DATAPREP

DATAPREP HOLDINGS BHD

Registration No. 196901005754 (183059-H) (Incorporated in Malaysia)

ANNUAL REPORT 2019

ENRICHING THE DIGITAL EXPERIENCE

CONTENTS

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 our services.

OUR VISION

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

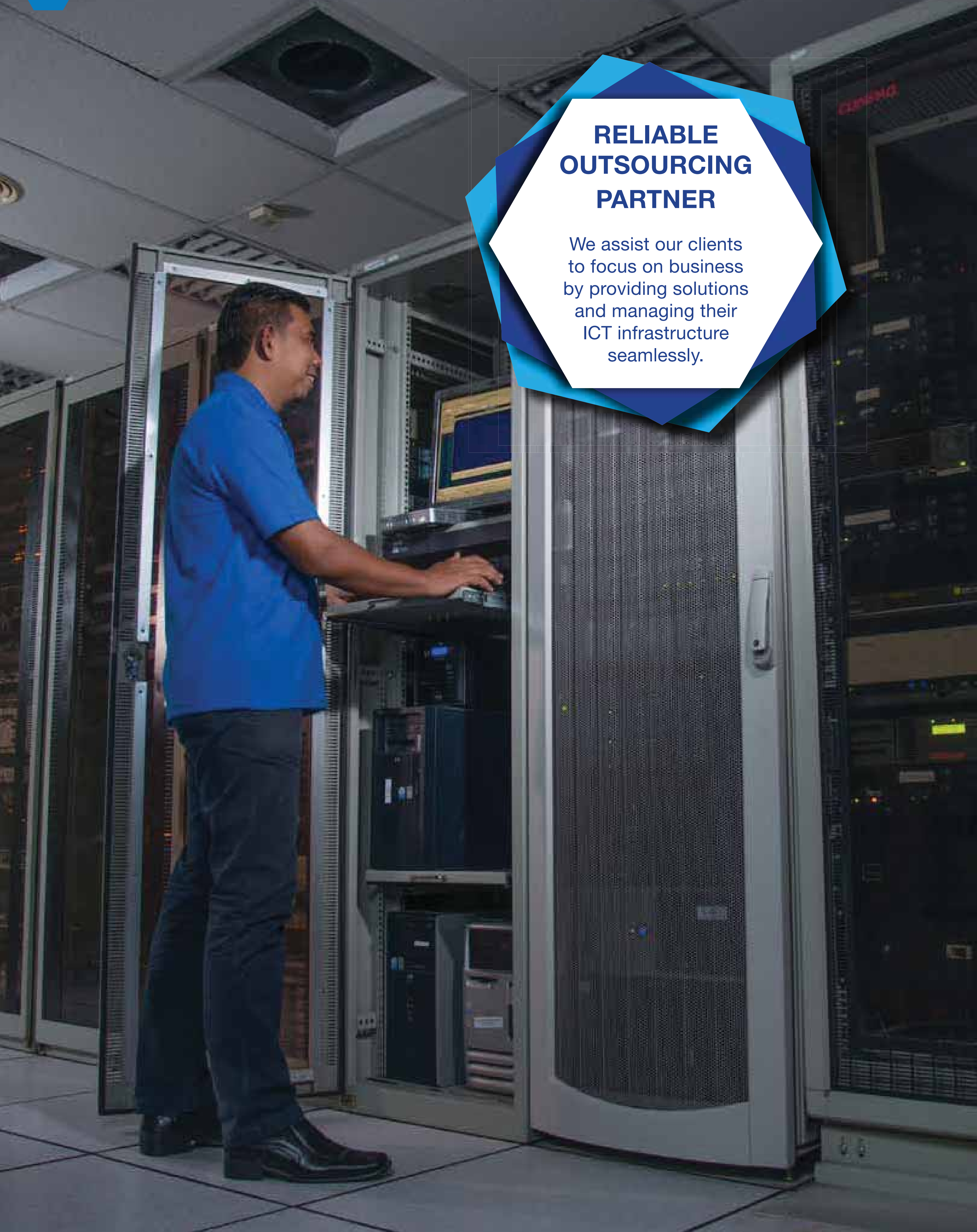
OUR MISSION

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

CORPORATE STRUCTURE

DATAPREP HOLDINGS BHD
(Company No.: 198901005754 (183059-H))
(Incorporated in Malaysia)

- 100% Solsis (M) Sdn Bhd
- 100% Dataprep Payment Solutions Sdn Bhd
- 100% Solsisnet Sdn Bhd
- 100% Dataprep (Malaysia) Sdn Berhad
- 100% Dataprep (HK) Limited
  - 100% Dataprep (Beijing) Limited
- 100% Dataprep International (Labuan) Ltd
  - 65% PT Dataprep Teknologi Indonesia
  - 51% DP Kyoto Tech Middle East Limited
- 70% Tamadun Interaktif Sdn Bhd
- 100% Instant Office Sdn Bhd
- 100% 88 Daiman Sdn Bhd



RELIABLE OUTSOURCING PARTNER

We assist our clients to focus on business by providing solutions and managing their ICT infrastructure seamlessly.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIRST ANNUAL GENERAL MEETING OF DATAPREP HOLDINGS BHD ("DATAPREP" OR "THE COMPANY") WILL BE HELD AT BROADCAST VENUE AT CONFERENCE ROOM, WIDAD SEMANTAN (WISE), NO. 3 JALAN SEMANTAN, 50490 DAMANSARA HEIGHTS, KUALA LUMPUR ON WEDNESDAY, 24 JUNE 2020 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 9 months ended 31 December 2019 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 2020 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. Ong Kuan Wah **(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 20% of the total number of issued shares of the Company for the time being. 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 1 June 2020 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 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 DAUD (MAICSA 7067115)
LEONG SHIAK WAN (MAICSA 7012855)
ZURIATI BINTI YAACOB (LS0009971)

Company Secretaries
Kuala Lumpur
1 June 2020

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTES

1. In view of the current COVID-19 pandemic, the Board of Directors has decided that the AGM of the Company shall be held fully virtual and entirely via Remote Participation and Voting ("RPV") on 24 June 2020, as scheduled.

2. The only venue involved is the broadcast venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the AGM. No shareholder or proxy from the public should be physically present nor admitted at the broadcast venue on the day of the AGM.

3. As the 31st AGM will be conducted via a virtual meeting, a member who is not able to participate in the AGM may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.

4. A member entitled to present via RPV at this meeting is entitled to appoint more than one (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.

5. 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.

6. 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.

7. 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.

8. The instrument appointing a proxy must be deposited at the registered office of the Company at Level 8, Widad Semantan (WiSe), No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Proxy Form transmitted by fax or email will not be accepted. The Company will not accept any photocopies of the Proxy Form in place of the original signed copy.

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 17 June 2020 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.

Note B: To approve the aggregate directors' fees and benefits payable to directors of the Company for an amount not exceeding RM400,000 from 1 January 2020 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.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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 twenty percent (20%) 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 in a General Meeting, expires at the conclusion of the next Annual General Meeting of the Company. The higher 20% general mandate ("20% General Mandate") instead of 10% under paragraph 6.03(1) of Main Listing Requirements of Bursa Malaysia Securities Berhad is pursuant to an interim relief measure provided by Bursa Malaysia Securities Berhad to listed issuers to facilitate capital raising in a timely and cost effective manner during these challenging times due to the Covid-19 pandemic. The 20% General Mandate may be utilised by a listed issuer until 31 December 2021 and after that, the 10% limit will be reinstated. The 20% General Mandate under this authority will provide greater 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, and 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-FISRT 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-first Annual General Meeting of the Company are disclosed on pages 17 and 20 of this Annual Report.

a. Mohamad Sabir bin Mohamad Sabri
b. Ong Kuan Wah

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Dato' Mohd Rizal bin Mohd Jaafar *(Non-Independent Non-Executive Director)*

MEMBERS

Mohamad Sabir bin Mohamad Sabri *(Non-Independent Executive Director / Managing Director)*
Datuk 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)
Leong Shiak Wan (MAICSA 7012855)
Zuriati Binti Yaacob (LS0009971)

AUDIT COMMITTEE

Chairman
Ong Kuan Wah
(Independent Non-Executive Director)

Members
Datuk Abdul Aziz bin Ishak
(Independent Non-Executive Director)
Nor Adha bin Yahya
(Independent Non-Executive Director)
Dato' Mohd Rizal bin Mohd Jaafar
(Non-Independent Non-Executive Director)

REMUNERATION, QUALITY AND NOMINATING COMMITTEE

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

Members
Datuk Abdul Aziz bin Ishak
(Independent Non-Executive Director)
Ong Kuan Wah
(Independent Non-Executive Director)
Dato' Mohd Rizal bin Mohd Jaafar
(Non-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
RHB Bank Berhad
Bank Islam Malaysia Berhad
Public Bank Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad

AUDITOR

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

OUR SOLUTIONS AND SERVICES

ENTERPRISE SERVERS, STORAGE CONSOLIDATION AND 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.

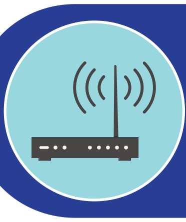
ICT SECURITY SOLUTIONS

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.

OUR SOLUTIONS AND SERVICES (Cont'd)



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)

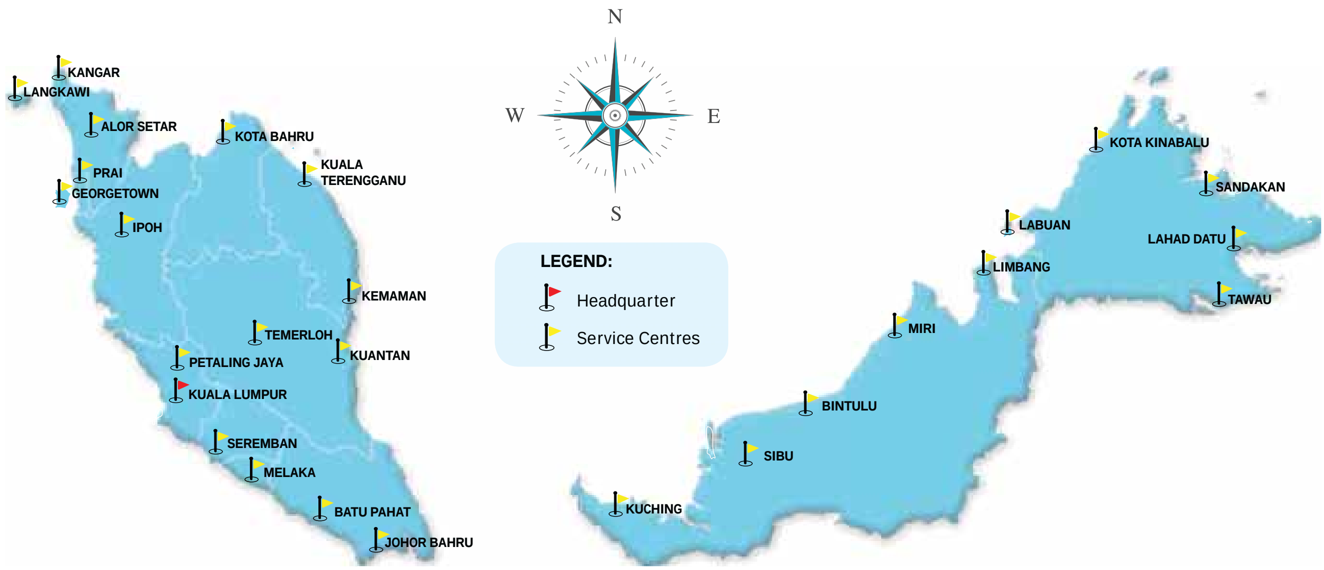
PSS focus is on payment devices which include the supply and maintenance of Point of Sale (POS) and Electronic Draft Capture (EDC) terminals that support credit/debit cards, as well as other multi-purpose cards. PSS also provides other related offerings such as hardware and software solutions and merchant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

E-MONEY SCHEME ("dPAY E-WALLET")

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

OUR SOLUTIONS AND SERVICES (Cont'd)

OUR CAPABILITIES AND TRACK RECORD 26 SERVICE LOCATIONS NATIONWIDE



SUPPORT INFRASTRUCTURE

Apart from its 48 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. With 26 locations nationwide to provide a support network, Dataprep Group's call centre offers 24-hour service, 7 days a week. The 26 locations nationwide also offer operational and maintenance services.

HEADQUARTER			
• Kuala Lumpur			
NORTHERN REGION	**CENTRAL REGION**	**SOUTHERN REGION**	**EASTERN REGION**
• Kangar • Langkawi • Alor Setar • Georgetown • Prai • Ipoh	• Petaling Jaya	• Seremban • Melaka • Batu Pahat • Johor Bahru	• Kota Bharu • Kuala Terengganu • Kemaman • Kuantan • Temerloh
SABAH	**SARAWAK**	**WILAYAH PERSEKUTUAN**	
• Kota Kinabalu • Sandakan • Tawau • Lahad Datu	• Limbang • Miri • Bintulu • Sibu • Kuching	• Labuan	

COMPREHENSIVE SERVICE COVERAGE

Provide complete maintenance coverage includes corrective, preventive and predictive maintenance.

