

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000	CHANGES (AMOUNT/ %)
1 Revenue	8,303	7,441	12%	13,379	15,115	-11%
2 Operating profit/ (loss)	(3,337)	(5,158)	35%	(5,865)	(7,922)	26%
3 Profit/ (Loss) Before Interest and Tax	(3,337)	(5,158)	35%	(5,865)	(7,922)	26%
4 Profit / (Loss) before taxation	(3,415)	(5,224)	35%	(6,065)	(8,041)	25%
5 Profit / (Loss) for the year	(3,102)	(5,224)	41%	(5,752)	(8,041)	28%
6 Profit / (Loss) attributable to owners of the Company	(2,861)	(5,308)	46%	(5,520)	(7,996)	31%
7 Basic loss per share (sen)	(0.42)	(0.86)		(0.82)	(1.30)	
8 Diluted loss per share (sen)	-	-		-	-	
9 Proposed/Declared dividend per share (sen)	-	-		-	-	
	AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
10 Net assets per share attributable to owners of the Company (RM)		0.12			0.12	

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000	CHANGES (AMOUNT/ %)
1 Gross interest income	38	150	-75%	81	182	-55%
2 Gross interest expense	49	50	-2%	139	83	67%

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2022**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000
Revenue	8,303	7,441	13,379	15,115
Operating expenses	(11,696)	(12,752)	(19,349)	(23,228)
Other operating income	56	153	105	191
Operating profit / (loss)	(3,337)	(5,158)	(5,865)	(7,922)
Finance costs	(78)	(66)	(200)	(119)
Profit / (Loss) before tax	(3,415)	(5,224)	(6,065)	(8,041)
Taxation	313	-	313	-
Profit / (Loss) for the financial period/year	(3,102)	(5,224)	(5,752)	(8,041)
Other comprehensive income/(loss):				
Foreign currency translation differences	(26)	-	(31)	7
Other comprehensive income/(loss) for the period/year, net of tax	(26)	-	(31)	7
Total comprehensive income / (loss) for the period /year	(3,128)	(5,224)	(5,783)	(8,034)
Profit / (Loss) for the period/year attributed to :				
Owners of the Company	(2,861)	(5,308)	(5,520)	(7,996)
Non-controlling interest	(241)	84	(232)	(45)
	(3,102)	(5,224)	(5,752)	(8,041)
Total comprehensive income / (loss) for the period/year attributable to:				
Owners of the Company	(2,887)	(5,308)	(5,551)	(7,989)
Non-controlling interest	(241)	84	(232)	(45)
	(3,128)	(5,224)	(5,783)	(8,034)
Earning / (Loss) per share :				
- basic (sen)	(0.42)	(0.86)	(0.82)	(1.30)
- diluted (sen)				
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per share (RM)		0.12		0.12

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	As at 30.06.2022 (Unaudited) RM'000	As at 31.12.2021 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,896	2,047
Intangible assets	6,954	7,945
Right of use assets	1,358	1,985
Goodwill	1,168	1,168
	<u>11,376</u>	<u>13,145</u>
Current Assets		
Inventories	35,793	180
Trade receivables	6,445	10,167
Other receivables	9,781	38,345
Contract assets	6,930	6,320
Amount due from related companies	297	75
Tax recoverable	639	370
Deposits, cash and bank balances	21,801	30,993
	<u>81,686</u>	<u>86,450</u>
TOTAL ASSETS	<u>93,062</u>	<u>99,595</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	138,537	137,584
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	35	66
Share Option Reserve	216	455
Retained profit / (Accumulated losses)	(47,336)	(41,816)
	<u>77,943</u>	<u>82,780</u>
Non-controlling interest	<u>1,740</u>	<u>1,972</u>
Total equity	<u>79,683</u>	<u>84,752</u>
Non-current liabilities		
Long term borrowings	1,147	1,314
Lease Liabilities	740	1,065
Deferred Tax Liabilities	880	1,074
	<u>2,767</u>	<u>3,453</u>
Current Liabilities		
Trade payables	1,847	2,367
Other payables	3,763	2,430
Contract liabilities	1,330	2,739
Amount due to a related company	39	15
Short term borrowings	2,835	2,762
Lease liabilities	705	990
Provision for taxation	93	87
Total current liabilities	<u>10,612</u>	<u>11,390</u>
Total liabilities	<u>13,379</u>	<u>14,843</u>
TOTAL EQUITY AND LIABILITIES	<u>93,062</u>	<u>99,595</u>
Net assets per share (RM)	<u>0.12</u>	<u>0.12</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2022

