

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENT

B.1 PERFORMANCE REVIEW

The Group's revenue is mainly derived from the sale of proprietary software customised for our customers, providing managed services and other related services.

	Group			
	Audited		Audited	
	01.07.21 to 30.6.2022		01.07.20 to 30.6.2021	
	RM	%	RM	%
Rendering of services ^(a)	10,435,768	94.8	8,668,070	93.9
Sales of goods ^(b)	574,861	5.2	564,172	6.1
Total	11,010,629	100.0	9,232,242	100.0

(a) Rendering of services

The following table sets out the breakdown and analysis of our Group's revenue from the rendering of services:

	Group			
	Audited		Audited	
	01.07.2021 to 30.6.2022		01.07.2020 to 30.6.2021	
	RM	%	RM	%
Proprietary software ⁽ⁱ⁾	4,185,031	40.1	4,154,219	47.9
Managed services ⁽ⁱⁱ⁾	4,938,061	47.3	3,427,789	39.6
Consultancy Services ⁽ⁱⁱⁱ⁾	1,312,676	12.6	1,086,062	12.5
Total	10,435,768	100.0	8,668,070	100.0

Notes:

- (i) Revenue from our Proprietary Software segment namely, PrecentiaLife, PrecentiaTakaful, PrecentiaCMS, and PrecentiaGroup are derived from the sale, implementation and/or maintenance of these products. Sale and implementation of our Proprietary Software is undertaken on a project basis whereas maintenance contracts are mainly renewable annually.
- (ii) The Revenue from Managed Services segment are commissions received from the revenue sharing contracts with our customers for the use of PrecentiaLife Agency and monthly subscription fee model with our customers for the use of PrecentiaLife Cloud.
- (iii) Revenue from Consultancy Services comprises fees from consulting services rendered to our customers.

(b) Sales of goods

Sales of goods comprise revenue from maintenance of customers' third-party software other than the Group's Proprietary Software.

Revenue by geographical areas

The following table sets out the breakdown and analysis of our Group's revenue by geographical areas:

	Audited		Audited	
	01.07.2021 to 30.6.2022		01.07.2020 to 30.6.2021	
	RM	%	RM	%
Malaysia	3,773,945	34.3	3,647,665	39.5
Indonesia	6,492,991	59.0	5,365,815	58.1
Philippines	403,249	3.7	81,346	0.9
Hong Kong	47,500	0.4	-	-
Thailand	292,944	2.6	137,416	1.5
Total	11,010,629	100.0	9,232,242	100.0

FYE 30 June 2022 vs FYE 30 June 2021

The Group's revenue increased by RM1,778,387 or 19.3% from RM9,232,242 for FYE 30 June 2021 to RM11,010,629 for FYE 30 June 2022. The increase in revenue was mainly due to the higher income from revenue sharing contracts and monthly subscription fee contracts from Managed Services segment, which has a higher GP margin.

As a result of the above, the Group's GP margin increased from 54.3% for FYE 30 June 2021 to 68.4% for FYE 30 June 2022 and the Group's PBT rose by RM1,913,838 or 172.5% to RM3,023,251 for FYE 30 June 2022 from RM 1,109,413 for the FYE 30 June 2021.

B.2 PROSPECTS

As part of the Group marketing initiatives, over the last two months, management has visited all of the Group's existing clients in Malaysia, Indonesia, and the Philippines in efforts to educate them about the advantages of migrating their existing on-premise core system, to a cloud-based microservices platform. The responses received from the Group's existing clients were encouraging as this cloud-based platform offers better performance, scalability, and superior technology competency. Most importantly, it allows the Group's clients to take advantage of future Internet-of-Things connectivity to attract tech-savvy customers and to work with potential eco-system partners. By doing so, the Group's clients will be in a better position to compete with non-traditional competitors such as digital insurance operators.

The rise of cloud-based technology solutions has opened a new opportunity for the Group to offer a much more engaging business model (i.e., Managed Services) to its existing and future clients. This will provide the Group with steady, reliable, recurring income stream over the long term as opposed to the one-off contract which are typically revenue-heavy during initial implementation but generate minimal contributions thereafter.

As part of the collaboration initiative with Silverlake Fermion Sdn Bhd, the Group has completed the proof of concept for the cloud-based digital medical insurance claim system. This system is proposed to be adopted as the underlying medical claim system for one of Indonesia’s Insurtech start-ups.

Regarding the Group’s technical collaboration with Tunku Abdul Rahman University College and Tokio Marine Life Insurance Malaysia, the Group expects to roll out its first beta version of Artificial Intelligence (AI) driven software for claim fraud prevention and early lapse prediction to our existing clients by December 2022.

Going forward, while the Group continues to enhance its technological edge and enlarge its service portfolio to reach a broader base of insurance clients, the Group’s future growth is expected to be driven primarily by cloud services and digital insurance in two of its largest markets – Malaysia and Indonesia.

B.3 VARIANCE OF ACTUAL PROFIT FROM FORECAST AND PROFIT GUARANTEE

The Company has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

C. OTHER INFORMATION

C.1 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this report.

C.2 UTILISATION OF PROCEEDS

July 2021 Placement (as defined below)

As at the date of this announcement, the status of utilisation of proceeds raised of RM2,520,000 from the issuance of 12,000,000 new ordinary shares pursuant to an excluded issue to sophisticated investors at an issue price of RM0.21 each (the “**July 2021 Placement**”), is as follows:

Purpose	Proposed utilisation (RM’000)	Actual utilisation (RM’000)	Unutilised proceeds (RM’000)	Estimated timeframe for utilisation upon listing
Indonesian expansion expenses	1,000	489	511	Within 24 months
R&D activities	699	699	-	Within 24 months
Listing expenses	821	821	-	Immediate
Total	2,520	2,009	511	

January 2022 Placement (as defined below)

As at the date of this announcement, the status of utilisation of proceeds raised of RM9,000,000 from the issuance of 36,000,000 new ordinary shares pursuant to a private placement to sophisticated investors at an issue price of RM0.25 each (the “**January 2022 Placement**”), is as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Unutilised proceeds (RM'000)	Estimated timeframe for utilisation upon listing
Investments in cloud-based microservices	3,500	617	2,883	Within 24 months
Solutions for digital insurance	3,500	575	2,925	Within 24 months
Working capital requirements	1,930 ⁽¹⁾	450	1,480	Within 24 months
Expenses for the January 2022 Placement	70	70	-	Immediate
Total	9,000	1,712	7,288	

Note:

- (1) Including RM50,000 which was unutilised and had been reallocated from the amount earmarked for expenses for the January 2022 Placement.

C.3 DIVIDEND

On 23 August 2022, The Board of Directors declared and approved an interim single-tier dividend of RM0.012 per ordinary share for the financial year ending 30 June 2023 amounted to RM1,296,000, which was paid by the Company on 9 September 2022.

The Board of Directors does not recommend any dividend for FYE 30 June 2022 as at the date of this report.

C.4 MATERIAL LITIGATION

The Board is not aware of any proceedings/ material litigations pending or threatened against the Group as at the date of this report.