PROFILE OF DIRECTORS

PROFILE OF DIRECTORS (Cont'd)

DATO' MOHD RIZAL BIN MOHD JAAFAR
Non-Independent Non-Executive Chairman

ONG KUAN WAH
Independent Non-Executive Director

NOR ADHA BIN YAHYA
Independent Non-Executive Director

PROFILE OF DIRECTORS

DATO' MOHD RIZAL BIN MOHD JAAFAR
Non-Independent Non-Executive Chairman
Malaysian, Age 45, Male

Date of Last Appointment	:	12 September 2019
Length of Service (as at 31 December 2019)	:	2 years 1 Month
Board Meeting Attended	:	4/4
Board Committees Membership(s)	:	• Audit Committee • Remuneration, Quality and Nominating Committee

Academic/Professional Qualification(s):

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

Experience/ Occupation (s):

- Member of Bank Simpanan Nasional ("BSN") Board of Directors, (2019 - Present)
- Managing Director, Widad Group Berhad (2018-Present)
- Group Chief Executive Officer (2015 - Present), Widad Business Group Sdn Bhd
- Group Chief Operating Officer, Finance & Corporate Services (2013), Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank")
- Director, Strategy & Transformation Management Office (2010), SME Bank
- Bank Negara Malaysia (1998) serving the Banking Supervision Department supervising the Islamic, commercial and investment banking institutions

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 139

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
Non-Independent Executive Director / Managing Director
Malaysian, Age 48, Male

Date of Last Appointment	:	13 September 2018
Length of Service (as at 31 December 2019)	:	2 years 1 month
Board Meeting Attended	:	4/4
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)
- 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 139

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)

DATUK ABDUL AZIZ BIN ISHAK
Independent Non-Executive Director
Malaysian, Age 55, Male

Date of Last Appointment	:	13 September 2018
Length of Service (as at 31 December 2019)	:	2 years 1 month
Board Meeting Attended	:	4/4
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)
- Advisor, Bellcom 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:
None

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 BIN YAHYA
Independent Non-Executive Director
Malaysian, Age 49, Male

Date of Last Appointment	:	13 September 2018
Length of Service (as at 31 December 2019)	:	2 years 1 month
Board Meeting Attended	:	4/4
Board Committees Membership(s)	:	• Audit Committee • Remuneration, Quality and Nominating Committee (Chairman)

Academic/Professional Qualification(s):
- Bachelor of Accounting (Honors), Universiti Putra Malaysia
- Member of Malaysian Institute of Accountants

Experience/ Occupation (s):
- Independent 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 – Present)
- Director, Kota Terbilang Sdn Bhd (2014 – Present)
- Director, Impianco Development Sdn Bhd (2009 – Present)
- 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

Any interest in the securities of the Company and its subsidiaries:
Please refer to page 139

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 50, Male

Date of Last Appointment	:	13 September 2018
Length of Service (as at 31 December 2019)	:	2 years 1 month
Board Meeting Attended	:	4/4
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 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:
None

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

COMPREHENSIVE ICT SOLUTIONS

Provide comprehensive ICT lifestyle solutions which will enable clients to deliver higher level of services.

PROFILE OF KEY SENIOR MANAGEMENT

HASRUL BIN HASAN
Chief Corporate Officer

GENG MUN MOOI
Chief Financial Officer

PROFILE OF KEY SENIOR MANAGEMENT (Cont'd)

MOHAMAD SABIR BIN MOHAMAD SABRI
Non-Independent Executive Director/Managing Director

DATUK CHAM NONG A/L ALIAP
Chief Marketing Officer

PROFILE OF KEY SENIOR MANAGEMENT (Cont'd)

MOHAMAD SABIR BIN MOHAMAD SABRI
Non-Independent Executive Director / Managing Director
Malaysian, Age 48, Male

Date of Appointment : 28 November 2017

Academic/Professional Qualification(s):
As expressed on page 17 of the Profile of Directors

Experience/ Occupation (s):
As expressed on page 17 of the Profile of Directors

DATUK CHAM NONG A/L ALIAP
Chief Marketing Officer
Malaysian, Age 43, 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 over 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 43, Male

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

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)

GENG MUN MOOI
Chief Financial Officer
Malaysian, Age 56, Female

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 29 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 31st Annual Report for the 9 months ended 31 December 2019 ("FPE 2019").

ECONOMY OUTLOOK AND INDUSTRY TREND

Global business environment has continued to be challenging over the last one year, including in Malaysia. The macroeconomic challenges in 2019 were largely contributed by slower growth across advanced and emerging economies, a slowdown in investments and trade activity, heightened financial market volatility, weaker business confidence and the resulting effect on the supply chain as well as the rising protectionism due to the United States-China trade spat. The World Bank has forecasted the global economy's gross domestic product to grow in 2019 by post-crisis low of just 2.4%. As a highly open economy, the Malaysian economy was affected by these global developments. In addition, weakness in investment activity and supply disruptions in the commodities sector also affected domestic economic activity. Economic growth thus expanded by 4.3% in 2019 (2018: 4.7%) as reported by Bank Negara Malaysia ("BNM"). Effects of external vulnerabilities, fluctuations of commodity prices and slower domestic economic activities were among the challenges that impacted local businesses.

The Information Communication Technology ["ICT"] Industry in Malaysia continues to grow in size and distribution to the economy, albeit at a pace slower than the desired rate to reach 20.0% of national gross domestic product (GDP) by 2020. As reported in PIKOM's ICT Strategic Review, the industry grew by 10.3% year-on-year in 2017 to contribute RM247.1 billion or 18.3% to the national economy. However, this was a mere increase of 0.1 percentage points over the 18.2% share of GDP in 2016. It was noted that the 11th Malaysia Plan has envisaged a growth rate of at least 17.0% per annum from 2016 – 2020 in order for the industry's GDP contribution to reach the 20.0% milestone. Given the prevailing rate of growth, according to PIKOM's projections, this figure should reach 18.6% in 2018, 18.8% in 2019 and potentially pass the 20.0% milestone in 2022.

The growth of ICT in Malaysia has been further aided by government-enacted policies of Industrial Revolution 4.0 ("IR 4.0") a national policy that aims to transform the manufacturing sector and related services within the period from 2018 to 2025, which is expected to lead to a mature digitalisation of the Malaysian market.

As part of the 11th Malaysia Plan, the government announced the launch of the National Industry policy to promote innovation, creativity and competitiveness to intensify the adoption of Industrial Revolution 4.0 ("IR 4.0") related technologies. IR 4.0 technology includes Cloud computing, Internet of Things ("IoT"), Big data, Advanced robotics, Augmented and virtual reality ("AR/VR"). These technologies are helping to drive manufacturing's digital transformation through the integration of previously disparate systems and processes through interconnected computer systems across the value and supply chain. Embracing Industry 4.0, digital manufacturing and the interconnectivity that comes with it opens a myriad of benefits for companies, including greater agility, flexibility and operational performance.

The Dataprep Group began to draw up a digital transformation strategy and roadmap to fully harness the potential and value of technology in supporting the effective delivery of the Group's mandates. At the same time, the Group continues to develop in-house products and solutions to complement our revenue from System Integration ("SI") and Managed Services contracts and put in place next generation technology infrastructure to form the core digital platform for the organisation to build on.

KEY HIGHLIGHT IN FPE 2019

The year 2019 witnessed the prevailing uncertainties in the global economy as well as important changes in Malaysia's political and economic landscape continue posing challenges to the Company's performance. Amongst others, the US-China trade disputes, uncertainty surrounding Brexit, and a change in our Federal Government which affect overall spending in both public and private sectors and other geopolitical risks arising. Nevertheless, the Company's financial performance was relatively strengthening despite the external challenges faced and is expected to elevate in the next financial year.

CHAIRMAN'S STATEMENT (Cont'd)

Since the takeover by Widad Business Group, this emerged as Dataprep's single largest shareholder in November 2017, aims to turn the latter into a global ICT player within the next five years. Dataprep Group plans to explore many untapped opportunities in the fast-evolving ICT segment.

Dataprep Group recorded revenue of RM28.93 million for the FPE 2019 as compared to the Group's revenue of RM26.29 million for the corresponding preceding FPE 2018. The increase of 10% as compared to preceding FPE 2019 revenue of RM26.29 million was due to more projects with better gross profit margin secured in the current financial period. The Group recorded loss before tax of RM5.86 million in FPE 2019 as against a loss before taxation of RM5.84 million in FPE 2018. Operating expenses was RM9.89 million in FPE 2019 and RM9.91 in FPE 2018. There is no significant increase due to costs control measures undertaken by the Group. The Group changed its accounting financial year end from ending on 31 March to 31 December to be coterminous with that of its holding company during the current financial period.

MOVING FORWARD

Dataprep Group has set its sight on long-term growth potentials, primarily by capitalising on several promising areas under the robustly-growing Industrial Revolution 4.0. The Group's turnaround plan is in line with the Government's "Digital Lifestyle Malaysia" initiative, which encourages business players to embrace ICT services and to adopt the infrastructure in internet-based business transactions. Dataprep Group had also venture into new business areas, namely, e-wallet services and smart home solutions. By tapping into the fast-evolving e-wallet business, the Group hopes to lift the top line contribution of its existing payment solutions segment. The strategic direction of Dataprep Group would be centered around improving the bottom line, by leveraging on the upcoming business opportunities in the area of IoT, Payment Solutions and Services, Smart Home Solution, Hotel Management Solution, Hospital Management System, Facility and Building Management System and Media Applications. We intend to stay on course and focus all our efforts to strengthen our financial position.

Despite the threats posed by COVID-19 pandemic, certain aspects of the ICT industry are benefiting from health concerns and social distancing requirement caused by the ongoing pandemic. Post COVID-19 effect would require a change of business approach and processes for both public and private sector, thus creating tremendous opportunities that can be tapped moving forward. Some of ICT opportunity areas for the Group are telemedicine, food delivery and logistics, digital and contactless payments, remote working, collaborating, meeting and learning.

The Group aims to explore more business opportunities from the public sector under the wide spectrum of ICT services. Our decades-long experience in the ICT segment provides us the expertise needed by the Government in modernizing its services. At the same time, the Group is actively participating in Government's projects tender, pursuing new business opportunities and collaborating with strategic domestic and overseas partners to secure more profitable ICT projects, solutions and new business ventures for the Group. 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.

To achieve this, as one of its strategies, Dataprep Group is eyeing to launch its very-own e-wallet business. The Group's subsidiary, Dataprep Payment Solutions Sdn Bhd was granted approval by Bank Negara Malaysia 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 is targeting the e-money for the education sector to boost the revenue of payment solutions and services segment. The Group will roll out a dPay as eWallet function that will focus on the Malaysian education sector as a mode of payment at primary and secondary schools nationwide, an idea that is well received by Ministry of Education.

Furthermore, via its subsidiary PT Dataprep Teknologi Indonesia that focuses on e-remittance solutions and full spectrum of ICT services. This will provide further avenue for the Group to strengthen its regional presence as well as to diversify and strengthen its revenue stream. Dataprep Group also planned to expand into new sector in healthcare, broadcasting infrastructure, telecommunication infrastructure to diversify revenue stream and strengthen its financial position.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my sincere appreciation to all our clients, business associates and shareholders for your unwavering faith and confidence in Dataprep Group, especially in trying times. In addition, my heartfelt gratitude to the Board members, management team and all our employees for their support and commitment in spearheading the Group moving forward. 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
14 May 2020

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.

ICT PRODUCTS AND SERVICES

The ICT products and services segment contributed 96.94% of the Group's revenue of RM28.93 million for the 9 months ended 31 December 2019 ("FPE 2019") as compared to 97.38% of the Group's revenue of RM26.29 million for the corresponding preceding 9 months ended 31 December 2018 ("FPE 2018").

Our 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. Our nationwide resources and infrastructure of 26 service locations allow us to commit to our 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 our 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.

As Dataprep Group is one of the established ICT players in the industry, our strategic partners and principals have recognised the value of our support resources, infrastructure and our roles as the SI and Managed Services provider. We 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 FPE 2019, the PSS segment contributed 3.06% of the Group's revenue of RM28.93 million as compared to 2.62% of the Group's revenue of RM26.29 million for the corresponding preceding FPE 2018. 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.

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 a few financial institutions.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

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 develop in-house products 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-wallet 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; and
9. To provide support services which complement the diversify Widad Business Group's businesses.

REVIEW OF GROUP FINANCIAL PERFORMANCE

For The FPE2019 and FPE2018:

	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.12.2018 RM'000
Revenue	28,925	26,286
Gross Profit	6,048	2,888
Other Income	184	1,830
Operating Expenses	(9,882)	(9,908)
EBITDA	(3,650)	(5,190)
Depreciation and Amortisation	(775)	(496)
Depreciation of Right of Use Assets	(1,049)	-
Finance Cost	(390)	(159)
Loss Before Taxation	(5,864)	(5,845)
Loss After Taxation	(5,873)	(5,845)

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 current financial period shall be for nine months from 1 April 2019 to 31 December 2019

The Group recorded revenue of RM28.93 million for the FPE 2019 as compared to the Group's revenue of RM26.29 million for the corresponding preceding FPE 2018. The increase of 10% as compared to preceding FPE 2018 revenue of RM26.29 million was due to more projects with better gross profit margin secured in the current financial period.

Higher other income in preceding FPE 2018 was due to bad debts recovery of RM1.5 million from a past customer.

The loss before taxation was RM5.86 million in FPE 2019 as against a loss before taxation of RM5.84 million in FPE 2018. EBITDA recorded a decrease of loss from RM5.19 million to a loss of RM3.65 million due to improvement in gross margin contribution from 11% to 21% derived from managed services projects.

Operating expenses was RM9.89 million in FPE 2019 and RM9.91 in FPE 2018. There is no significant increase due to costs control measures undertaken by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF OPERATING ACTIVITIES

During the financial period under review, the Group's revenue for its ICT Products and Services was higher as compared to the preceding FPE 2018 due to more projects secured. The Group has successfully secured a few new Managed Services projects in the FSI and O&G sectors in FPE2019. 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. We will emphasize on our 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.

BUSINESS PROSPECTS

The Group continues to undertake measures to improve the financial performance by securing more projects, identifying new business opportunities by collaborating with strategic ICT partners, participating in more tenders, 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 plans to increase revenue in both the public and private sector particularly FSI, O&G and any other untapped industries to secure more projects.