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

	Share Capital RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Share Options Reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 1 January 2021	137,584	(13,509)	66	455	(41,816)	82,780	1,972	84,752
Loss for the financial year	-	-	-	-	(5,520)	(5,520)	(232)	(5,752)
Foreign currency translation loss of foreign operations	-	-	(31)	-	-	(31)	-	(31)
Total comprehensive loss for the year	-	-	(31)	-	(5,520)	(5,551)	(232)	(5,783)
Transactions with owners :								
Issuance of new shares through '-ESOS	714	-	-	-	-	714	-	714
Fair value of ESOS Options	239	-	-	(239)	-	-	-	-
Total transactions with owners	953	-	-	(239)	-	714	-	714
At 30 June 2022	138,537	(13,509)	35	216	(47,336)	77,943	1,740	79,683

} Note 1

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2022**

Note 1

The issued and listing date of the ordinary shares pursuant to the exercise of ESOS Options were as follows:-

Listing Date	No of shares (Units)	Proceeds (RM)
On 13 January 2022	2,250,000	382,500
On 21 January 2022	250,000	42,500
On 20 May 2022	1,700,000	289,000
	4,200,000	714,000

The issued and paid-up share capital of the Company was increased from RM 137,583,856.05 comprising of 670,470,417 ordinary shares as at 1 January 2022 to RM138,537,038 comprising of 674,670,417 ordinary shares as at 30 June 2022 pursuant to the exercise of 4,200,000 ESOS Options into 4,200,000 new ordinary shares at the exercise price of RM0.17 which raised proceeds of RM714,000.

Included in the issued and paid-up share capital of the Company was the corresponding fair value of RM239,227 for the total number of 4,200,000 ESOS Share Options exercised which was transferred to share capital.

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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2021

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

	Share Capital RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Share Options Reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 1 January 2021	72,727	(13,509)	59	1,637	(30,878)	30,036	286	30,322
Loss for the financial year	-	-	-	-	(10,938)	(10,938)	(74)	(11,012)
Foreign currency translation loss of foreign operations	-	-	7	-	-	7	-	7
Total comprehensive loss for the year	-	-	7	-	(10,938)	(10,931)	(74)	(11,005)
Transactions with owners :								
Issuance of new shares through								
¹ -Share Placement	63,345	-	-	-	-	63,345	-	63,345
¹ -ESOS	3,319	-	-	-	-	3,319	-	3,319
Fair value of ESOS Options	1,182	-	-	(1,182)	-	-	-	-
Shares issued expenses	(2,989)	-	-	-	-	(2,989)	-	(2,989)
Acquisition of equity interest from non-controlling interest in a subsidiary	-	-	-	-	-	-	1,760	1,760
Total transactions with owners	64,857	-	-	(1,182)	-	63,675	1,760	65,435
At 31 December 2021	137,584	(13,509)	66	455	(41,816)	82,780	1,972	84,752

Note 1

Note 2

Note 3

Note 4

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2021**

Note 1

The Company increased its issued and paid-up share capital from RM72,727,627 comprising 602,595,817 ordinary shares as at 1 January 2021 to RM137,583,856 comprising 670,470,417 ordinary shares as at 31 December 2021 through the issued and listing of 48,354,600 new ordinary shares to identified third parties, pursuant to the Proposed Private Placement for the listing of and quotation for up to 138,597,000 Placement Shares representing 20% of the total number of issued shares of the Company as approved by Bursa Malaysia Securities Berhad ["Bursa Securities"] vide its letter dated 3 March 2021 as announced on 4 March 2021 and approved by the shareholders of the Company at the Annual General Meeting held on 24 June 2020.

