

SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/09/2020] RM'000	PRECEDING YEAR CORRESPONDING QUARTER *[30/09/2019] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [01/01-30/09/2020] RM'000	PRECEDING YEAR CORRESPONDING QUARTER **[01/04-30/09/2019] RM'000	CHANGES (AMOUNT/ %)
1 Revenue	8,551	10,963	-22%	23,626	21,067	12%
2 Operating profit/ (loss)	(2,205)	(663)	-233%	(6,527)	(3,387)	-93%
3 Profit/ (Loss) Before Interest and Tax	(2,205)	(663)	-233%	(6,527)	(3,387)	-93%
4 Profit / (Loss) before taxation	(2,308)	(768)	-201%	(6,796)	(3,642)	-87%
5 Profit / (Loss) for the year	(2,308)	(768)	-201%	(6,796)	(3,642)	-87%
6 Profit / (Loss) attributable to owners of the Company	(2,288)	(767)	-198%	(6,760)	(3,641)	-86%
7 Basic earning / (loss) per share (sen)	(0.49)	(0.18)		(1.45)	(0.86)	
8 Proposed/Declared dividend per share (sen)	-	-		-	-	
	AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
9 Net assets per share attributable to owners of the Company (RM)		0.03			0.03	

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/09/2020] RM'000	PRECEDING YEAR CORRESPONDING QUARTER *[30/09/2019] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [01/01-30/09/2020] RM'000	PRECEDING YEAR CORRESPONDING QUARTER **[01/04-30/09/2019] RM'000	CHANGES (AMOUNT/ %)
1 Gross interest income	30	51	-41%	101	116	-13%
2 Gross interest expense	70	75	-7%	201	188	7%

Note :

(1) \*The Group has changed its financial year end from 31 March to 31 December as announced on 23 September 2019. The second quarter of the 9 months for the preceding year ended 31 December 2019, that is period from 1 July 2019 to 30 September 2019 of the corresponding period were prepared for comparative purpose, as preceding year corresponding quarter against the current year quarter ended 30 September 2020 for the financial year ending 31 December 2020.

(2) \*\*The cumulative quarter for current year was for 9 month period ended 30 September 2020 and the preceding year cumulative corresponding quarter was for 6 months ended 30 September 2020. There is no comparative for the first quarter for the financial year ending 31 December 2020 due to change of financial year end in the preceding year.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER [30/09/2020] RM'000	PRECEDING YEAR CORRESPONDING QUARTER *[30/09/2019] RM'000	CURRENT YEAR QUARTER [01/01-30/09/2020] RM'000	PRECEDING YEAR CORRESPONDING QUARTER **[01/04-30/09/2019] RM'000
Revenue	8,551	10,963	23,626	21,067
Operating expenses	(10,786)	(11,689)	(30,285)	(24,587)
Other operating income	30	63	132	133
Operating profit / (loss)	(2,205)	(663)	(6,527)	(3,387)
Finance costs	(103)	(105)	(269)	(255)
Profit / (Loss) before tax	(2,308)	(768)	(6,796)	(3,642)
Taxation	-	-	-	-
Profit / (Loss) for the financial period/year	(2,308)	(768)	(6,796)	(3,642)
Other comprehensive income/(loss):				
Foreign currency translation differences	(10)	(4)	(74)	(7)
Other comprehensive income/(loss) for the period/year, net of tax	(10)	(4)	(74)	(7)
Total comprehensive income / (loss) for the period /year	(2,318)	(772)	(6,870)	(3,649)
Profit / (Loss) for the period/year attributed to :				
Owners of the Company	(2,288)	(767)	(6,760)	(3,641)
Non-controlling interest	(20)	(1)	(36)	(1)
	(2,308)	(768)	(6,796)	(3,642)
Total comprehensive income / (loss) for the period/year attributable to:				
Owners of the Company	(2,298)	(771)	(6,834)	(3,648)
Non-controlling interest	(20)	(1)	(36)	(1)
	(2,318)	(772)	(6,870)	(3,649)
Earning / (Loss) per share :				
- basic (sen)	(0.49)	(0.18)	(1.45)	(0.86)
- diluted (sen)	N/A	N/A	N/A	N/A
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per share (RM)		0.03		0.03

Note :

(1) \*The Group has changed its financial year end from 31 March to 31 December as announced on 23 September 2019. The second quarter of the 9 months for the preceding year ended 31 December 2019, that is period from 1 July 2019 to 30 September 2019 of the corresponding period were prepared for comparative purpose, as preceding year corresponding quarter against the current year quarter ended 30 September 2020 for the financial year ending 31 December 2020.