The Group's subsidiary, Dataprep Payment Solutions Sdn Bhd was granted approval by Bank Negara Malaysia 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 is targeting the e-money for the education sector to boost the revenue of payment solutions and services segment.

The Group will work towards improving the profitability and revenue of all segments, by leveraging on the upcoming new business opportunities and to focus on securing more projects with better gross profit margin in the new financial year.

HISTORICAL FINANCIAL RESULTS

PERIOD / YEAR ENDED	9 MONTHS		12 MONTHS			
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.12.2018 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2017 to 31.3.2018 RM'000	1.4.2016 to 31.3.2017 RM'000	1.4.2015 to 31.3.2016 RM'000
Revenue	28,925	26,286	35,539	47,162	45,030	58,525
Gross Profit	6,048	2,888	4,074	6,975	8,392	11,172
Other Income	184	1,830	1,852	746	747	975
Operating Expenses	(9,882)	(9,908)	(16,778)	(11,842)	(11,544)	(13,823)
EBITDA	(3,650)	(5,190)	(10,852)	(4,121)	(2,405)	(1,676)
Depreciation and Amortisation	(775)	(496)	(709)	(485)	(477)	(511)
Depreciation of Right of Use Assets	(1,049)	-	-	-	-	-
Finance Cost	(390)	(159)	(263)	(173)	(182)	(569)
Loss Before Taxation	(5,864)	(5,845)	(11,824)	(4,779)	(3,064)	(2,756)
Loss After Taxation	(5,873)	(5,845)	(11,837)	(4,779)	(3,093)	(2,866)

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 current financial period shall be for nine months from 1 April 2019 to 31 December 2019

SUSTAINABILITY REPORT

At Dataprep Group ("the Group"), we remain committed in ensuring that our 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 our internal initiatives to promote sustainability and good governance, we have continued to engage with our stakeholder in FPE2019 to obtain a holistic view on how the Group may improve its operations. A good engagement with our stakeholders is imperative in building a long-lasting trust.

Strengthening Operational Efficiency

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

We have established strategic partnership and alliance with our 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 our 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 manages 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 our employees, the Group has organised various trainings to ensure that the skills of our employees are being continuously relevant in the ever demanding progressive work environment.

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 our 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)

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 A ECONOMIC GRO — Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SUSTAINABILITY REPORT (Cont'd)

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

Reduce inequality within and among countries

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

Ensure sustainable consumption and production patterns

Take urgent action to combat climate change and its impacts

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

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

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

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)

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 organisational structure for the management of risks that the Group assumes in its activities;
- Defining risk management roles and responsibilities within the organisation 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.

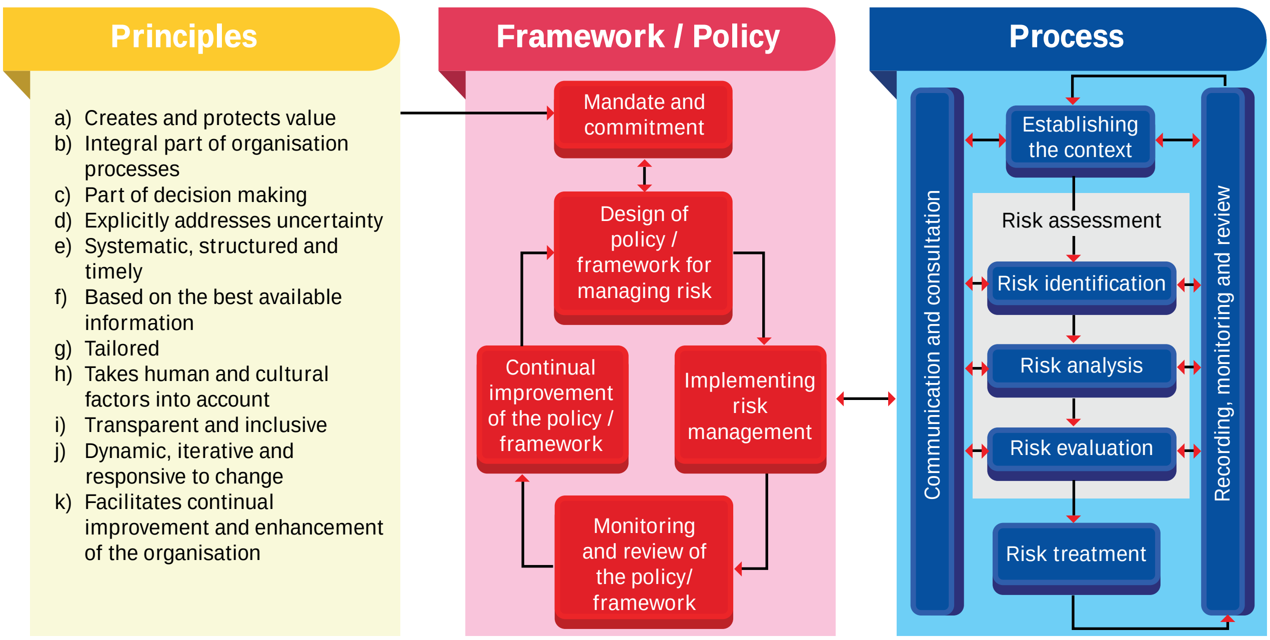
Under the RMF, the Group has relevant policies and guidelines on risk assessment, reporting and disclosure which encompassed the following scope :

- 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 in an appropriate manner.

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 the 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 have 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 the 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 MCCG 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 and in the MMLR of BMSB.

The CG overview statement is available on the Group's website, www.dp.com.my. It should be read together with other statements in the Annual Report, namely SORMIC, Audit Committee Report ("ACR") and Sustainability Report.

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;

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

Clear Roles and Responsibilities (Cont'd)

c. Identifies principal risks and ensuring the implementation of appropriate internal controls and mitigation measures which effectively monitor and manage these risks;
d. Establishes succession planning and ensuring that all candidates appointed to the Senior Management positions are of sufficient calibre;
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 and one (1) Non-Independent Non-Executive Director as follows:

Directors	Position
Nor Adha bin Yahya (Chairman)	Independent Non-Executive Director
Datuk Abdul Aziz bin Ishak	Independent Non-Executive Director
Dato' Mohd Rizal bin Mohd Jaafar	Non-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 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.

The RQN and Board concluded that the length of service of all the Independent Directors on the Board do not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Group :

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 9 months ended 31 December 2019 ("FPE2019") and preceding financial year ended 2019 ("FYE2019") for the Group and Company are as follows:

		Group		Company	
		FPE2019 9 months 31 Dec' RM'000	FYE2019 12 months 31 Mar' RM'000	FPE2019 9 months 31 Dec' RM'000	FYE2019 12 months 31 Mar' RM'000
(i)	**Executive Directors' Remuneration**				
	Directors of Company				
	Salaries and allowances	426	568	426	568
	Contributions to a defined contribution plan	51	68	51	68
	Total Executive Directors' Remuneration	**477**	**636**	**477**	**636**
(ii)	**Non-Executive Directors' Remuneration**				
	Directors' of Company				
	Fees	112	155	112	155
	Allowances	24	32	24	32
	Total Non- Executive Directors'	**136**	**187**	**136**	**187**
	Total Directors' Remuneration (i & ii)	**613**	**823**	**613**	**823**
	Benefit-in-kind (BIK)	9	26	9	26
	Total Executive and Non-Executive Directors' Remuneration and BIK	**622**	**849**	**622**	**849**

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 FPE2019 and FYE2019 are within the following ranges :

	Group		Company	
	Number of Directors			
	FPE2019 9 months 31 Dec' RM'000	FYE2019 12 months 31 Mar' RM'000	FPE2019 9 months 31 Dec' RM'000	FYE2019 12 months 31 Mar' RM'000
Executive Directors:				
RM400,001 to RM500,000	1	-	1	-
RM600,001 to RM700,000	-	1	-	1
Non-Executive Directors:				
RM1 to RM50,000	4	3	4	3
RM50,001 to RM100,000	-	1	-	1
Total	**5**	**5**	**5**	**5**

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 FPE2019 are as analysed below:-

		Group RM'000	Company RM'000
(i)	**Executive Director:**		
	Mohamad Sabir Bin Mohamad Sabri		
	- Salaries and allowances	426	426
	- Contributions to a defined contribution plan	51	51
	- BIK	9	9
	Total Executive Director's Remuneration and BIK	**486**	**486**
(ii)	**Non-Executive Directors:**		
	Dato' Mohd Rizal Bin Mohd Jaafar		
	- Fees	33	33
	- Allowances	6	6
		39	**39**
	Datuk Abdul Aziz Bin Ishak		
	- Fees	22	22
	- Allowances	6	6
		28	**28**
	Nor Adha Bin Yahya		
	- Fees	22	22
	- Allowances	6	6
		28	**28**
	Ong Kuan Wah		
	- Fees	35	35
	- Allowances	6	6
		41	**41**
	Total Non-Executive Directors' Remuneration	**136**	**136**
	TOTAL EXECUTIVE and NON-EXECUTIVE		
	DIRECTORS' REMUNERATION and BIK (i and ii)	**622**	**622**

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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

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.

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 constitute 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 MCCG.

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 FPE2019 under review, the Board have met four (4) 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 FPE2019 are as follows:

Directors of the Company	Board Meetings	Attendance	%
Dato' Mohd Rizal bin Mohd Jaafar	4	4	100
Mohamad Sabir bin Mohamad Sabri	4	4	100
Datuk Abdul Aziz bin Ishak	4	4	100
Ong Kuan Wah	4	4	100
Nor Adha bin Yahya	4	4	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 FPE2019, 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	• Tax Seminar on Budget 2020 by Grant Thornton • How to Turnaround Companies by Malaysia Institute of Accountant (MIA)	30 October 2019 2-3 December 2019
Mohamad Sabir bin Mohamad Sabri	• Raising Defences: Section 17A, MACC Act by The Iclif Leadership and Governance Centre	14 November 2019
Ong Kuan Wah	• Accounting for Equity by MIA • Performing Group Audit and What's New in ISA 600 by MIA • National Tax Conference 2019 by Lembaga Hasil Dalam Negeri and Chartered Tax Institute Malaysia (CTIM) • 2020 Budget Seminar by CTIM	11 July 2019 19 July 2019 5 & 6 August 2019 24 October 2019
Nor Adha bin Yahya	• Transfer Pricing- Enforcement and Documentation by MIA • MIA International Accountants Conference 2019 by MIA	24 June 2019 22 & 23 October 2019

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.

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 2020 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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

Assessment of Suitability and Independence of External Auditors (Cont'd)

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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.

Effective Communication and Proactive Engagement

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.

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 also obtain up-to-date information from the Company's website at www.dp.com.my.

Timely and High Quality Disclosure

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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

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 9 months ended 31 December 2019 are as follows:

	Group RM'000	Company RM'000
Audit fees paid or payable to:		
- Messrs. Folks DFK & Co.	137	56
Non-audit fees paid or payable to:		
- Messrs Folks DFK & Co	8	8
- Corporation affiliated to Messrs Folks DFK & Co	28	6
	36	14

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 period or entered into since the end of the previous financial year.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Recurrent Related Party Transactions during the 9 months ended 31 December 2019 are summarised as follows:-

	Group		Company	
	FPE2019 9 Months 31 Dec' RM'000	FYE2019 12 months 31 Mar' RM'000	FPE2019 9 months 31 Dec' RM'000	FYE2019 12 months 31 Mar' RM'000
Widad Education Sdn Bhd* -Lease of computer equipment	36	48	-	-
Widad Hospitality Management Sdn Bhd* -Lease of computer equipment	70	94	-	-
Widad Builders Sdn Bhd* -Rental of premises	580	515	580	515

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

AUDIT COMMITTEE REPORT

The Audit Committee of Dataprep Holdings Bhd ("the Company") is pleased to present the Audit Committee Report of 9 months ended 31 December 2019 ("FPE2019"), which described the Audit Committee's functions, roles and responsibilities for the Group and Company :

1. COMPOSITION OF AUDIT COMMITTEE

There are four (4) Audit Committee members, all of whom are non-executive directors, with a majority of them being independent directors.

The Members of the Audit Committee are as follows:

Chairman : Ong Kuan Wah (Independent Non-Executive Director)

Members : Dato' Mohd Rizal Bin Mohd Jaafar (Non-Independent Non-Executive Director)
Datuk Abdul Aziz Bin Ishak (Independent Non-Executive Director)
Nor Adha Bin Yahya (Independent Non-Executive Director)

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, Nor Fazieana Binti Daud, Leong Shiak Wan and Zuriati Binti Yaacob.

2. ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Audit Committee met 3 times during the FPE2019. The attendance records of the respective Audit Committee members and dates of the meetings are as follows:

Name of Member	Apr' to Dec' 2019 - Attendance (√)				
	May' 2019	Aug' 2019	Nov' 2019	Held	Attended
Mr. Ong Kuan Wah	√	√	√	3	3
Dato' Mohd Rizal Bin Mohd Jaafar	√	√	√	3	3
Datuk Abdul Aziz Bin Ishak	√	√	√	3	3
En. Nor Adha Bin Yahya	√	√	√	3	3

The Audit Committee meeting 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.

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 FPE2019 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 (" IFRS s") 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;

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 2019, the Audit Committee had reviewed and discussed the Audit Planning Memorandum of the external auditors for FPE2019. 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 2020, 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. In February 2020, The Audit Committee had assessed and evaluated the performance of the external auditors focussing on the question of professional independence and suitability for its reappointment as external auditors of the Group.

In this regard, 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 :

AUDIT COMMITTEE REPORT (Cont'd)

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

(ii) External Auditors (Cont'd)

(i) Independence

a. The Audit Committee had reviewed and discussed on the status of independence of the external auditors for the FPE2019. 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 FPE2019 were in respect of tax compliance services and review of the SORMIC, which amounted to RM36,000.

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 2020, 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.