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

Tranches	Date listed and quoted on Bursa Securities	Number of Placement Shares	Issue Price Per Share RM	Share Capital RM
First tranche and final	3 May 2021	<u>48,354,600</u>	1.31	<u>63,344,526</u>

The issued and listing of 48,354,600 new ordinary shares has raised a total proceeds of RM63,344,526 which were utilized for working capital, repayment of bank borrowings of the Group, funding investments and projects and corporate exercise expenses.

Note 2

During the current financial year, there was listing and quotation of 19,520,000 new ordinary shares pursuant to ESOS Share Options exercised by the eligible directors and employees under the Long Term Incentive Plan. Included in the issued and paid-up share capital of the Company was also the corresponding fair value of RM1,182,209 for the total number of 19,520,000 ESOS Share Options exercised.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2021**

Note 2 (Cont'd)

The ESOS Options granted on 28 October 2020 were exercised and issued as follows:-

Grant Date	Date listed and Quoted on Bursa Securities	Number of Placement Shares	Issue Price Per Share RM	Share Capital RM
28 October 2020	8 March 2021	6,654,500	0.17	1,131,265
28 October 2020	19 March 2021	4,579,000	0.17	778,430
28 October 2020	2 April 2021	2,922,000	0.17	496,740
28 October 2020	16 April 2021	531,500	0.17	90,355
28 October 2020	3 May 2021	3,630,000	0.17	617,100
28 October 2020	3 June 2021	560,000	0.17	95,200
28 October 2020	2 July 2021	143,000	0.17	24,310
28 October 2020	23 December 2021	500,000	0.17	85,000
		<u>19,520,000</u>		<u>3,318,400</u>

Note 3

The share issued expenses of RM2.989M were related to placement fee for the issued and listing of new ordinary shares pursuant to the Private Placement to third parties.

Note 4

The Company has via its wholly owned subsidiary, Solisnet Sdn Bhd acquired 51% equity interest in Ridaa Associates Sdn Bhd ("RIDAA") from the registered shareholders, Rohzan bin Abdul Rahman and Badrul Ilahan bin Dato' Hj. Abd Jabbar by acquiring the existing 510,000 ordinary shares of RM1.00 each in RIDAA representing 51% of the total issued and paid-up share capital of RIDAA for a total cash consideration of RM3,000,000.00 only.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
AS AT 30 JUNE 2022

	30.06.2022 (Unaudited) RM'000	31.12.2021 (Audited) RM'000
Cash Flow from Operating Activities		
Loss before taxation	(6,065)	(11,143)
Adjustment for :-		
Non-cash items	1,820	4,825
Non-operating items	58	(113)
Operating loss before working capital changes	(4,187)	(6,431)
Increase in inventories	(35,610)	(11)
Decrease / (Increase) in receivables	32,286	(33,562)
Increase in contract asset	(610)	(3,971)
Increase/ (Decrease) in payables	811	(1,543)
(Decrease)/Increase in contract liabilities	(1,409)	1,356
(Increase) / Decrease in amount due from related companies	(222)	8
Increase/ (Decrease) in amount due to a related company	24	(200)
Cash used in operations	(8,917)	(44,354)
Tax paid	(235)	(272)
Tax refunded	93	26
Interest received	81	414
Interest paid	(139)	(301)
Net cash used in operating activities	(9,117)	(44,487)
Cash flow from Investing Activities		
Purchase of plant and equipment	(227)	(211)
Purchase of intangible assets	(67)	(1,294)
Net cash outflow from acquisition of subsidiary	-	(3,987)
Net cash used in investing activities	(294)	(5,492)
Cash flow from Financing Activities		
Net proceeds from issuance of new shares in the Company	953	63,675
Placement of fixed deposits pledged	(49)	(547)
Repayment of borrowings	(1,114)	(786)
Payment of lease liabilities	(610)	(1,228)
Payment of hire purchase liabilities	(17)	(33)
Net cash (used in) /generated from financing activities	(837)	61,081
Net increase in cash and cash equivalents	(10,248)	11,102
Effect of exchange rate fluctuations	(31)	7
Cash and cash equivalents at beginning of the period/year	22,350	11,241
Cash and cash equivalents at end of the period/year	12,071	22,350
Cash and cash equivalents at end of the financial year comprise the following:		
	As at 30.06.2022 RM'000	As at 31.12.2021 RM'000
Deposits with licensed commercial banks	7,507	7,458
Cash and bank balances	14,294	23,535
	21,801	30,993
Short Term Borrowing :		
-Overdraft	(2,223)	(1,185)
	19,578	29,808
Less : fixed deposits pledged	(7,507)	(7,458)
	12,071	22,350