(2) \*\*The cumulative quarter for current year was for 9 month period ended 30 September 2020 and the preceding year cumulative corresponding quarter was for 6 months ended 30 September 2020. There is no comparative for the first quarter for the financial year ending 31 December 2020 due to change of financial year end in the preceding year.

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the 9 months ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020

	As at 30.09.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,476	3,056
Intangible assets	2,706	2,503
Right of use assets	1,589	1,470
	<u>6,771</u>	<u>7,029</u>
<b>Current Assets</b>		
Inventories	242	225
Trade receivables	13,843	11,034
Other receivables	3,001	2,315
Contract assets	10	31
Amount due from related companies	675	-
Tax recoverable	279	194
Deposits, cash and bank balances	7,535	9,586
	<u>25,585</u>	<u>23,385</u>
<b>TOTAL ASSETS</b>	<u>32,356</u>	<u>30,414</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	56,177	51,177
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	42	116
Retained profit / (Accumulated losses)	(27,898)	(21,138)
	<u>14,812</u>	<u>16,646</u>
<b>Non-controlling interest</b>	286	472
<b>Total equity</b>	<u>15,098</u>	<u>17,118</u>
<b>Non-current liabilities</b>		
Long term borrowings	53	69
Lease Liabilities	485	404
	<u>538</u>	<u>473</u>
<b>Current Liabilities</b>		
Trade payables	1,248	1,405
Other payables	4,654	1,984
Contract liabilities	1,952	2,316
Amount due to ultimate holding company	-	105
Amount due to immediate holding company	-	23
Amount due to a related company	83	602
Short term borrowings	7,633	5,272
Lease liabilities	1,139	1,105
Provision for taxation	11	11
<b>Total current liabilities</b>	<u>16,720</u>	<u>12,823</u>
<b>Total liabilities</b>	<u>17,258</u>	<u>13,296</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>32,356</u>	<u>30,414</u>
Net assets per share (RM)	<u>0.03</u>	<u>0.04</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 9 months ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020

	Attributable to the Owners of the Company					Total Equity RM'000		
	Share Capital RM'000	Share premium RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Retained profit/ (Accumulated losses) RM'000		Total RM'000	Non- controlling Interest RM'000
At 1 January 2020	51,177	-	(13,509)	116	(21,138)	16,646	472	17,118
Loss for the financial period	-	-	-	-	(6,760)	(6,760)	(36)	(6,796)
Foreign currency translation loss	-	-	-	(74)	-	(74)	-	(74)
of foreign operations	-	-	-	(74)	(6,760)	(6,834)	(36)	(6,870)
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	-
Transactions with owners:								
Issuance of new Shares through Private Placement	5,000	-	-	-	-	5,000	-	5,000
Acquisition of shares in subsidiaries from non-controlling interest	-	-	-	-	-	(150)	(150)	(150)
Total transactions with owners	5,000	-	-	-	-	5,000	(150)	4,850
At 30 September 2020	56,177	-	(13,509)	42	(27,898)	14,812	286	15,098

Note 1

On 21 April 2020, the Company has announced that it proposes to undertake proposed private placement of up to 139,060,500 new ordinary shares in Dataprep Holdings Bhd ("DHB"), representing up to 30% of the total number of issued shares of DHB to parties identified and to be identified at a later date ("Proposed Share Placement").

Bursa Securities via its letter dated 29 June 2020 had approved the listing of up to 139,060,500 Placement Shares to be issued pursuant to the Proposed Share Placement.

On 17 July 2020, the Proposals was approved by shareholders during the Extraordinary General Meeting("EGM").

The Company has issued and listed the first tranches of private placement of 30,120,482 ordinary shares to Widad Business Group Sdn Bhd ("WBG") on 1 September 2020. The Company's issued and paid-up share capital has increased from RM51,177,883.34 comprising 463,535,324 ordinary shares to RM56,177,883.34 comprising 493,655,806 ordinary shares and raised proceeds of RM5,000,000 from the first tranches as announced on 28 August 2020.