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 2020 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 FPE2019 which was effected in accordance with SORMIC - Guidelines for Directors of Listed Issuers;

e. In February 2020, 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 April 2019 to December 2019 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 FPE2019 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 FPE2019;
- 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 a set out in part (a) of Appendix 9(c) of the MMLR;

b. Reviewed the recurrent related part 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.

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 follow :

(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 FPE2019 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 FPE2019 which constituted the subject matters of the internal audit work conducted by the CAU were as follows :

(i) Technology Services
- Management Information System ("MIS")

(ii) IT Operations and Support Services
- Call Centre
- Fixed Assets Administration

(iii) Service Delivery and Project Management Office
- IT Implementation and Services

In addition, an audit of the Recurrent Related Party Transactions ("RRPT") had been conducted in each of the quarter period.

The total cost incurred by the CAU in discharging its functions and responsibilities for FPE2019 was RM175,000.

AUDITED FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of the Group and of the Company for the 9 months ended 31 December 2019.

CHANGE OF FINANCIAL YEAR END

The Group changed its accounting financial year end from ending on 31 March to 31 December to be coterminous with that of its holding company during the current financial period. Accordingly, the financial statements of the Group and of the Company for the current financial period were prepared for the period of 9 months from 1 April 2019 to 31 December 2019

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 15(a) to the financial statements. There were no significant changes in the nature of the principal activities during the financial period.

RESULTS

	Group RM'000	Company RM'000
Loss net of tax	(5,873)	(1,594)
Attributable to:		
Owners of the Company	(5,846)	(1,594)
Non-controlling interests	(27)	-
	(5,873)	(1,594)

There were no material transfers to or from reserves or provisions during the financial period, 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 period 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 period.

SHARE CAPITAL

The Company's issued and paid-up share capital was increased from RM43,863,471 comprising 421,395,824 ordinary shares to RM51,177,883 comprising 463,535,324 ordinary shares during the financial period through the private placement of 42,139,500 new ordinary shares ("Placement Shares") representing 10% of the issued and paid-up share capital of the Company ("Private Placement") pursuant to the general mandate under Sections 75 and 76, Companies Act 2016 obtained from the shareholders of the Company on 13 September 2018. The Private Placement was announced by the Company on 29 October 2018 with the purpose to raise additional funds for working capital and repayment of bank borrowings of the Group.

DIRECTORS' REPORT (Cont'd)

SHARE CAPITAL (Cont'd)

On 29 November 2018, Bursa Malaysia Securities Berhad ("Bursa Securities") approved the listing and quotation of the Placement Shares on the Main Market of Bursa Securities, and on 16 May 2019, Bursa Securities further approved an extension of time to 28 November 2019 for the completion of the Private Placement.

The Placement Shares were issued for cash consideration in four tranches as follows: -

Tranches	Date listed and quoted on Bursa Securities	Number of Placement Shares	Issue Price Per Share RM	Share Capital RM
First	11 July 2019	6,000,000	0.17	1,020,000
Second	30 August 2019	10,000,000	0.17	1,700,000
Third	30 October 2019	10,000,000	0.177	1,770,000
Final	19 November 2019	16,139,500	0.175	2,824,412
		42,139,500		7,314,412

The new ordinary shares issued under the respective tranches of the Private Placement rank pari passu in all respects with the existing issued ordinary shares of the Company.

DIRECTORS

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

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

In accordance with Clause 131 of the Company's Constitution, Mohamad Sabir Bin Mohamad Sabri and Ong Kuan Wah retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor at any time during that period, 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.

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 shown in Note 10 to the financial statements.

The amount of liability indemnity insurance effected by the Company for the Company's Directors and officers acting in supervisory capacities is up to a limit of RM6,000,000 for the financial period.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.4.2019	Acquired	Disposed	At 31.12.2019
Dato' Mohd Rizal Bin Mohd Jaafar				
- Direct interest	50,000	44,200	-	94,200
Mohamad Sabir Bin Mohamad Sabri				
- Direct interest	5,000	10,200	-	15,200
Nor Adha Bin Yahya				
- Direct interest	204,000	-	-	204,000
- Indirect interest *	100,000	-	-	100,000

* Indirect interest by virtue of interest held by spouse

Except as disclosed above, none of the Directors in office at the end of the financial period have any interest in shares of the Company and its related corporations for the financial period.

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.

DIRECTORS' REPORT (Cont'd)

OTHER STATUTORY INFORMATION (Cont'd)

(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 period 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 period.

(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 period 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 period 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.

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

(a) Details of auditors' remuneration in respect of the Group and of the Company are disclosed in Note 8 to the financial statements. No indemnity was given to nor was there any insurance effected for the auditors during the financial period.

(b) 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 : 27 February 2020

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE 9 MONTHS ENDED 31 DECEMBER 2019

	Note	Group 1.4.2019 to 31.12.2019 RM'000	Group 1.4.2018 to 31.3.2019 RM'000	Company 1.4.2019 to 31.12.2019 RM'000	Company 1.4.2018 to 31.3.2019 RM'000
Revenue	4	28,925	35,539	5,266	7,148
Cost of sales		(22,877)	(31,465)	-	-
Gross profit		6,048	4,074	5,266	7,148
Other income	5	184	1,852	45	58
Selling and distribution costs		(437)	(753)	-	-
Administrative expenses		(6,933)	(8,731)	(3,231)	(4,333)
Other expenses	6	(4,336)	(8,003)	(3,630)	(4,243)
Operating loss		(5,474)	(11,561)	(1,550)	(1,370)
Finance costs	7	(390)	(263)	(35)	(6)
Loss before taxation	8	(5,864)	(11,824)	(1,585)	(1,376)
Taxation	11	(9)	(13)	(9)	(13)
Loss for the financial period/year		(5,873)	(11,837)	(1,594)	(1,389)
Other comprehensive (loss) / income					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation (loss) / gain		(1)	77	-	-
Other comprehensive (loss) / income for the period/year, net of tax		(1)	77	-	-
Total comprehensive loss for the period/year		(5,874)	(11,760)	(1,594)	(1,389)
Loss for the financial period/year attributable to:					
Owners of the Company		(5,846)	(11,836)	(1,594)	(1,389)
Non-controlling interests		(27)	(1)	-	-
		(5,873)	(11,837)	(1,594)	(1,389)
Total comprehensive loss for the period/year attributable to:					
Owners of the Company		(5,847)	(11,759)	(1,594)	(1,389)
Non-controlling interests		(27)	(1)	-	-
		(5,874)	(11,760)	(1,594)	(1,389)
Loss per share attributable to owners of the Company (sen):					
Basic	12	(1.35)	(2.81)		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Group		Company	
		31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	1.3.2019 RM'000
ASSETS					
Non-current assets					
Plant and equipment	13	3,056	3,604	1,528	1,805
Intangible assets	14	2,503	1,668	8	13
Investment in subsidiaries	15	-	-	22,380	19,720
Right-of-use assets	16	1,470	-	434	-
Amounts due from subsidiaries	21	-	-	11,537	9,269
		7,029	5,272	35,887	30,807
Current assets					
Inventories	17	225	298	-	-
Trade receivables	18	11,034	13,372	-	-
Other receivables	19	2,315	2,053	346	356
Contract assets	20	31	455	-	-
Amounts due from subsidiaries	21	-	-	6,644	5,243
Amounts due from related companies	22	-	158	-	-
Tax recoverable		194	204	2	-
Cash and bank balances	23	9,586	11,321	2,059	1,873
		23,385	27,861	9,051	7,472
TOTAL ASSETS		30,414	33,133	44,938	38,279

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019 (Cont'd)

		Group		Company	
	Note	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	1.3.2019 RM'000
EQUITY AND LIABILITIES					
Equity attributable to Owners of the Company					
Share capital	24	51,177	43,863	51,177	43,863
Merger deficit		(13,509)	(13,509)	-	-
Foreign exchange reserve		116	117	-	-
Accumulated losses		(21,138)	(15,292)	(7,977)	(6,383)
		16,646	15,179	43,200	37,480
Non-controlling interests		472	141	-	-
Total equity		17,118	15,320	43,200	37,480
Non-current liabilities					
Long term borrowings	25	69	92	69	92
Lease liabilities	26	404	-	-	-
		473	92	69	92
Current liabilities					
Trade payables	28	1,405	2,538	-	-
Other payables	29	1,984	3,453	453	407
Contract liabilities	20	2,316	4,285	-	-
Amount due to ultimate holding company	22	105	-	105	-
Amount due to immediate holding company	22	23	-	23	-
Amount due to a related company	22	602	258	602	258
Short term borrowings	25	5,272	7,174	31	29
Lease liabilities	26	1,105	-	444	-
Provision for taxation		11	13	11	13
		12,823	17,721	1,669	707
Total liabilities		13,296	17,813	1,738	799
TOTAL EQUITY AND LIABILITIES		30,414	33,133	44,938	38,279

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 9 MONTHS ENDED 31 DECEMBER 2019

		<--------- Attributable to the Owners of the Company -------->						
			<--Non-Distributable -->					
Group	**Note**	**Share capital RM'000**	**Merger deficit RM'000**	**Foreign exchange reserve RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 April 2019		43,863	(13,509)	117	(15,292)	15,179	141	15,320
Loss for the financial period		-	-	-	(5,846)	(5,846)	(27)	(5,873)
Other comprehensive loss								
- Foreign currency translation loss of foreign operations		-	-	(1)	-	(1)	-	(1)
Total comprehensive loss for the period		-	-	(1)	(5,846)	(5,847)	(27)	(5,874)
Transactions with owners :								
Issuance of new shares through Private Placement	24	7,314	-	-	-	7,314	-	7,314
Issuance of shares to non-controlling interest upon incorporation of a new subsidiary	15(a)	-	-	-	-	-	358	358
Total transactions with owners		7,314	-	-	-	7,314	358	7,672
At 31 December 2019		51,177	(13,509)	116	(21,138)	16,646	472	17,118
At 1 April 2018		43,863	(13,509)	40	(3,467)	26,927	3	26,930
Loss for the financial year		-	-	-	(11,836)	(11,836)	(1)	(11,837)
Other comprehensive income								
- Foreign currency translation gain of foreign operations		-	-	77	-	77	-	77
Total comprehensive loss for the year		-	-	77	(11,836)	(11,759)	(1)	(11,760)
Transactions with owners :								
Issuance of new shares to non-controlling interest in a subsidiary	15(b)	-	-	-	11	11	139	150
Total transactions with owners		-	-	-	11	11	139	150
At 31 March 2019		43,863	(13,509)	117	(15,292)	15,179	141	15,320

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 9 MONTHS ENDED 31 DECEMBER 2019

		<-- Attributable to the Owners of the Company -->		
	Note	**Share capital RM'000**	**Accumulated losses RM'000**	**Total equity RM'000**
Company				
At 1 April 2019		43,863	(6,383)	37,480
Loss for the financial period representing total comprehensive loss for the period		-	(1,594)	(1,594)
Transaction with owners:				
Issuance of new shares through Private Placement	24	7,314	-	7,314
At 31 December 2019		51,177	(7,977)	43,200
At 1 April 2018		43,863	(4,994)	38,869
Loss for the financial year representing total comprehensive loss for the year		-	(1,389)	(1,389)
At 31 March 2019		43,863	(6,383)	37,480

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

STATEMENTS OF CASH FLOWS

FOR THE 9 MONTHS ENDED 31 DECEMBER 2019

	Group 1.4.2019 to 31.12.2019 RM'000	Group 1.4.2018 to 31.3.2019 RM'000	Company 1.4.2019 to 31.12.2019 RM'000	Company 1.4.2018 to 31.3.2019 RM'000
Cash Flows from Operating Activities				
Loss before taxation	(5,864)	(11,824)	(1,585)	(1,376)
Adjustments for:				
Depreciation of plant and equipment	614	545	277	98
Amortisation of intangible assets	161	164	5	28
Depreciation of right-of-use assets	1,049	-	558	-
Gain on disposal of plant and equipment	-	(1)	-	-
Plant and equipment written off	-	2	-	-
Net (write-back of)/allowance for impairment losses on receivables	(22)	1,912	-	-
Allowance for impairment loss on investment in a subsidiary	-	-	340	16,712
Write-back of allowance for impairment loss on amount due from a subsidiary	-	-	-	(16,712)
Allowance for impairment losses on amounts due from subsidiaries	-	-	1,685	1,958
Allowance for obsolete inventories	44	79	-	-
Allowance for impairment loss on investment in a club membership	-	44	-	-
Bad debts written off	9	9	-	-
Inventories written off	-	1	-	-
Interest expense	380	248	35	6
Interest income	(163)	(294)	(45)	(51)
Operating (loss)/profit before working capital changes	(3,792)	(9,115)	1,270	663
Decrease/(Increase) in inventories	29	(15)	-	-
Decrease/(Increase) in receivables	2,089	(1,760)	10	(243)
Decrease/(Increase) in contract assets	424	(455)	-	-
(Decrease)/Increase in payables	(2,602)	1,343	46	163
(Decrease)/Increase in contract liabilities	(1,969)	4,285	-	-
Decrease in amounts due from related companies	158	446	-	-
Increase in amount due to ultimate holding company	105	-	105	-
Increase in amount due to immediate holding company	23	-	23	-
Increase in amount due to a related company	344	258	344	258
(Increase)/Decrease in amounts due from subsidiaries	-	-	(5,354)	15,844
Cash (used in)/generated from operations	(5,191)	(5,013)	(3,556)	16,685

STATEMENTS OF CASH FLOWS
FOR THE 9 MONTHS ENDED 31 DECEMBER 2019 (Cont'd)

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Cash Flows from Operating Activities (Cont'd)				
Tax paid	(102)	(98)	(13)	-
Tax refunded	100	124	-	-
Interest received	163	294	45	51
Interest paid	(380)	(248)	(35)	(6)
Net cash (used in)/from operating activities	(5,410)	(4,941)	(3,559)	16,730
Cash Flows from Investing Activities				
Purchase of plant and equipment (Note 13)	(66)	(2,492)	-	(1,822)
Additions to intangible assets (Note 14)	(996)	(1,586)	-	(6)
Proceeds from disposal of plant and equipment	-	2	-	-
Proceeds from issuance of new shares	7,314	-	7,314	-
Proceeds from issuance of shares in a subsidiary to non-controlling interest	358	150	-	-
Acquisition of additional shares in subsidiaries	-	-	(3,000)	(20,340)
Net cash from/(used in) investing activities	6,610	(3,926)	4,314	(22,168)
Cash Flows from Financing Activities				
Repayment of borrowings	(2,409)	(1,799)	-	-
Payment of lease liabilities	(1,010)	-	(548)	-
Payment of hire purchase liabilities	(21)	(30)	(21)	(30)
Net cash used in financing activities	(3,440)	(1,829)	(569)	(30)
Net (decrease)/increase in cash and cash equivalents	(2,240)	(10,696)	186	(5,468)
Effect of exchange rate fluctuations	-	77	-	-
Cash and cash equivalents at beginning of period/year	9,846	20,465	1,873	7,341
Cash and cash equivalents at end of period/year [Note 31(b)]	7,606	9,846	2,059	1,873

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

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 15(a).