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 12 months ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of preparation

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

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretations:

The Group has adopted the following new MFRS and IC Interpretation and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) which are effective for accounting period of the Group beginning on or after 1 January 2022:-

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

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

- (a) Effective for annual periods beginning on or after 1 April 2021
Amendment to MFRS 16 - Covid-19 - Related Rent Concessions beyond 30 June 2021
- (b) Effective for annual periods beginning on or after 1 January 2022
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141 contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"
Amendments to MFRS 3 - Reference to the Conceptual Framework
Amendments to MFRS 116 - Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract
- (c) Effective for annual periods beginning on or after 1 January 2023
Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 - Disclosure of Accounting Policies
Amendments to MFRS 108 - Definition of Accounting Estimates
Amendments to MFRS 112- Deferred tax related to Assets and Liabilities arising from a Single Transaction
- (d) Effective for financial periods beginning on or after a date to be determined by MASB
Amendments to MFRS 10 and MFRS 128-Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

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

2. Audit qualification of the preceding annual financial statement

The Auditors' Report of the Group's Annual Financial Statements for the financial year ended 31 December 2021 was not subject to any qualification.

3. Seasonality or cyclicity of the operations

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

4. Material unusual items

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

5. Changes in estimates

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

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

Debt Securities

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

Equity Securities

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

The LTIP consists of an ESOS and a SGS which comprises the Retention Share Plan ("RSP") and Performance Share Plan ("PSP"). The Company's LTIP is governed by the By-Laws which were approved by the shareholders on 17 July 2020. This LTIP was implemented on 21 July 2020 and will expire on 20 July 2030 ("the Option Period"). On 28 September 2020, the Company has announced the offer of Options to the eligible employee and directors of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company under the LTIP ("Offer"). The shares Options offered to Eligible Persons as defined in the By-Laws was up to 36,675,000 number of shares Options at exercise offer price of RM0.17 and were effective and exercisable from the date of announcement on 28 September 2020. The number of shares Options granted and accepted by the Eligible Persons within 30 days of offer period which lapsed on 28 October 2020 was 27,280,000.

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

The number of ordinary shares issued under the ESOS during the current quarter was 1,700,000. The new ordinary shares issued under the ESOS shall upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company.

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

	<u>Share Capital No of Units</u>	<u>Share Capital RM</u>
As at 1 January 2022	670,470,417	137,583,856.05
Issuance of ordinary shares pursuant to ESOS Share Options:-		
On 13 January 2022	2,250,000	382,500.00
On 21 January 2022	250,000	42,500.00
On 20 May 2022	1,700,000	289,000.00
Fair Value of ESOS options granted		239,227.80
As at 30 June 2022	<u>674,670,417</u>	<u>138,537,083.85</u>

The movements of ESOS Options under the LTIP during the financial period up to as at 30 June 2022 were as follows:-

Grant Date	Exercise Price	<u>Number of ESOS Options</u>			
		At 1.1.2022	Granted	Exercised	At 30.6.2022
28.10.2020	RM0.17	<u>27,280,000</u>	-	<u>(23,720,000)</u>	<u>3,560,000</u>

The exercise of 1,700,000 ESOS Options during the quarter has increased the issued and paid-up share capital of the Company from RM 137,583,856.05 comprising of 670,470,417 ordinary shares as at 1 January 2022 to RM 138,537,083.85 comprising of 674,670,417 ordinary shares as at 30 June 2022.

