

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENT**

**B.1 PERFORMANCE REVIEW**

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

	<b>Group</b>			
	<b>Audited</b>		<b>Audited</b>	
	<b>01.07.20 to 30.6.2021</b>		<b>01.07.19 to 30.6.2020</b>	
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Rendering of services <sup>(a)</sup>	8,668,070	93.9	8,343,846	86.7
Sales of goods <sup>(b)</sup>	564,172	6.1	1,276,064	13.3
<b>Total</b>	<b>9,232,242</b>	<b>100.0</b>	<b>9,619,910</b>	<b>100.0</b>

**(a) Rendering of services**

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

	<b>Group</b>			
	<b>Audited</b>		<b>Audited</b>	
	<b>01.07.20 to 30.6.2021</b>		<b>01.07.19 to 30.6.2020</b>	
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Proprietary software <sup>(i)</sup>	4,154,219	47.9	5,739,300	68.8
Managed services <sup>(ii)</sup>	3,427,789	39.6	2,604,546	31.2
Consultancy Services <sup>(iii)</sup>	1,086,062	12.5	-	-
<b>Total</b>	<b>8,668,070</b>	<b>100.0</b>	<b>8,343,846</b>	<b>100.0</b>

**Notes:**

- (i) Revenue from our Proprietary Software segment namely, PrecentiaLife, PrecentiaTakaful, PrecentiaCMS, and PrecentiaGroup are derived from sale, implementation and/or maintenance of these products. Sale and implementation of our Proprietary Software is undertaken on projects basis whereas maintenance contracts are mainly renewable annually.
- (ii) 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 for the use of PrecentiaLife Cloud.
- (iii) Revenue from Consultancy Services comprise fees from consulting services rendered to our customers.

**(b) Sales of goods**

Sales of goods comprises revenue from maintenance of customers' third-party software other than Group's Proprietary Software, as well as one-off sale and installation of server hardware and third-party software for customers.

**Revenue by geographical areas**

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

	<b>Audited</b>		<b>Audited</b>	
	<b>01.07.20 to 30.6.2021</b>		<b>01.07.19 to 30.6.2020</b>	
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Malaysia	3,647,665	39.5	5,738,345	59.6
Indonesia	5,365,815	58.1	3,758,738	39.1
Philippines	81,346	0.9	97,828	1.0
Hong Kong	-	-	25,000	0.3
Thailand	137,417	1.5	-	-
<b>Total</b>	<b>9,232,242</b>	<b>100.0</b>	<b>9,619,910</b>	<b>100.0</b>

**FYE 30 June 2021 vs FYE 30 June 2020**

The Group's revenue decreased by RM387,668 or 4.0% from RM9,619,910 recorded for the FYE 30 June 2020 to RM9,232,242 recorded for the FYE 30 June 2021. This major factors was mainly due to:

- (i) Reduction in income from ad-hoc service requests from customers;
- (ii) delayed implementation of contracts which affected revenue recognition in FYE 30 June 2021;
- (iii) reduction in revenue as less third-party software renewal licenses were required by a customer; offset by
- (iv) higher income from revenue sharing contract and monthly subscription fee contracts from managed services; and
- (v) higher income from one-off consultancy contracts from Consultancy Services.

The Group's GP margin decreased from 55.18% for FYE 30 June 2020 to 54.28% for FYE 30 June 2021 and the Group has also recorded PBT of RM1,109,413 for FYE 30 June 2021 (after one-off IPO-related expenses of RM672,150) as compared to PBT of RM 1,795,598 for the FYE 30 June 2020. Overall the PBT for FYE 30 June 2021 is RM14,035 lower than the PBT for FYE 30 June 2020 after excluding the effect of one-off IPO related expenses.

## **B.2 PROSPECTS**

Given the on-going COVID-19 pandemic and the resultant uncertainties in global economic environment, any prolonged imposition of controls of international travels may have a material impact to the Group's business. Hence, the Group will continuously monitor the impact of COVID-19 on its operations and financial performance and will remain vigilant to minimise such impacts where possible. Since the Group has been categorised as essential services, the management does not expect significant impact to the Group's business operations. The Group will also focus on striking strategic alliances and investing in R&D in order to broaden its product offerings and customer base. To this end, the Group had on 3 September 2021 entered into a teaming agreement with Silverlake Fermion Sdn Bhd, a wholly-owned subsidiary of SGX-listed Silverlake Axis Ltd. in the area of Insurtech. It is also in advanced negotiation for another technical collaboration with third parties in the area of artificial intelligence and big data analytics for the insurance sector.

The Group has also initiated the IFRS17 IT enhancement and consulting services discussion with our customers as well as actively pursuing more cloud based managed service businesses with the Group's core life insurance solutions.

## **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**

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 Shares pursuant to an excluded issue to sophisticated investors at an issue price of RM0.21 each, is as follows:

<b>Purpose</b>	<b>Proposed utilisation (RM)</b>	<b>Actual utilisation (RM)</b>	<b>Unutilised proceeds (RM)</b>	<b>Estimated timeframe for utilisation upon listing</b>
Indonesian expansion expenses	1,000,000	-	1,000,000	Within 24 months
R&D activities	670,000	-	670,000	Within 24 months
Listing expenses	850,000	820,705	29,295 <sup>(i)</sup>	Immediate
<b>Total</b>	<b>2,520,000</b>	<b>820,705</b>	<b>1,699,296</b>	

Note:

- (i) As disclosed in our information memorandum dated 16 June 2021, the excess amount shall be allocated for R&D activities.

**C.3 DIVIDEND**

The Board of Directors does not recommend any dividend 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.

**C.5 EARNINGS PER SHARE**

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

	<b>Group</b>	
	<b>Audited</b>	<b>Audited</b>
	<b>01.07.2020</b>	<b>01.07.2019</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2021</b>	<b>30.6.2020</b>
Profit after tax attributable to Owners of the Company (RM)	616,419	1,266,276
Number of ordinary shares at date of incorporation	2	-
Effect of restructuring <sup>(i)</sup>	59,999,998	59,999,998
Weighted average number of ordinary shares in issue (unit) at end of the financial year	60,000,000	59,999,998
Basic / diluted earnings per ordinary share (sen)	1.03	2.11

Note:

(i) Based on the issued share capital of 59,999,998 ordinary share after the completion of restructuring exercise which were assumed to be issued throughout the financial years ended 30 June 2021 and 30 June 2020 as the acquisition of subsidiaries were accounted under common control the merger accounting method of consolidation.

The basic and diluted earnings per ordinary share are equal as the Group has no potential dilutive ordinary shares at the end of each financial year.

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