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

The Group changed its accounting financial year end from ending on 31 March to 31 December to be coterminous with that of its holding company during the current financial period. Accordingly, the financial statements of the Group and of the Company for the current financial period were prepared for the period of 9 months from 1 April 2019 to 31 December 2019.

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 27 February 2020.

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 new MFRS and IC Interpretation and 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. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Adoption of New MFRS and IC Interpretation and Amendments to MFRSs

During the financial period, 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 April 2019 :-

MFRS 16, Leases
Amendments to MFRS 9 - Prepayment Features with Negative Compensation
Amendments to MFRS 119 - Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128 - Long-term Interests in Associates and Joint Ventures
Amendments to MFRSs Classified as "Annual Improvements to MFRS Standards 2015 - 2017 Cycle" :
- Amendments to MFRS 3, Business Combinations and MFRS 11, Joint Arrangements - Previously Held Interest in a Joint Operation
- Amendments to MFRS 112, Income Taxes - Income Tax Consequences of Payments on Financial Instruments Classified as Equity
- Amendments to MFRS 123, Borrowing Costs - Borrowing Costs Eligible for Capitalisation

IC Interpretation 23, Uncertainty over Income Tax Treatments

The adoption of the abovementioned new MFRS and IC Interpretation and amendments to MFRSs have no significant effect on the financial statements of the Group and of the Company other than in respect of MFRS 16, *Leases*.

The new MFRS 16 superseded MFRS 117 *Leases* and its related IC Interpretations and it sets out the principles for the recognition, measurement, presentation and disclosures of leases.

MFRS 16 introduces a single accounting model and requires a lessee to recognise assets and liabilities for the rights and obligations arising from all leases and hence eliminates the distinction between finance leases and operating leases required by MFRS 117. As a consequence, a lessee recognises right-of-use assets and lease liabilities arising from previous operating leases applying MFRS 117. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 *Property, Plant and Equipment* (or accounted under other appropriate measurement models) and the lease liability is accreted over time with interest expense recognised in profit or loss. For lessors, MFRS 16 retains most of the requirements in MFRS 117, and lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The adoption of MFRS 16 has resulted in a change in accounting policies for leases disclosed in Note 2.20. The change in accounting policies have impact on the Group as a lessee due to existing tenancies for office premises classified as operating leases under MFRS 117. The Group has applied these new policies from 1 April 2019 using the modified retrospective approach under the transitional provisions of MFRS 16, whereby the cumulative effects of adopting the new standard, if any, have been recognised as an adjustment to the opening accumulated losses of the Group and of the Company on 1 April 2019 without restating the comparatives for prior period in these financial statements.

In applying MFRS 16 for the first time, the Group has used the practical expedient permitted by the standard not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying MFRS 117 previously. In addition, the Group also used the practical expedients of applying a single discount rate to a portfolio of leases with reasonably similar characteristics and using hindsight in determining the lease terms of contracts which contain options to extend or terminate the lease.

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

2.2 Adoption of New MFRS and IC Interpretation and Amendments to MFRSs (Cont'd)

Measurement of lease liabilities at 1 April 2019

On 1 April 2019, the Group and the Company recognised lease liabilities for tenancies of office premises existing on that date. The liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 April 2019. The weighted average incremental borrowing rate applied to the lease liabilities is 6%.

	Group RM'000	Company RM'000
Operating lease commitments disclosed applying MFRS 117 at 31 March 2019	2,663	1,030
Present value of operating lease commitments discounted using the incremental borrowing rate at 1 April 2019	2,519	992
Lease liabilities recognised at 1 April 2019	2,519	992

Correspondingly, the Group and the Company recognised the associated right-of-use assets at the amount equal to the lease liabilities as at 1 April 2019.

A summary of the impact of the initial application of MFRS 16 on the statements of financial position of the Group and of the Company on 1 April 2019 is as follows: -

	As at 1 April 2019	
	Group RM'000	Company RM'000
Non-current assets		
Right-of-use assets	2,519	992
Non-current liabilities		
Lease liabilities	1,159	255
Current liabilities		
Lease liabilities	1,360	737
Total lease liabilities	2,519	992

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 2020
Amendments to MFRS 3 - Definition of a Business
Amendments to MFRS 101 and Amendments to MFRS 108 - Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform

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 (Cont'd)

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

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 similiar 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. Acquistion-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.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquistion-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 acquistion-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.

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

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

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.

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.

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

2.6 Intangible Assets (Cont'd)

(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.

(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.

2.7 Plant and Equipment, and Depreciation

All items of 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, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

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

Depreciation of 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%
Furniture, fittings, office and Electronic Data Capture ("EDC") equipment	10% - 20%
Motor vehicles	20%
Renovation	20%

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 plant and equipment.

An item of 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 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 2.12.

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.

2.9 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.

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

2.10 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.

2.11 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.

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

2.11 Financial Assets (Cont'd)

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:

(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 sole 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

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

2.11 Financial Assets (Cont'd)

Measurement (Cont'd)

(a) Debt instruments (Cont'd)

(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.

(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.

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

2.11 Financial Assets (Cont'd)

Derecognition of financial assets

The Group decognises 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.

2.12 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

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.

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

2.13 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.

2.14 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.

2.15 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (Cont'd)

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

2.15 Financial Liabilities (Cont'd)

(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.

2.16 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.

2.17 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.

2.18 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.

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

2.20 Leases

Accounting policies applied from 1 April 2019

(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.

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.

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

2.20 Leases (Cont'd)

Accounting policies applied from 1 April 2019 (Cont'd)

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

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.

(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 2.12.

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 revenue.

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

2.20 Leases (Cont'd)

Accounting policies applied until 31 March 2019

(a) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all risks and rewards incidental to ownership of the leased assets.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

Assets acquired under hire purchase arrangements are recognised and measured in a similar manner as finance leases.

(b) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable plant and equipment as described in Note 2.7.

(c) Operating leases - the Group as lessee and lessor

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Where the Group acts as lessor in an operating lease arrangement, rental income from operating leases is accounted for on a straight-line basis over the period of the lease. Lease incentives provided are recognised over the lease term on a straight-line basis.

2.21 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.

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

2.21 Income Tax (Cont'd)

(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.

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

2.22 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.

2.23 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.

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.

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

2.23 Foreign Currencies (Cont'd)

(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.

2.24 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

Revenue from sales of computer systems, equipment and software 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.

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.

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

2.24 Revenue from Contracts with Customers (Cont'd)

(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 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.

2.25 Revenue from Other Sources and Other Income

(a) Leasing of computer equipment

Lease rental income from leasing of computer equipment is recognised as disclosed under Note 2.20(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 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.

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

2.28 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.

(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 are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

(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.

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

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

(i) Impairment assessment for non-financial assets

The Group assesses impairment of plant and equipment 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 15.

(ii) Useful lives of 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 and of the Company are RM1,388,000 and RM313,000 (31.3.2019: RM654,000 and RM262,000) respectively. The total unrecognised tax losses and capital allowances of the Group and of the Company are RM100,294,000 and RM8,627,000 (31.3.2019: RM93,130,000 and RM9,862,000) respectively.

(iv) Impairment losses of receivables

The Group made impairment loss allowances for receivables and advances to subsdiaries 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 and balances due from subsidiaries and the cumulative allowances for impairment losses are disclosed in Notes 18 and 21 respectively.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

4. REVENUE

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Revenue from contracts with customers:				
ICT related products and services	27,934	34,497	-	-
Payment solutions and services	885	900	-	-
Management services	-	-	5,266	7,148
	28,819	35,397	5,266	7,148
Revenue from other sources:				
Equipment leasing income	106	142	-	-
	28,925	35,539	5,266	7,148
Timing of recognition of revenue from contracts with customers: -				
At a point in time	4,406	3,850	5,266	7,148
Over time	24,413	31,547	-	-
	28,819	35,397	5,266	7,148

For the purpose of segment revenue under segment information in Note 37, revenue from leasing of equipment 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.

5. OTHER INCOME

The following amounts have been included in other income: -

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Interest income:				
- deposits with licensed commercial banks	163	294	45	51
Recovery of impaired debt written-off in prior year	-	1,500	-	-

6. OTHER EXPENSES

The following amounts have been included in other expenses: -

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Depreciation of plant and equipment (Note 13)	614	545	277	98
Amortisation of intangible assets (Note 14)	161	164	5	28
Depreciation of right-of-use assets (Note 16)	1,049	-	558	-
Allowance for impairment losses on amounts due from subsidiaries (Note 21)	-	-	1,685	1,958
Rental of premises				
- short-term leases	106	-	-	-
- operating leases applying MFRS 117	-	1,416	-	691
Rental of equipment				
- leases of low-value assets	31	33	10	12
Allowance for impairment loss on investment in a subsidiary (Note 15)	-	-	340	16,712
Write-back of allowance for impairment loss on amount due from a subsidiary (Note 21)	-	-	-	(16,712)

7. FINANCE COSTS

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Interest expense :				
- short term borrowings	288	242	-	-
- hire purchase	4	6	4	6
- lease liabilities	88	-	31	-
	380	248	35	6
Finance charges on trade facilities	10	15	-	-
	390	263	35	6

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

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	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Employee benefits expense (Note 9)	16,915	20,264	3,232	4,333
Auditors' remuneration:				
- Statutory audit	173	164	56	56
- Other professional services	8	8	8	8
Net realised foreign exchange loss	33	23	2	2
Non-executive directors' remuneration (Note 10)	136	187	136	187
Allowance for obsolete inventories (Note 17)	44	79	-	-
Write-back of allowance for impairment losses on receivables (Note 18)	(53)	(448)	-	-
Allowance for impairment losses on receivables (Note 18)	31	2,360	-	-
Allowance for impairment loss on investment in a club membership	-	44	-	-
Bad debts written off	9	9	-	-
Inventories written off	-	1	-	-
Plant and equipment written off	-	2	-	-
Gain on disposal of plant and equipment	-	(1)	-	-
Internet and network expenses	46	57	16	22

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Wages and salaries	14,586	17,345	2,722	3,666
Social security contributions	212	239	20	27
Contributions to a defined contribution plan	1,652	1,974	317	423
Other staff related expenses	465	706	173	217
	16,915	20,264	3,232	4,333

Included in employee benefits expense are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM477,000 (31.3.2019: RM636,000) in respect of the Group and the Company as further disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	**1.4.2018 to 31.3.2019 RM'000**	**1.4.2019 to 31.12.2019 RM'000**	**1.4.2018 to 31.3.2019 RM'000**
Directors of the Company				
Executive Directors' remuneration:				
- Salaries and allowances	426	568	426	568
- Contributions to a defined contribution plan	51	68	51	68
Total Executive Directors' remuneration (Note 9)	477	636	477	636
Non-Executive Directors' remuneration :				
- Fees	112	155	112	155
- Allowances	24	32	24	32
	136	187	136	187
Total Directors' remuneration	613	823	613	823
Benefits-in-kind	9	26	9	26
Total Directors' remuneration including benefits-in-kind	622	849	622	849

11. TAXATION

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	**1.4.2018 to 31.3.2019 RM'000**	**1.4.2019 to 31.12.2019 RM'000**	**1.4.2018 to 31.3.2019 RM'000**
Current Malaysian taxation	11	13	11	13
Overprovison of taxation in prior year	(2)	-	(2)	-
	9	13	9	13

(a) Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.3.2019: 24%) of the estimated assessable profit for the year.

