

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	
	01.07.22 to 30.6.2023		01.07.21 to 30.6.2022	
	RM	%	RM	%
Rendering of services ^(a)	11,470,637	94.7	10,435,768	94.8
Sales of goods ^(b)	643,731	5.3	574,861	5.2
Total	12,114,368	100.0	11,010,629	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	
	01.07.2022 to 30.6.2023		01.07.2021 to 30.6.2022	
	RM	%	RM	%
Proprietary software ⁽ⁱ⁾	5,853,679	51.0	4,185,031	40.1
Managed services ⁽ⁱⁱ⁾	4,752,391	41.5	4,938,061	47.3
Consultancy Services ⁽ⁱⁱⁱ⁾	864,567	7.5	1,312,676	12.6
Total	11,470,637	100.0	10,435,768	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 the 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	
	01.07.2022 to 30.6.2023		01.07.2021 to 30.6.2022	
	RM	%	RM	%
Malaysia	5,160,146	42.6	3,773,945	34.3
Indonesia	6,194,308	51.1	6,492,991	59.0
Philippines	111,573	0.9	403,249	3.7
Hong Kong	120,500	1.0	47,500	0.4
Thailand	527,841	4.4	292,944	2.6
Total	12,114,368	100.0	11,010,629	100.0

FYE 30 June 2023 vs FYE 30 June 2022

The Group's revenue increased by RM1,103,739 or 10.0% from RM11,010,629 for FYE 30 June 2022 to RM12,114,368 for FYE 30 June 2023. The increase in revenue was mainly due to the rise in revenue from proprietary software implementation.

As a result of the above, the Group's GP margin increased from 68.4% for FYE 30 June 2022 to 71.9% for FYE 30 June 2023 and the Group's PBT rose by RM679,123 or 22.5% to RM3,702,374 for FYE 30 June 2023 from RM 3,023,251 for the FYE 30 June 2022.

B.2 PROSPECTS

The Group has recently introduced a new mobile application for leads generation and monitoring system, as part of the Group's initiatives in transforming the agency system (PrecentiaLife Agency) to be more sales-driven and results-oriented. With this introduction, the Group has managed to secure a new long-term revenue-sharing contract from one of the largest agency companies in Indonesia in April 2023, for a period of 27 years.

The Group's previous initiative in educating our clients about the benefits of migrating their existing on-premise core system to a cloud-based microservices platform has started to bear fruit. The Group has started conducting a proof of concept for one of our Malaysian clients to migrate their existing core system into a full-blown open-source environment as a first step before moving into the microservices platform as the next step.

The Group is also very close to securing another cloud-based managed services project from one of the multinational Takaful Operators in Malaysia. This project, if confirmed, is expected to kick off in the 1st quarter of 2024.

The Group’s digital medical insurance claim system development is near completion as our technical team has begun conducting system integration testing with one of the existing solution providers for hospital and clinic systems in Indonesia. This is the Group’s final preparation to ensure that the system can perform data exchange with the software system offered by such Indonesian solution providers to the hospitals and clinics in Indonesia. The Group expects the system to be fully ready for operations by the end of 2023.

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)	Adjustment (RM’000)	Actual utilisation (RM’000)	Unutilised proceeds (RM’000)	Estimated timeframe for utilisation upon listing
Indonesian expansion expenses	1,000	⁽¹⁾ (156)	720	124	⁽²⁾ Within 30 months
Acquisition of DynaFront Indonesia	-	⁽¹⁾ 156	156	-	Not applicable
R&D activities	699	-	699	-	Within 24 months
Listing expenses	821	-	821	-	Immediate
Total	2,520	-	2,496	124	

Notes:

- (1) Approximately RM0.2 million has been reallocated to the purpose of the acquisition of 10% of the issued share capital of DynaFront Indonesia which is not already owned by the Group.

The Board is of the opinion that the re-allocation allows the Group to deploy its financial resources more efficiently, as the Group does not have immediate plans for alternative uses of the funds, and the acquisition would allow the Group to retain full control over DynaFront Indonesia, which operates in a key market for the Group's future growth.

The re-allocation is not subject to the approval from any regulatory authorities or the shareholders of the Company. Nevertheless, the Board shall continue to be prudent in managing the use of proceeds from the July 2021 Placement, and will continue to disclose the status of the utilisation of the proceeds in the Company's report on its half-yearly consolidated results until the proceeds have been fully utilised.

The Board is of the opinion that the re-allocation will not have any adverse effect on the business operations and financial performance of the Group and is in the best interest of the Company and the shareholders as a whole.

- (2) The Board has deliberated and resolved to extend the timeframe for the utilisation of proceeds from the July 2021 Placement for an additional 6 months from July 2023 until 22 January 2024.

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	1,821	1,679	Within 24 months
Solutions for digital insurance	3,500	1,610	1,890	Within 24 months
Working capital requirements	1,930	963	967	Within 24 months
Expenses for the Proposed Private Placement	70	70	-	Immediate
Total	9,000	4,464	4,536	

C.3 DIVIDEND

On 22 August 2023, The Board of Directors declared and approved an interim single-tier dividend of RM0.006 per ordinary share for the financial year ending 30 June 2024 amounted to RM648,000 which was paid by the Company on 8 September 2023.

The Board of Directors does not recommend any dividend for FYE 30 June 2023 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.