shares, representing 51% of the total issued and paid-up share capital of Asia Solutions Centre Sdn Bhd for a total cash consideration of RM51.00. The Company has also completed the acquisition of 510 ordinary shares, representing 51% of the total issued and paid-up share capital of Asia Biomed Centre Sdn Bhd for a total cash consideration of RM510.00 as announced on the same date. Asia Coding Centre Sdn Bhd is the registered shareholder for both Asia Solutions Centre Sdn Bhd and Asia Biomed Centre Sdn Bhd. The signing of Memorandum of Collaboration with Asia Coding and the 51% acquisitions of its subsidiaries will enable the Group to generate new stream of revenue which is expected to contribute positively to the Group’s performance.

Barring unforeseen circumstances, the Group anticipates to benefit from the Government’s digital economy transformation and the existing businesses will grow at a stronger pace for both the public and private sectors. The Group is also positive to secure new business opportunities through its newly acquired subsidiaries to widen its revenue stream.

The financial position of the Group will be further strengthened upon completion of the Proposed Private Placement corporate exercise.

16. Taxation

There was no provision of taxation in the current quarter due to Group has sufficient unutilized tax losses and unabsorbed capital allowances.

17. Status of corporate exercise

On 16 February 2021, the Company has announced the Proposal to undertake private placement of up to 138,597,000 new ordinary shares in the Company (“DHB Shares” or “Shares”) (“Placement Shares”), representing up to 20% of the total number of issued shares in the Company (“Proposed Private Placement”).

The Proposed Private Placement shall be undertaken in accordance with the General Mandate pursuant to Sections 75 and 76 of the Companies Act, 2016 approved by the shareholders of Company at the Annual General Meeting (“AGM”) of the Company held on 24 June 2020 which authorizes the Board to issue and allot new ordinary shares not exceeding 20% of the total number of issued shares of the Company (“General Mandate”). The General Mandate, unless revoked or varied by the Company at a general meeting, shall continue to be in force until the conclusion of the next AGM of the Company.

As announced on 23 February 2021, the additional listing application in relation to the Proposed Private Placement has been submitted to Bursa Securities on 22 February 2021. The Company has provided additional information in response to the comments received from Bursa Securities on the announcement in relation to the proposed private placement on 2 March 2021. Subsequently, Bursa Securities had, vide its letter dated 3 March 2021, approved the listing of and quotation for up to 138,597,000 Placement Shares to be issued pursuant to the Proposed Private Placement as announced on 4 March 2021.

On 21 April 2021, the Company has fixed the issue price for the first tranche of the Proposed Private Placement at RM1.31 per Placement Share. The Issue Price represents a discount of RM0.140 or approximately 9.64% to the 5-day volume weighted average market price of DHB Shares up to and including 20 April 2021, being the last market day immediately preceding the Price-Fixing Date of RM1.4497 per DHB Share. The Company had on 23 April 2021 fixed the number of Placement Shares for the first tranche of up to 50,000,000 new ordinary shares.

On 3 May 2021, the Company has announced the issued and listing of 48,354,600 new ordinary shares pursuant to the Proposed Private Placement which further increased the number of ordinary shares from 620,912,817 to 669,267,417 and the share capital from 75,841,517.34 to RM139,186,043.34.

18. Event subsequent to the end of reporting period

There is no significant event subsequent to the end of reporting period.

19. Group borrowings

The Group borrowings are as follows:

		As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Short Term Borrowings:			
Secured :			
- Banker acceptances		3,207	3,573
- Bank overdraft		1,890	935
- Hire purchase payables		33	32
- Term financing		90	-
Total Short Term Borrowings	A	5,220	4,540
Long Term Borrowings:			
Secured :			
- Hire purchase payables		37	45
Total Long Term Borrowings	B	37	45
Total Borrowings	(A + B)	5,257	4,585

All borrowings are denominated in Ringgit Malaysia.

20. Material litigation

There was no material litigation as at 31 March 2021.

21. Dividend proposed or declared

The directors do not recommend any dividend for the financial year under review.

22. Loss per share

(a) Basic

	Current Quarter Ended 31.3.2021	Cumulative Quarter Ended 31.3.2021
Loss attributable to owners of the Company (RM'000)	(2,688)	(2,688)
Number of shares in issue as at beginning of the year ('000)	602,596	602,596
Weighted average effect of exercise of ESOS ('000)	613	613
Weighted average number of shares in issue ('000)	603,209	603,209
Basic loss per share (sen)	(0.45)	(0.45)

22. Loss per share (Cont'd)

(b) Diluted

The dilution effect on earnings per share for the current quarter is as follows:-

	Current Quarter Ended 31.3.2021	Cumulative Quarter Ended 31.3.2021
Loss attributable to owners of the Company (RM'000)	(2,688)	(2,688)
Weighted average number of shares in issue ('000)	603,209	603,209
Diluted weighted average effect of exercise of ESOS ('000)	15,797	15,797
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	619,006	619,006
Diluted loss per share (sen)	(0.43)	(0.43)

23. Capital commitment

The Group has no material capital commitment as at 31 March 2021

24. Notes to the Consolidated Statement of Comprehensive Income

Total comprehensive income for the period is arrived at after charging / (crediting)

	Current Quarter Ended 31.03.2021 RM'000	Cumulative Quarter Ended 31.03.2021 RM'000
Interest expense	33	33
Depreciation of plant and equipment	190	190
Amortisation of intangible assets	92	92
and after crediting:		
Interest income	(32)	(32)

Other than as disclosed above, there were no (i) gain or loss on disposal of quoted or unquoted investment, (ii) gain or loss on derivatives and (iii) exceptional items for the current quarter ended 31 March 2021.

By Order of the Board
Dataprep Holdings Bhd

Geng Mun Mooi (MIA 8365)
Nor Fazieana Daud (MAICSA 7067115)
Leong Shiak Wan (MAICSA 7012855)
Zuriati Binti Yaacob (LS0009971)

Company Secretaries
28 May 2021