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

11. TAXATION (Con'd)

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

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Loss before taxation	(5,864)	(11,824)	(1,585)	(1,376)
Taxation at Malaysian statutory tax rate of 24% (31.3.2019: 24%)	(1,407)	(2,838)	(380)	(330)
Expenses not deductible for tax purposes	171	208	591	604
Income not subject to taxation	(3)	(22)	-	(1)
Utilisation of deferred tax assets not recognised in prior year	(200)	(260)	(200)	(260)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	1,450	2,925	-	-
Overprovision of taxation in prior year	(2)	-	(2)	-
Income tax expense	9	13	9	13
Tax savings recognised during the financial period/year arising from:				
Utilisation of unutilised tax losses not recognised in prior year	200	200	200	200

(b) Subject to agreement with the Inland Revenue Board, 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	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Unutilised tax losses	99,007	91,609	8,938	10,123
Unabsorbed capital allowances	2,675	2,174	-	-
	101,682	93,783	8,938	10,123

11. TAXATION (Con'd)

(b) Subject to agreement with the Inland Revenue Board, 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:- (Cont'd)

Pursuant to the Finance Act 2018, any unutilised tax losses 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. In this respect, the unutilised tax losses of the Group and of the Company at the end of the reporting period shall expire in the year of assessment as tabulated below: -

	Group		Company	
Year of Assessment	**31.12.2019 RM'000**	**31.3.2019 RM'000**	**31.12.2019 RM'000**	**31.3.2019 RM'000**
2025	82,930	83,452	8,938	10,123
2026	8,157	8,157	-	-
2027	7,920	-	-	-
Total unutilised tax losses	99,007	91,609	8,938	10,123

12. LOSS PER SHARE

(a) Basic

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

	Group	
	31.12.2019	**31.3.2019**
Loss attributable to owners of the Company (RM'000)	(5,846)	(11,836)
Weighted average number of ordinary shares in issue ('000)	434,516	421,396
Basic loss per share for the financial period/year (sen)	(1.35)	(2.81)

(b) Diluted

Diluted earnings per share is not presented as there is no dilutive potential ordinary share outstanding as at the end of the financial period/year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

13. PLANT AND EQUIPMENT

	Computer equipment		Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
	Subject to operating leases RM'000	Own use RM'000				
Group						
At 31 December 2019						
Cost						
At 1 April 2019						
- previously reported	-	4,413	4,167	385	1,089	10,054
Transfer on initial application of MFRS 16	280	(280)	-	-	-	-
At 1 April 2019						
- restated	280	4,133	4,167	385	1,089	10,054
Additions	-	12	36	-	18	66
Write-off	-	(8)	(2)	-	-	(10)
At 31 December 2019	280	4,137	4,201	385	1,107	10,110
Accumulated Depreciation						
At 1 April 2019						
- previously reported	-	3,193	2,798	365	94	6,450
Transfer on initial application of MFRS 16	43	(43)	-	-	-	-
At 1 April 2019						
- restated	43	3,150	2,798	365	94	6,450
Charge for the year (Note 6)	30	162	246	9	167	614
Write-off	-	(8)	(2)	-	-	(10)
At 31 December 2019	73	3,304	3,042	374	261	7,054
Carrying Amount						
At 31 December 2019	207	833	1,159	11	846	3,056

13. 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
Group					
At 31 March 2019					
Cost					
At 1 April 2018	3,994	3,047	385	168	7,594
Additions	424	1,145	-	923	2,492
Disposals	(2)	-	-	(1)	(3)
Write-off	(3)	(25)	-	(1)	(29)
At 31 March 2019	4,413	4,167	385	1,089	10,054
Accumulated Depreciation					
At 1 April 2018	2,952	2,639	307	36	5,934
Charge for the year (Note 6)	244	184	58	59	545
Disposals	(2)	-	-	-	(2)
Write-off	(1)	(25)	-	(1)	(27)
At 31 March 2019	3,193	2,798	365	94	6,450
Carrying Amount					
At 31 March 2019	1,220	1,369	20	995	3,604
Company					
At 31 December 2019					
Cost					
At 1 April 2019 / At 31 December 2019	619	1,114	277	842	2,852
Accumulated Depreciation					
At 1 April 2019	593	162	277	15	1,047
Charge for the year (Note 6)	6	145	-	126	277
At 31 December 2019	599	307	277	141	1,324
Carrying Amount					
At 31 December 2019	20	807	-	701	1,528

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

13. 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 March 2019					
Cost					
At 1 April 2018	607	146	277	-	1,030
Additions	12	968	-	842	1,822
At 31 March 2019	619	1,114	277	842	2,852
Accumulated Depreciation					
At 1 April 2018	582	136	231	-	949
Charge for the year (Note 6)	11	26	46	15	98
At 31 March 2019	593	162	277	15	1,047
Carrying Amount					
At 31 March 2019	26	952	-	827	1,805

(a) Included in 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 RM5,508,000 and RM1,008,000 (31.3.2019: RM5,320,000 and RM954,000) respectively.

(b) The Group leases computer equipment and computer software as disclosed in Note 14 to its related companies under operating leases with lease term of 3 years.

The lease income recognised in profit or loss is included in revenue of the Group as disclosed in Note 4.

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

	Group 31.12.2019 RM'000
Within one year	138

14. INTANGIBLE ASSETS

	Group				Company
	Computer software				
	Subject to operating leases RM'000	Own use RM'000	Development Expenditure RM'000	Total RM'000	Computer Software RM'000
At 31 December 2019					
Cost					
At 1 April 2019					
- previously reported	-	2,467	739	3,206	1,149
Transfer on initial application of MFRS 16	70	(70)	-	-	-
At 1 April 2019					
- restated	70	2,397	739	3,206	1,149
Additions	-	358	638	996	-
At 31 December 2019	70	2,755	1,377	4,202	1,149
Accumulated Amortisation					
At 1 April 2019					
- previously reported	-	1,538	-	1,538	1,136
Transfer on initial application of MFRS 16	15	(15)	-	-	-
At 1 April 2019					
- restated	15	1,523	-	1,538	1,136
Charge for the year (Note 6)	11	150	-	161	5
At 31 December 2019	26	1,673	-	1,699	1,141
Carrying Amount					
At 31 December 2019	44	1,082	1,377	2,503	8

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

14. INTANGIBLE ASSETS (Cont'd)

	Group Computer Software RM'000	Group Development Expenditure RM'000	Group Total RM'000	Company Computer Software RM'000
At 31 March 2019				
Cost				
At 1 April 2018	2,003	-	2,003	1,143
Additions	847	739	1,586	6
Write-off	(383)	-	(383)	-
At 31 March 2019	2,467	739	3,206	1,149
Accumulated Amortisation				
At 1 April 2018	1,757	-	1,757	1,108
Charge for the year (Note 6)	164	-	164	28
Write-off	(383)	-	(383)	-
At 31 March 2019	1,538	-	1,538	1,136
Carrying Amount				
At 31 March 2019	929	739	1,668	13

Development expenditure of the Group refers to direct cost incurred for the development of an e-wallet application which has yet to be completed at the end of the financial year. Employee benefits expense included in development expenditure capitalised for the year amounted to RM616,166 (31.3.2019: RM689,240), which includes contribution of RM65,196 (31.3.2019: RM72,640) to a defined contribution plan.

15. INVESTMENT IN SUBSIDIARIES

	Company 31.12.2019 RM'000	Company 31.3.2019 RM'000
Unquoted shares, at cost	96,385	93,385
Less: Accumulated impairment losses		
At 1 April 2019/2018	(73,665)	(56,953)
Additional impairment loss for the year (Note 6)	(340)	(16,712)
At 31 December/31 March	(74,005)	(73,665)
	22,380	19,720

During the current financial period, the management has undertaken an impairment review of certain loss making subsidiaries and has made further allowance for impairment loss on investment in a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

15. 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 31.12.2019 %	Company's effective interest 31.3.2019 %	Principal Activities
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	70	70	Dormant.
Dataprep (HK) Limited #	Hong Kong SAR, People's Republic of China	100	100	Investment holdings
Dataprep (Beijing) Limited # *[held through Dataprep (HK) Limited]*	People's Republic of China	100	100	Dormant.
Dataprep International (Labuan) Ltd #	Malaysia	100	100	Investment holdings.
PT Dataprep Teknologi Indonesia # *[held through Dataprep International (Labuan) Ltd]*	Indonesia	65	-	Sales and marketing of ICT products, software and services.
DP Kyoto Tech Middle East Limited # *[held through Dataprep International (Labuan) Ltd]*	United Arab Emirates	51	51	Provision of education technologies, infrastructure, network and support service (presently dormant).

\# Not audited by Folks DFK & Co.

On 25 June 2019, the Group through Dataprep International (Labuan) Ltd, a wholly-owned subsidiary of the Company, has incorporated a new subsidiary in Indonesia, PT Dataprep Teknologi Indonesia with an equity shareholding of 65% for cash consideration of IDR2,296,287,500 (equivalent of RM665,031).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

15. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Change in equity interest in a subsidiary that did not result in loss of control

In the previous financial year, the Company's equity interest in Tamadun Interaktif Sdn Bhd ("TISB") was diluted from 100% to 70% following the issuance of 150,000 new ordinary shares at the issue price of RM1.00 each to a third party corporation for cash consideration of RM150,000. The effect of dilution in the Group's interest in TISB which did not result in a loss of control was recognised directly in equity. The Group recognised an increase in non-controlling interest of RM139,218 and an increase in equity attributable to owners of the Company through a reduction of RM10,782 in accumulated losses as tabulated below: -

	31.3.2019 RM'000
Cash consideration paid by new non-controlling interest in TISB	150
Net assets in TISB acquired by new non-controlling interest	(139)
Difference representing increase in equity attributed to owners of the Company	11

(c) Information on subsidiaries with material non-controlling interest

The Group has no material non-controlling interest as at 31 December 2019 and 31 March 2019.

16. RIGHT-OF-USE ASSETS

	Group		Company	
Office premises	**31.12.2019 RM'000**	**31.3.2019 RM'000**	**31.12.2019 RM'000**	**31.3.2019 RM'000**
Cost				
At 1 April 2019				
- Adjustment on initial application of MFRS 16 (Note 2.2)	2,519	-	992	-
At 31 December/31 March	2,519	-	992	-
Accumulated Depreciation				
At 1 April 2019	-	-	-	-
Charge for the year (Note 6)	1,049	-	558	-
At 31 December/31 March	1,049	-	558	-
Carrying Amount				
At 31 December/31 March	1,470	-	434	-

The Group and the Company lease office premises with tenancy terms of two years for the operations of the Group and the Company. Obligations for the lease payments are recognised as lease liabilities as disclosed in Note 26.

17. INVENTORIES

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
At cost		
Computer equipment, spares and supplies	850	879
Allowance for obsolete inventories		
At 1 April 2019/2018	(581)	(502)
Addition (Note 8)	(44)	(79)
At 31 December/31 March	(625)	(581)
	225	298

The cost of inventories recognised as an expense during the financial period/year for the Group amounted to approximately RM10,069,000 (31.3.2019 : RM17,176,000).

18. TRADE RECEIVABLES

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
Trade receivables	13,369	15,729
Less: Allowance for impairment losses	(2,335)	(2,357)
	11,034	13,372

Trade receivables are non-interest bearing and are generally on 30 days to 90 days (31.3.2019 : 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 2019			
Current	4,271	-	4,271
1 to 30 days past due	2,081	-	2,081
31 to 60 days past due	269	-	269
61 to 90 days past due	22	-	22
More than 91 days past due	91	-	91
	6,734	-	6,734
Credit impaired			
More than 180 days past due	6,635	2,335	4,300
	13,369	2,335	11,034

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

18. 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 March 2019			
Current	5,046	-	5,046
1 to 30 days past due	1,765	-	1,765
31 to 60 days past due	538	-	538
61 to 90 days past due	1,199	-	1,199
More than 91 days past due	647	43	604
	9,195	43	9,152
Credit impaired			
More than 180 days past due	6,534	2,314	4,220
	15,729	2,357	13,372

Further information on credit risk exposure together with the recognition and measurement of allowance for ECLs are disclosed in Note 35(d).

Allowance for impairment losses

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

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
At 1 April 2019/2018	2,357	445
Addition (Note 8)	31	2,360
Write-back (Note 8)	(53)	(448)
At 31 December/31 March	2,335	2,357

Currency exposure

The currency exposure profile of gross carrying amount of trade receivables is as follows :-

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
Ringgit Malaysia	13,046	15,316
US Dollar	323	413
	13,369	15,729

19. OTHER RECEIVABLES

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Prepayments	1,352	1,217	49	43
Deposits	414	416	138	138
Advances to employees	20	18	-	-
Interest income receivable	9	51	9	24
Goods and Services Tax (GST) receivable	-	1	-	1
Sundry receivables	520	350	150	150
	2,315	2,053	346	356

20. CONTRACT ASSETS / CONTRACT LIABILITIES

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
Contract assets	31	455
Contract liabilities	2,316	4,285

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (Cont'd)

21. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	31.12.2019 RM'000	31.3.2019 RM'000
Amounts due from subsidiaries	51,297	45,943
Less: Allowance for impairment losses		
At 1 April 2019/2018	(31,431)	(46,185)
Addition (Note 6)	(1,685)	(1,958)
Write-back (Note 6)	-	16,712
At 31 December/31 March	(33,116)	(31,431)
	18,181	14,512
Presented as follows:		
Non-current assets	11,537	9,269
Current assets	6,644	5,243
	18,181	14,512

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.

22. AMOUNTS DUE FROM / (TO) RELATED COMPANIES AND HOLDING 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 and holding companies represent trade and related balances which are unsecured, interest free and repayable on demand.

23. CASH AND BANK BALANCES

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Deposits with licensed commercial banks	6,352	7,641	1,907	1,847
Cash and bank balances	3,234	3,680	152	26
	9,586	11,321	2,059	1,873

Deposits of approximately RM6,352,000 (31.3.2019: RM7,641,000) for the Group and RM1,907,000 (31.3.2019: RM1,847,000) for the Company are pledged as security for banking facilities granted to the Group and not available for general use.

23. CASH AND BANK BALANCES (Cont'd)

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

	Group		Company	
	31.12.2019 %	31.3.2019 %	31.12.2019 %	31.3.2019 %
Licensed Commercial Banks	2.85-3.35	3.00-3.35	3.00	3.00-3.25

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

	Group		Company	
	31.12.2019 Days	31.3.2019 Days	31.12.2019 Days	31.3.2019 Days
Licensed Commercial Banks	30 - 365	28 - 365	180	180

24. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares		Amount	
	31.12.2019 '000	31.3.2019 '000	31.12.2019 RM'000	31.3.2019 RM'000
Issued and fully paid:				
At beginning of financial period/year	421,396	421,396	43,863	43,863
Issuance of new shares during the financial period - Private Placement	42,139	-	7,314	-
At end of financial period/year	463,535	421,396	51,177	43,863

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.