Included in the issued and paid-up share capital of the Company was the attributable fair value of RM 239,227.80 for the total number of 4,200,000 ESOS Share Options exercised during the financial year period ended 30 June 2022 which was transferred from share options reserve to share capital.

7. Dividend paid

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

8. Segmental information

The Group's segmental reporting by business segment as at 30 June 2022 is as follows: -

BUSINESS SEGMENT	EXTERNAL SALES RM'000	INTERSEGMENT SALES RM'000	ELIMINATION RM'000	GROUP SALES RM'000
(a) IT Related Products and Services and Trading	13,196	83	(83)	13,196
(b) Payment Solutions & Services	183			183
SALES BY SEGMENT	13,379	83	(83)	13,379
(a) IT Related Products and Services and Trading	(3,931)		3,434	(497)
(b) Payment Solutions & Services	(739)			(739)
SEGMENT RESULTS	(4,670)	-	3,434	(1,236)
Interest income				81
Unallocated expenses				(4,760)
Loss from operations				(5,915)
Interest expenses				(150)
Loss before taxation				(6,065)
Taxation				313
Loss after taxation				(5,752)

9. Valuation of property, plant and equipment

There is no valuation of property, plant and equipment during the current quarter.

10. Significant event

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

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 June 2022.

12. Changes in contingent liabilities

Contingent Liabilities :-	Group		
	30.06.2022 RM'000	31.03.2022 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for performance guarantee of a subsidiary (secured)	791	551	240
	791	551	240

13. Review of performance

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000	CHANGES (AMOUNT)/ %	CURRENT YEAR QUARTER [30/06/2022] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2021] RM'000	CHANGES (AMOUNT)/ %
Revenue	8,303	7,441	12%	13,379	15,115	-11%
Operating profit / (loss)	(3,337)	(5,158)	35%	(5,865)	(7,922)	26%
Profit / (Loss) Before Interest and Tax	(3,337)	(5,158)	35%	(5,865)	(7,922)	26%
Profit / (Loss) before taxation	(3,415)	(5,224)	35%	(6,065)	(8,041)	25%
Profit / (Loss) for the year	(3,102)	(5,224)	41%	(5,752)	(8,041)	28%
Profit / (Loss) attributable to owners of the Company	(2,861)	(5,308)	46%	(5,520)	(7,996)	31%

The Group recorded sales of RM8.30 million in the current quarter as compared to the preceding year corresponding quarter of RM7.44 million due to projects secured.

The loss before taxation was RM3.42 million in the current quarter as against a loss before taxation of RM5.22 million in the preceding year corresponding quarter. Improvement was due to lower operating expenses in the current quarter as there was no non-recurring professional fees incurred as compared to preceding year corresponding quarter.

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

IT Related Products and Services and Trading

The revenue for the current quarter of RM8.23 million as compared to the preceding year corresponding quarter of RM7.29 million was due to projects secured.

The loss before taxation of RM0.21 million for this segment in the current quarter as against a loss before taxation of RM0.37 million in the preceding year corresponding quarter was due to projects secured with better gross profit margin contribution.

Payment Solutions and Services

The revenue decreased from RM0.15 million in the preceding year corresponding quarter to RM0.07 million in the current quarter was due to lower number of terminals installed. This segment recorded a loss before taxation of RM0.38 million in the current quarter as against a loss before taxation of RM0.50 million.

b. Comparison of results for the current cumulative quarter ended 30 June 2022 with the preceding year corresponding cumulative quarter ended 30 June 2021.

The Group's revenue for the current cumulative quarter was RM13.38 million as against the preceding year corresponding cumulative quarter of RM15.12 million was due to completion of projects.