Note 2:

On 2 April 2018, the issued share capital of Tamadun was increased from 10,000 ordinary shares to 500,000 ordinary shares and the new shares shall rank pari passu in all respects with the existing ordinary shares. On the same date, Tamadun had disposed 150,000 ordinary shares to an outside corporation for a consideration of RM150,000, representing 30% of the equity interest in Tamadun and thereafter, the Group's shareholding in Tamadun was reduced from 100% to 70%.

On 15 July 2020, The Company had transfer back the remaining 150,000 ordinary shares representing 100% equity interest in Tamadun Interaktif Sdn Bhd from non-controlling interest (Abroo Sdn Bhd) from 70% to 100%.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the 9 months ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

<----- Attributable to the Owners of the Company ----->  
<----- Non-distributable ----->

	Share Capital RM'000	Share premium RM'000	Merger deficit RM'000	Foreign exchange reserve	Retained profit/ (Accumulated losses) RM'000	Total	Non- controlling Interest RM'000	Total Equity RM'000
<b>At 1 April 2019</b>	43,863	-	(13,509)	117	(15,292)	15,179	141	15,320
Loss for the financial period / year	-	-	-	-	(5,846)	(5,846)	(27)	(5,873)
Foreign currency translation loss of foreign operations	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive loss for the period/ year	-	-	-	(1)	(5,846)	(5,847)	(27)	(5,874)
Transactions with owners :								
Issuance of new Ordinary Shares	7,314	-	-	-	-	7,314	-	7,314
Non-controlling interest arising from investment in a subsidiary company	-	-	-	-	-	-	358	358
Total transactions with owners	7,314	-	-	-	-	7,314	358	7,672
<b>At 31 December 2019</b>	51,177	-	(13,509)	116	(21,138)	16,646	472	17,118

Note 1

**Note 1:**

On 29 October 2018, the Company has announced that it proposes to undertake a private placement of up to 42,139,500 new ordinary shares in the Company ("Placement Shares"), representing up to 10% of the issued and paid-up share capital of the Company ("Proposed Private Placement") pursuant to Sections 75 and 76 of the Companies Act 2016. The Bursa Securities has vide its letter dated 16 May 2019 approved the aforesaid application for extension of time to 28 November 2019 for the completion of the exercise.

The first tranche of the Placement Shares was listed and quoted on the Main Market of Bursa Securities on 11 July 2019 as announced on 10 July 2019. The issuance of the Placement Shares of 6,000,000 at RM0.17 each has increased the issued and paid-up share capital of the Company from RM43,863,470.84 representing 421,395,824 ordinary shares to RM44,883,470.84 representing 427,395,824 ordinary shares and raised proceeds of RM1,020,000.

The second tranche of the Placement Shares was listed and quoted on the Main Market of Bursa Securities on 30 August 2019 as announced on 29 August 2019. The issuance of the Placement Shares of 10,000,000 at RM0.17 each has increased the issued and paid-up share capital of the Company from RM44,883,470.84 representing 427,395,824 ordinary shares to RM46,583,470.84 representing 437,395,824 ordinary shares and raised proceeds of RM1,700,000.

**DATAPREP HOLDINGS BHD (Registration No. 198901005754 ( 183059-H)  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019**

**Note 1(Cont'd) :**

The third tranche of the Placement Shares was listed and quoted on the Main Market of Bursa Securities on 30 October 2019 as announced on 29 October 2019. The issuance of the Placement Shares of 10,000,000 at RM0.177 each has increased the issued and paid-up share capital of the Company from RM46,583,470.84 representing 437,395,824 ordinary shares to RM48,353,470.84 representing 447,395,824 ordinary shares and raised proceeds of RM1,770,000.

The final tranche of the Placement Shares was listed and quoted on the Main Market of Bursa Securities on 19 November 2019 as announced on 18 November 2019. The issuance of the Placement Shares of 16,139,500 at RM0.175 each has increased the issued and paid-up share capital of the Company from RM48,353,470.84 representing 447,395,824 ordinary shares to RM 51,177,883.34 representing 463,535,324 ordinary shares and raised proceeds of RM2,824,412.50.