24. SHARE CAPITAL (Cont'd)

The Company increased its issued and paid-up share capital from RM43,863,471 comprising 421,395,824 ordinary shares to RM51,177,883 comprising 463,535,324 ordinary shares during the current financial period through the private placement of 42,139,500 new ordinary shares ("Placement Shares") representing 10% of the issued and paid-up share capital of the Company ("Private Placement") pursuant to Sections 75 and 76 of the Companies Act 2016 as announced by the Company on 29 October 2018. On 29 November 2018, Bursa Malaysia Securities Berhad ("Bursa Securities") approved the listing and quotation of the Placement Shares on the Main Market of Bursa Securities, and on 16 May 2019, Bursa Securities further approved an extension of time to 28 November 2019 for the completion of the Private Placement.

The Placement Shares were issued for cash consideration in four tranches as follows: -

Tranches	Date listed and quoted on Bursa Securities	Number of Placement Shares	Issue Price Per Share RM	Share Capital RM
First	11 July 2019	6,000,000	0.17	1,020,000
Second	30 August 2019	10,000,000	0.17	1,700,000
Third	30 October 2019	10,000,000	0.177	1,770,000
Final	19 November 2019	16,139,500	0.175	2,824,412
		42,139,500		7,314,412

The Private Placement was deemed completed on 19 November 2019 and raised a total proceeds of RM7,314,412 for the Company which were utilised for working capital, repayment of bank borrowings of the Group and to defray expenses of the Private Placement.

The new ordinary shares issued under the respective tranches of the Private Placement rank pari passu in all respects with the existing issued ordinary shares of the Company.

25. BORROWINGS

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Non-current				
Secured:				
Hire purchase payables	69	92	69	92
Current				
Secured:				
Hire purchase payables	31	29	31	29
Banker acceptances	3,261	5,670	-	-
Bank overdrafts	1,980	1,475	-	-
	5,272	7,174	31	29
Total borrowings	5,341	7,266	100	121

25. BORROWINGS (Cont'd)

The banker acceptances and bank overdrafts attributable to a subsidiary are secured by way of a charge over the fixed deposits of the Company and of the subsidiary together with corporate guarantees by the Company.

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.

Interest on banker acceptances are subject to interest rates varying between 5.50% to 5.65% (31.3.2019: 5.06% to 6.03%) per annum. Interest on bank overdrafts are payable at rates ranging from 7.00% to 7.60% (31.3.2019: 7.90% to 8.15%) per annum. Hire purchase liabilities bear effective interest rate of 4.44% (31.3.2019: 4.44%) per annum.

The maturities of the total borrowings are as follows:

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
On demand or within one year	5,272	7,174	31	29
More than 1 year and less than 2 years	32	29	32	29
More than 2 year and less than 5 years	37	63	37	63
	5,341	7,266	100	121

26. LEASE LIABILITIES

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Current	1,105	-	444	-
Non-current	404	-	-	-
	1,509	-	444	-
Balance atributable to a related company	444	-	444	-

Lease liabilities are in respect of the future lease payments for the tenancies of the office premises which are recognised as right-of-use assets in Note 16.

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

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Not later than 1 year	1,154	-	451	-
Later than 1 year and not later than 2 years	410	-	-	-
Total outstanding lease payments	1,564	-	451	-
Total cash outflow for leases for period	1,235	-	589	-

27. DEFERRED TAX

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
At beginning of financial period/year and end of financial period/year	-	-	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	713	333	179	63
Deferred tax liabilities	(713)	(333)	(179)	(63)
	-	-	-	-

The components and movements of the deferred tax liabilities and assets during the financial period/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 April 2019 - previously reported	63	94	176	333
Adjustment on initial application of MFRS 16	-	-	605	605
Recognised in profit or loss	12	164	(401)	(225)
At 31 December 2019	75	258	380	713
At 1 April 2018	11	85	134	230
Recognised in profit or loss	52	9	42	103
At 31 March 2019	63	94	176	333

27. DEFERRED TAX (Cont'd)

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Other Taxable Temporary Differences RM'000	Total RM'000
At 1 April 2019 - previously reported	333	-	333
Adjustment on initial application of MFRS 16	-	605	605
At 1 April 2019 - restated	333	605	938
Recognised in profit or loss	27	(252)	(225)
At 31 December 2019	360	353	713
At 1 April 2018	230	-	230
Recognised in profit or loss	103	-	103
At 31 March 2019	333	-	333

Deferred Tax Assets of the Company:

	Unutilised Tax Losses RM'000	Other Deductible Temporary Differences RM'000	Total RM'000
At 1 April 2019 - previously reported	63	-	63
Adjustment on initial application of MFRS 16	-	238	238
At 1 April 2019 - restated	63	238	301
Recognised in profit or loss	12	(134)	(122)
At 31 December 2019	75	104	179
At 1 April 2018	11	-	11
Recognised in profit or loss	52	-	52
At 31 March 2019	63	-	63

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

27. DEFERRED TAX (Cont'd)

The components and movements of the deferred tax liabilities and assets during the financial period/year prior to the offsetting are as follows (Cont'd):

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM'000	Other Taxable Temporary Differences RM'000	Total RM'000
At 1 April 2019 - previously reported	63	-	63
Adjustment on initial application of MFRS 16	-	238	238
At 1 April 2019 - restated	63	238	301
Recognised in profit or loss	12	(134)	(122)
At 31 December 2019	75	104	179
At 1 April 2018	11	-	11
Recognised in profit or loss	52	-	52
At 31 March 2019	63	-	63

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Other deductible temporary differences	2,980	4,116	10	-
Unutilised tax losses	98,696	91,348	8,627	9,862
Unabsorbed capital allowances	1,598	1,782	-	-
	103,274	97,246	8,637	9,862

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 2019 (Cont'd)

28. TRADE PAYABLES

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
Trade payables	1,405	2,538

The credit terms of the Group's trade payables range from 60 days to 90 days (31.3.2019: 60 days to 90 days).

The currency exposure profile of trade payables is as follows :-

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
Ringgit Malaysia	1,169	2,534
US Dollar	236	4
	1,405	2,538

29. OTHER PAYABLES

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Accrued professional fees	221	190	69	69
Accruals on staff costs	11	1,935	-	107
Deposits from customers	524	611	-	-
Sundry payables	797	353	248	74
Other accruals	197	330	136	157
Sales and Service Tax (SST) payable	234	-	-	-
Goods and Services Tax (GST) payable	-	34	-	-
	1,984	3,453	453	407

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (Cont'd)

30. 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

	Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Management services charged to the subsidiaries (Note 4)	5,266	7,148

(ii) Year end outstanding balances

	Company	
	31.12.2019 RM'000	31.3.2019 RM'000
Amounts due from subsidiaries	51,297	45,943
Less: Allowance for impairment losses	(33,116)	(31,431)
	18,181	14,512

The terms and conditions of the abovementioned balances are disclosed in Note 21.

Allowance for impairment losses recognised as an expense in the current financial period amounted to RM1,685,000 (31.3.2019 : RM1,958,000).

(b) Transactions and year end outstanding balances with related and holding companies

(i) Transactions

	Group	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Lease of computer equipment to related companies	106	142
Rental of premises charged by a related company	580	515

Future rentals for the remaining lease of the premises payable to a related company are recognised as lease liabilities as disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

30. RELATED PARTY DISCLOSURES (Cont'd)

(b) Transactions and year end outstanding balances with related and holding companies (Cont'd)

(ii) Year end outstanding balances

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Amounts due from related companies	-	158	-	-
Amount due to ultimate holding company	105	-	105	-
Amount due to immediate holding company	23	-	23	-
Amount due to a related company	602	258	602	258

The terms and conditions of the abovementioned balances are disclosed in Note 22.

(c) Compensation of key management personnel

The remuneration of key management personnel for the financial period/year were as follows:

	Group		Company	
	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Short term employee benefits	1,138	1,738	1,138	1,738
Post-employment benefits				
- Defined contribution plan	136	209	136	209
Benefits-in-kind	28	60	28	60
	1,302	2,007	1,302	2,007
Non-executive directors				
- Short term benefits	136	187	136	187
	1,438	2,194	1,438	2,194

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

31. NOTES TO STATEMENTS OF CASH FLOWS

(a) Liabilities arising from financing activities

Changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes, during the financial period/year are analysed in the reconciliation below:-

Group	Banker Acceptances RM'000	Hire Purchase Financing RM'000	Lease Liabilities RM'000	Total RM'000
At 1 April 2019 - previously reported	5,670	121	-	5,791
Adjustment on initial application of MFRS 16	-	-	2,519	2,519
At 1 April 2019 - restated	5,670	121	2,519	8,310
Net repayment of borrowings	(2,409)	-	-	(2,409)
Payment of lease liabilities	-	-	(1,010)	(1,010)
Payment of hire purchase financing	-	(21)	-	(21)
Net changes in cash flows	(2,409)	(21)	(1,010)	(3,440)
At 31 December 2019	3,261	100	1,509	4,870

Group	Banker Acceptances RM'000	Hire Purchase Financing RM'000	Total RM'000
At 1 April 2018	7,469	151	7,620
Net repayment of borrowings	(1,799)	-	(1,799)
Payment of hire purchase financing	-	(30)	(30)
Net changes in cash flows	(1,799)	(30)	(1,829)
At 31 March 2019	5,670	121	5,791

Company	Hire Purchase Financing RM'000	Lease Liabilities RM'000	Total RM'000
At 1 April 2019 - previously reported	121	-	121
Adjustment on initial application of MFRS 16	-	992	992
At 1 April 2019 - restated	121	992	1,113
Payment of lease liabilities	-	(548)	(548)
Payment of hire purchase financing	(21)	-	(21)
Net changes in cash flows	(21)	(548)	(569)
At 31 December 2019	100	444	544

31. NOTES TO STATEMENTS OF CASH FLOWS (Cont'd)

(a) Liabilities arising from financing activities (Cont'd)

Company	Hire Purchase Financing RM'000
At 1 April 2018	151
Net change in cash flows:	
Payment of hire purchase financing	(30)
At 31 March 2019	121

(b) Cash and cash equivalents at end of period/year

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Deposits with licensed commercial banks (Note 23)	6,352	7,641	1,907	1,847
Cash and bank balances (Note 23)	3,234	3,680	152	26
	9,586	11,321	2,059	1,873
Short term borrowings - Overdrafts (Note 25)	(1,980)	(1,475)	-	-
	7,606	9,846	2,059	1,873

32. OPERATING LEASE

(a) As lessee

	Group		Company	
	31.12.2019 RM'000	31.3.2019 RM'000	31.12.2019 RM'000	31.3.2019 RM'000
Future minimum rental payable :				
Not later than 1 year	-	1,467	-	773
Later than 1 year and not later than 5 years	-	1,196	-	257
	-	2,663	-	1,030

Upon the application of MFRS 16 from 1 April 2019, the maturity analysis of undiscounted lease payments by the Group and Company as lessees is as disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

32. OPERATING LEASE (Cont'd)

(b) As lessor

	Group	
	31.12.2019 RM'000	31.3.2019 RM'000
Future minimum rental receivable :		
Not later than 1 year	-	142
Later than 1 year and not later than 5 years	-	102
	-	244

Upon the application of MFRS 16 from 1 April 2019, the maturity analysis of lease payments receivable by the Group as a lessor is as disclosed in Note 13(b).

33. CONTINGENT LIABILITIES

	Group and Company	
	31.12.2019 RM'000	31.3.2019 RM'000
Corporate Guarantee given to a financial institution for performance guarantees of a subsidiary (secured)	545	570

34. 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, amounts due to a related company and holding companies and borrowings.

Financial assets of the Company also include amounts due from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

34. FINANCIAL INSTRUMENTS (Cont'd)

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
31.12.2019				
Trade receivables	11,034	11,034	-	-
Other receivables	963	963	297	297
Deposits, cash and bank balances	9,586	9,586	2,059	2,059
Amounts due from subsidiaries	-	-	18,181	18,181
	21,583	21,583	20,537	20,537

	Group		Company	
	Carrying amount RM'000	Financial assets at amortised cost RM'000	Carrying amount RM'000	Financial assets at amortised cost RM'000
31.3.2019				
Trade receivables	13,372	13,372	-	-
Other receivables	836	836	313	313
Deposits, cash and bank balances	11,321	11,321	1,873	1,873
Amounts due from subsidiaries	-	-	14,512	14,512
Amounts due from related companies	158	158	-	-
	25,687	25,687	16,698	16,698

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

34. FINANCIAL INSTRUMENTS (Cont'd)

A. Categories of Financial Instruments (Cont'd)

Financial liabilities as per statements of financial position

	Group		Company	
	Carrying amount RM'000	Financial liabilities at amortised cost RM'000	Carrying amount RM'000	Financial liabilities at amortised cost RM'000
31.12.2019				
Trade payables	1,405	1,405	-	-
Other payables	1,984	1,984	453	453
Amount due to ultimate holding company	105	105	105	105
Amount due to immediate holding company	23	23	23	23
Amount due to a related company	602	602	602	602
Borrowings	5,341	5,341	100	100
	9,460	9,460	1,283	1,283

	Group		Company	
	Carrying amount RM'000	Financial liabilities at amortised cost RM'000	Carrying amount RM'000	Financial liabilities at amortised cost RM'000
31.3.2019				
Trade payables	2,538	2,538	-	-
Other payables	3,453	3,453	407	407
Amount due to a related company	258	258	258	258
Borrowings	7,266	7,266	121	121
	13,515	13,515	786	786

34. FINANCIAL INSTRUMENTS (Cont'd)

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

	Group and Company	
	Carrying Amount RM'000	Fair Value RM'000
Financial Liabilities		
At 31 December 2019:		
Hire purchase payables (Note 25)	100	94
At 31 March 2019:		
Hire purchase payables (Note 25)	121	115

(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 carrying amounts of balances with subsidiaries, related companies and holding companies approximate their fair values.