The Group recorded a loss before taxation of RM6.07 million in the current cumulative quarter as against a loss before taxation of RM8.04 million in the preceding year corresponding cumulative quarter due to better gross profit margin contribution from projects and lower operating expenses as there was no non-recurring professional fees incurred during the current quarter.

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

IT Related Products and Services and Trading

The revenue for the current cumulative quarter of RM13.20 million as against the preceding year corresponding cumulative quarter of RM14.79million due to completion of projects.

The loss before taxation of RM0.51 million in the current cumulative quarter as against a loss before taxation of RM1.47 million in the preceding year corresponding cumulative quarter was due to better gross profit margin contribution from projects secured and there was no non-recurring professional fees incurred during the current quarter.

Payment Solutions and Services

The revenue decreased from RM0.33 million in the preceding year corresponding cumulative quarter to RM0.18 million in the current cumulative quarter due to lower number of terminals installed. The loss before taxation was RM0.74 million in the current cumulative quarter as against a loss before taxation of RM0.77 million in the preceding year corresponding cumulative quarter.

Assets and Liabilities

Total assets decreased from RM 99.60 million as at 31 December 2021 to RM93.06 million as at 30 June 2022 due to cash and bank balance which has been utilized for working capital.

Total liabilities decreased from RM14.84 million as at 31 December 2021 to RM13.38 million as at 30 June 2022 was due to timing difference of settlement.

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

		CURRENT YEAR QUARTER [30/06/2022] RM'000	IMMEDIATE PRECEDING QUARTER [31/03/2022] RM'000	CHANGES (AMOUNT/%)
1	Revenue	8,303	5,076	64%
2	Operating profit / (loss)	(3,337)	(2,528)	-32%
3	Profit / (Loss) Before Interest and Tax	(3,337)	(2,528)	-32%
4	Profit / (Loss) before taxation	(3,415)	(2,650)	-29%
5	Profit / (Loss) for the year	(3,102)	(2,650)	-17%
6	Profit / (Loss) attributable to owners of the Company	(2,861)	(2,659)	-8%

The Group's revenue for the current quarter was RM8.30 million as compared to the immediate preceding quarter of RM5.08 million due to projects secured.

The Group recorded a loss before taxation of RM3.43 million in the current quarter as compared to a loss before taxation of RM2.65 million in the immediate preceding quarter due to amortization charge of intangible asset of RM0.81 million on the fair value of on-going contracts arising from the acquisition of a subsidiary in the prior year.

15. Prospects

The Group is actively sourcing business opportunities and participating in tenders to secure more ICT and multimedia communication projects. The Group with vast experiences in digital technology and handling of significant large scale projects at nationwide service locations aims to be the digital solution provider in line with the Government's Digital Initiatives and the Malaysian Digital Economy Blueprint.

The Group has rolled out its very-own e-money business known as dPurse that target the education sector which was granted approval by Bank Negara Malaysia on 13 November 2019 in the current quarter. On 18 July 2022, Bank Negara Malaysia has approved the general public usage of the e-wallet.

The Group through its subsidiary who has the licences such as Network Service Provider License ("NSP"), Network Facility Provider License ("NFP") and Applications Service Provider Class License ("ASP(C)") issued by the MCMC to bid for tenders of the multimedia and communication industry is focusing to source new business opportunities in telecommunication sector to further increase the Group's revenue.

The Group is also expanding its ICT solutions business via its subsidiaries for business opportunities in healthcare information technology solution and other related activities.

The Group is optimistic on the potential prospects and business opportunities and will remain focus in undertaking new opportunities and profitable ventures to improve the financial position of the Group.

16. Taxation

	Current Year Quarter Ended 30.06.2022 RM'000	Cumulative Year Quarter Ended 30.06.2022 RM'000
Income tax		
- Current year	-	-
- Overprovision in prior year	120	120
Reversal of Deferred tax liabilities	193	193
Tax credit	313	313

17. Status of corporate exercise

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

The above private placement arose from the first tranche of up to 50,000,000 new ordinary shares out of the private placement of up to 138,597,000 new ordinary shares representing up to 20% of the issued shares of the Company ("Private Placement"), which was announced on 16 February 2021 to be undertaken by the Company in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 approved by the shareholders of the Company at its Annual General Meeting held on 24 June 2020. The Private Placement is deemed completed on 31 December 2021 after the Company withdrew its application to Bursa Malaysia Securities Berhad ("Bursa Securities") for further extension of time to complete its implementation, as announced on 7 January 2022.