35. 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 period 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 payables, banker acceptances and bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Interest rate risk (Cont'd)

The Group's deposits with licensed commercial banks and hire purchase payables 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 payables and banker acceptances 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 RM10,000 (31.3.2019: RM7,000). 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.

The unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional Currency of Group Companies	Net Financial Assets Held in Non-Functional Currency United States Dollar (USD) RM'000
At 31 December 2019	
Ringgit Malaysia	87
At 31 March 2019	
Ringgit Malaysia	409

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity analysis

A 10 percent strengthening or weakening of the USD against the Ringgit Malaysia currency at the end of the reporting period would have increased or decreased profit or loss and equity by the amount shown below. This analysis assumes all other variables remain constant.

	31.12.2019 RM'000	31.03.2019 RM'000
USD	9	41

(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.

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			
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	Later than 5 years RM'000	Effective interest rate %
31.12.2019				
Financial liabilities				
Trade payables	1,405	-	-	-
Other payables	1,984	-	-	-
Amount due to ultimate holding company	105	-	-	-
Amount due to immediate holding company	23	-	-	-
Amount due to a related company	602	-	-	-
Hire purchase payables	35	72	-	4.44%
Banker acceptances	3,261	-	-	5.50%-5.65%
Bank overdrafts	1,980	-	-	7.00%-7.60%
	9,395	72	-	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Group	Maturity Profile			
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	Later than 5 years RM'000	Effective interest rate %
31.3.2019				
Financial liabilities				
Trade payables	2,538	-	-	-
Other payables	3,453	-	-	-
Amount due to a related company	258	-	-	-
Hire purchase payables	35	97	-	4.44%
Banker acceptances	5,670	-	-	5.06%-6.03%
Bank overdrafts	1,475	-	-	7.90%-8.15%
	13,429	97	-	

Company	Maturity Profile			
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	Later than 5 years RM'000	Effective interest rate %
31.12.2019				
Financial liabilities				
Other payables	453	-	-	-
Amount due to ultimate holding company	105	-	-	-
Amount due to immediate holding company	23	-	-	-
Amount due to a related company	602	-	-	-
Hire purchase payables	35	72		4.44%
	1,218	72	-	

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Company	Maturity Profile			
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	Later than 5 years RM'000	Effective interest rate %
31.3.2019				
Financial liabilities				
Other payables	407	-	-	-
Amount due to a related company	258	-	-	-
Hire purchase payables	35	97	-	4.44%
	700	97	-	

(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 Operating Officer or the Managing Director.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(d) Credit risk (Cont'd)

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 18.

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.

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 21 using the general approach under MFRS 9 based on management's assessment of changes in credit risk at the reporting date.

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:

	31.12.2019 RM'000	31.03.2019 RM'000
By industry sectors:		
Government agencies and linked corporations	1,038	705
Private corporations	12,331	15,024
	13,369	15,729

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.

36. 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:

	Group	
	31.12.2019	**31.03.2019**
Total debts (RM'000)	10,969	13,515
Equity attributable to the owners of the Company, representing total capital (RM'000)	16,646	15,179
Debts to equity ratio	66%	89%

37. 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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (Cont'd)

37. SEGMENT INFORMATION (Cont'd)

Business Segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment.

31 December 2019

	ICT related products and services RM'000	Payment solutions and services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	28,040	885	-	28,925
Intersegment sales	140	-	(140)	-
Total revenue	28,180	885	(140)	28,925
RESULTS				
Segment (loss)/profit	(5,802)	(224)	5,266	(760)
Interest income				163
Unallocated expenses				(4,887)
Loss from operations				(5,484)
Interest expense				(380)
Loss before tax				(5,864)
Taxation				(9)
Loss after tax				(5,873)
OTHER INFORMATION				
Segment assets	27,130	3,270	-	30,400
Unallocated assets				14
Total assets				30,414
Segment liabilities	12,279	1,013	-	13,292
Unallocated liabilities				4
Total liabilities				13,296
Capital expenditure	424	638	-	1,062
Depreciation and amortisation:				
- property, plant and equipment and intangible assets	687	88	-	775
- right-of-use assets	1,049	-	-	1,049
Net write-back of impairment losses on receivables	(15)	(7)	-	(22)
Allowance for obsolete inventories	44	-	-	44

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

37. SEGMENT INFORMATION (Cont'd)

31 March 2019

	ICT related products and services RM'000	Payment solutions and services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	34,639	900	-	35,539
Intersegment sales	201	-	(201)	-
Total revenue	34,840	900	(201)	35,539
RESULTS				
Segment (loss)/profit	(11,565)	(825)	7,148	(5,242)
Interest income				294
Unallocated expenses				(6,628)
Loss from operations				(11,576)
Interest expense				(248)
Loss before tax				(11,824)
Taxation				(13)
Loss after tax				(11,837)
OTHER INFORMATION				
Segment assets	30,590	2,275	-	32,865
Unallocated assets				268
Total assets				33,133
Segment liabilities	14,232	3,514	-	17,746
Unallocated liabilities				67
Total liabilities				17,813
Capital expenditure	3,244	834	-	4,078
Depreciation and amortisation	557	152	-	709
Plant and equipment written off	2	-	-	2
Gain on disposal of plant and equipment	(1)	-	-	(1)
Net allowance for/(write-back of) impairment losses on receivables	1,925	(13)	-	1,912
Allowance for obsolete inventories	79	-	-	79

Segment assets consist of primarily plant and equipment, intangible assets, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation.

Capital expenditure comprise additions to plant and equipment (Note 13) and intangible assets (Note 14) including those resulting from acquisitions.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019 (Cont'd)

37. SEGMENT INFORMATION (Cont'd)

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 :-

	1.4.2019 to 31.12.2019 RM'000	1.4.2018 to 31.3.2019 RM'000
Customer A	8,538	6,222
Customer B	3,558	-

38. COMPARATIVES

The comparatives for the statements of comprehensive income together with notes thereto, statements of changes in equity and statements of cash flows relate to an annual financial period of 12 months and are not comparable with their amounts for the current financial period of 9 months.

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 63 to 132 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 2019 and of their financial performance and cash flows for the 9 months 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 : 27 February 2020

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 63 to 132 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 2 March 2020

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 2019 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 9 months then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 132.

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 2019, and of their financial performance and their cash flows for the 9 months 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' *Code of Ethics for Professional Accountants* ("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 period. 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**
1. Revenue recognition under contract accounting Refer to Notes 2.8, 2.24(a), 3(b)(v), 4 and 20 to the financial statements. The Group recognises revenue from long term contracts with customers 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.	Our audit approach included the following: • 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
2. <u>Valuation of trade receivables and contract assets</u> Refer to Notes 2.12, 3(b)(iv), 18, 20 and 35(d) to the financial statements. Trade receivables and contract assets are subject to assessment for expected credit loss ("ECL") based on the simplified approach impairment model under MFRS 9 Financial Instruments. 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.	Our audit approach included the following: • 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. • Perfomed recomputation of the impairment loss allowed for at the reporting date based on the adopted ECL impairment model for mathematical accuracy.
3. <u>Assessment of impairment on the carrying value of the Company's investment in subsidiaries and amounts due from subsidiaries</u> Refer to Notes 2.10, 2.12, 3(b)(i), 3(b)(iv), 15 and 21 to the financial statements. 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. 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. 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.	Our audit approach included the following: • 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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)

- 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, related safeguards.

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 15(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 : 03051/05/2021 J
CHARTERED ACCOUNTANT

Kuala Lumpur
Date : 27 February 2020

ANALYSIS OF SHAREHOLDINGS
As at 12 May 2020

Total Number of Issued Shares : 463,535,324
Class of Shares : Ordinary Shares
No. of Shareholders : 5,534
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	148	2.67	5,404	0.00
100 - 1,000	1,289	23.29	833,730	0.18
1,001 - 10,000	2,003	36.19	11,481,101	2.48
10,001 - 100,000	1,755	31.71	65,578,136	14.15
100,001 to less than 5% of issued shares	337	6.09	114,006,736	24.60
5% and above of issued shares	2	0.04	271,630,217	58.60
Total	**5,534**	**100.00**	**463,535,324**	**100.00**

DIRECTORS' SHAREHOLDINGS

		No. of Shares		No. of Shares	
No.	Name of Directors	Direct Interest	%	Indirect Interest	%
1	Dato' Mohd Rizal Bin Mohd Jaafar	124,200	0.03	-	-
2	Mohamad Sabir Bin Mohamad Sabri	15,200	0.01	-	-
3	Datuk Abdul Aziz Bin Ishak	-	-	-	-
4	Ong Kuan Wah	-	-	-	-
5	Nor Adha Bin Yahya	204,000	0.05	100,000	0.02

SUBSTANTIAL SHAREHOLDER

No.	Name of Substantial Shareholders	No. of Shares	%
1	BI Nominees (Tempatan) Sdn Bhd Wardah Communication Sdn Bhd	136,000,000	29.34
2	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wardah Communication Sdn Bhd	135,630,217	29.26

ANALYSIS OF SHAREHOLDINGS

As at 12 May 2020 (Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	BI NOMINEES (TEMPATAN) SDN BHD WARDAH COMMUNICATION SDN BHD	136,000,000	29.34
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WARDAH COMMUNICATION SDN BHD	135,630,217	29.26
3	LIM ZHONG YONG	4,759,000	1.03
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YEW BENG (E-SJA)	3,900,000	0.84
5	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THUN YEN SONG	3,813,800	0.82
6	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN JIN THAI (SS2 PJ-CL)	2,650,000	0.57
7	CHIN KEAN PING	2,286,000	0.49
8	OOI BIN KEONG	2,000,000	0.43
9	KOH PEE BOON	1,460,000	0.31
10	KOH PEE BOON	1,351,000	0.29
11	THIAN JOON FUNG	1,300,000	0.28
12	SHAHIDAH BINTI KAMARUDIN	1,200,000	0.26
13	TAN JIN THAI	1,100,000	0.24
14	NG CHEE SENG	1,036,600	0.22
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG (6000108)	1,000,000	0.22
16	CHEAH SIEW LIM	1,000,000	0.22
17	MOZATUL SYIMA BINTI SHAMSUDIN	1,000,000	0.22
18	NG CHEAH HUI	932,500	0.20
19	AHMAD TARMIZI BIN SHARIFF	920,000	0.20
20	MOHD TERMIZI BIN MAMAT@MUHAMAD	917,100	0.20
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KON HING (MY3223)	900,000	0.19
22	SI KIM LONG	900,000	0.19
23	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AHMAD FARIS BIN ABDUL HALIM (SMT)	900,000	0.19
24	WOON BOON MENG	900,000	0.19
25	PENG YEW MUN	892,600	0.19
26	AZMI@AMIE BIN ABD MAJID@SIEDIN	877,800	0.19
27	ZAINUL ABIDEEN BIN FAZLE ABBAS	850,000	0.18
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG KAM LENG (S PETALING-CL)	800,000	0.17
29	LAI CHIEW WAI	800,000	0.17
30	LIEW BEN POH	800,000	0.17
	Total	**312,876,617**	**67.50**

No. of shares held	CDS Account No.

DATAPREP

PROXY FORM

I/We ______________________________

NRIC No./Passport No./Company No. ______________ of ______________

____

being a member/members of **Dataprep Holdings Bhd** ("the Company"), hereby appoint ______________

______________ NRIC No./Passport No. ______________

of ______________________________

or failing him/her, ______________________________

NRIC No./Passport No. ______________ of ______________

____

as my/our proxy/representative to vote for me/ us and on my/our behalf at the Thirty-first Annual General Meeting of the Company to be held at Broadcast Venue at Conference Room, Widad Semantan (WiSe), No. 3 Jalan Semantan, 50490 Damansara Heights, Kuala Lumpur on 24 June 2020 at 10.00 a.m and any adjournment thereof, and to vote as indicated below:

No	Resolution	For	Against
Resolution 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 2020 to the next Annual General Meeting of the Company.		
Resolution 2	To re-elect Mohamad Sabir bin Mohamad Sabri who retires pursuant to Clause 131 of the Company's Constitution.		
Resolution 3	To re-elect Ong Kuan Wah who retires pursuant to Clause 131 of the Company's Constitution.		
Resolution 4	To re-appoint Messrs. Folks DFK & Co as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Resolution 5	Authority to Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act").		
Resolution 6	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

(Please indicate with an (X) in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

At witness my hand this ______ day of ______________2020

Signature: ______________________

The proportions of *my/our holding to be represented by *my/our proxies are as follows: -		
	Share	%
First Proxy		
Second Proxy		
Total		

** Strike out whichever is not desired.*

Note:

1. In view of the current COVID-19 pandemic, the Board of Directors has decided that the AGM of the Company shall be held fully virtual and entirely via Remote Participation and Voting ("RPV") on 24 June 2020, as scheduled.
2. The only venue involve is the broadcast venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the AGM. No shareholder or proxy from the public should be physically present nor admitted at the broadcast venue on the day of the AGM.
3. As the 31st AGM will be conducted via a virtual meeting, a member who is not able to participate in the AGM may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
4. A member entitled to present via RPV at this meeting is entitled to appoint more than one (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.
5. 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.
6. 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.
7. 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.
8. The instrument appointing a proxy must be deposited at the registered office of the Company at Level 8, Widad Semantan (WiSe), No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, not less than fortyeight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Proxy Form transmitted by fax or email will not be accepted. The Company will not accept any photocopies of the Proxy Form in place of the original signed copy.
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 17 June 2020 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 COMPANY SECRETARY

DATAPREP HOLDINGS BHD 198901005754 (183059-H)
Level 8, Widad Semantan (WiSe)
No. 3, Jalan Semantan
Damansara Heights
50490 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