The private placement has raised cash proceeds of RM63,344,526 for purposes of working capital, repayment of bank borrowings of the Group, funding of investments and projects and to defray expenses for the private placement exercise.

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

17. Status of corporate exercise(Cont'd)

The utilization of proceeds from the Private Share Placement up to 30 June 2022 was as follows: -

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation	
		(Current Quarter Ended 30 June 2022) RM'000	Todate Actual utilisation RM'000
Working capital requirement	18,769	3,557	50,280
Repayment of bank borrowings	6,000	-	6,000
Future investment or projects	13,065	-	3,180
Estimated expenses for the Private Share Placement	130	-	2,989
Total	37,964	3,557	62,449
Balance unutilised			<u>895</u>

During the current quarter, the number of issued and paid-up shares of the Company was further increased from 672,970,417 ordinary shares to 674,670,417 ordinary shares by way of the exercise of 1,700,000 ESOS Options into 1,700,000 new ordinary shares at the exercise price of RM0.17 per ordinary share.

- (b) On 20 May 2022, the Company has announced proposal to undertake a private placement of up to 10% of the total number of issued shares of DHB to third party investor(s) to be identified later at an issue price to be determined later, pursuant to Sections 75 and 76 of the Companies Act 2016. The listing application in relation to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad on 23 May 2022. The Company has announced additional information in relation to the Proposed Private Placement on 21 June 2022 and subsequently Bursa Securities has, vide its letter dated 22 June 2022, resolved to approve the listing of and quotation of up to 67,823,041 Placement Shares to be issued pursuant to the Proposed Private Placement.

18. Event subsequent to the end of reporting period

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

19. Group borrowings

The Group borrowings are as follows:

		As at 30.06.2022 RM'000	As at 31.12.2021 RM'000
Short Term Borrowings:			
Secured :			
- Banker acceptances		279	-
- Bank overdraft		2,223	1,185
- Hire purchase payables		28	44
- Term financing		305	1,533
Total Short Term Borrowings	A	2,835	2,762
Long Term Borrowings:			
Secured :			
- Hire purchase payables		-	45
- Term financing		1,147	1,269
Total Long Term Borrowings	B	1,147	1,314
Total Borrowings	(A + B)	3,982	4,076

All borrowings are denominated in Ringgit Malaysia.

20. Material litigation

There was no material litigation as at 30 June 2022.

21. Dividend proposed or declared

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

22. Earnings / (Loss) per share

(a) Basic

	Current Quarter Ended 30.06.2022	Cumulative Quarter Ended 30.06.2022
Loss attributable to owners of the Company (RM'000)	(2,808)	(5,520)
Weighted average number of shares in issue ('000)	674,670	674,670
Loss per share (sen)	(0.42)	(0.82)

22. Earnings / (Loss) per share (Cont'd)

(b) Diluted

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

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

23. Capital commitment

The Group has no material capital commitment as at 30 June 2022.

24. Notes to the Consolidated Statement of Comprehensive Income

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

	Current Quarter Ended 30.06.2022 RM'000	Cumulative Quarter Ended 30.06.2022 RM'000
Interest expense	49	139
Depreciation of plant and equipment	191	378
Amortisation of intangible assets	966	1,055
and after crediting:		
Interest income	(38)	(81)
Write-back of allowance for slow moving inventory	(1)	(4)

Other than as disclosed above, there were no (i) gain or loss on disposal of quoted or unquoted investment, (ii) gain or loss on derivatives and (iii) exceptional items for the current quarter ended 30 June 2022.

By Order of the Board
Dataprep Holdings Bhd

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

Company Secretaries
25 August 2022