The Private Placement of 42,139,500 new ordinary shares was completed on 19 November 2019 and has raised total proceeds of RM 7,314,412.50.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the 9 months ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
AS AT 30 SEPTEMBER 2020

	30.09.2020 (Unaudited) RM'000	31.12.2019 (Audited) RM'000
<b>Cash Flow from Operating Activities</b>		
Loss before taxation	(6,796)	(5,864)
Adjustment for :-		
Non-cash items	1,856	1,849
Non-operating items	100	108
<b>Operating loss before working capital changes</b>	<b>(4,840)</b>	<b>(3,907)</b>
(Increase) / Decrease in inventories	(51)	30
(Increase) / Decrease in receivables	(3,495)	2,094
Decrease in contract asset	21	424
Increase / (Decrease) in payables	2,512	(2,601)
Increase in right of use assets	(1,143)	(2,520)
Increase in lease liabilities	114	1,509
Decrease in contract liabilities	(364)	(1,969)
(Increase) / Decrease in amount due from related companies	(675)	158
Increase in amount due to ultimate holding company	-	105
Increase in amount due to immediate holding company	-	23
(Decrease) / Increase in amount due to a related company	(648)	344
<b>Cash used in operations</b>	<b>(8,569)</b>	<b>(6,310)</b>
Tax paid	(97)	(102)
Tax refunded	12	100
Interest received	101	184
Interest paid	(201)	(292)
<b>Net cash used in operating activities</b>	<b>(8,754)</b>	<b>(6,420)</b>
<b>Cash flow from Investing Activities</b>		
Purchase of plant and equipment	(12)	(66)
Purchase of intangible assets	(410)	(996)
Proceed from disposal of plant and equipment	1	-
Proceeds from issuance of new ordinary shares	5,000	7,314
Proceeds from issuance of shares in a subsidiary to non controlling interest	-	358
Acquisition of additional shares in subsidiaries from non-controlling interests	(150)	-
<b>Net cash generated from investing activities</b>	<b>4,429</b>	<b>6,610</b>
<b>Cash flow from Financing Activities</b>		
Drawdown of borrowings	2,366	-
Repayment borrowings	-	(2,409)
Payment of hire purchase liabilities	(15)	(21)
<b>Net cash generated / (used in) from financing activities</b>	<b>2,351</b>	<b>(2,430)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,974)</b>	<b>(2,240)</b>
Effect of exchange rate fluctuations	(71)	-
<b>Cash and cash equivalents at beginning of the period / year</b>	<b>7,606</b>	<b>9,846</b>
<b>Cash and cash equivalents at end of the period / year</b>	<b>5,561</b>	<b>7,606</b>
<b>Cash and cash equivalents at end of the period/year comprise the following:</b>		
	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
Deposits with licensed commercial banks	6,217	6,352
Cash and bank balances	1,318	3,234
	7,535	9,586
Short Term Borrowing :		
-Overdraft	(1,974)	(1,980)
<b>Cash and cash equivalents</b>	<b>5,561</b>	<b>7,606</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 9 months ended 31 December 2019 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 9 months ended 31 December 2019. The significant accounting policies adopted are consistent with those of the audited financial statements for the 9 months ended 31 December 2019 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretations:

(a) Effective for financial periods beginning on or after 1 January 2020

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

(b) 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 9 months ended 31 December 2019 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 of the system integration businesses which are secured 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**

The Company has issued and listed the first tranche of private placement of 30,120,482 ordinary shares to Widad Business Group Sdn Bhd (“WBG”) on 1 September 2020.

The Company’s issued and paid-up share capital has increased from RM51,177,883.34 comprising 463,535,324 ordinary shares to RM56,177,883.34 comprising 493,655,806 ordinary shares and raised proceeds of RM5,000,000 from the first tranches as announced on 28 August 2020.

The detail of the issued and paid-up capital of the Company as at 30 September 2020 was as follows:-

	<u>Number of shares</u>	<u>RM'000</u>
As at 1 January 2020	463,535,324	51,178
Issuance of ordinary shares pursuant to the private placement	30,120,482	5,000
As at 30 September 2020	<u>493,655,806</u>	<u>56,178</u>

Subsequent to the third quarter, on 7 October 2020, the Company has listed the final balance of the first tranche of private placement of 23,529,411 ordinary shares to WBG.

The Company’s issued and paid-up share capital has increased from RM56,177,883.34 comprising 493,655,806 ordinary shares to RM60,177,883.34 comprising 517,185,217 ordinary shares and raised proceeds of RM4,000,000 as announced on 28 September 2020.

**6. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities (Cont'd)**

The Company has listed the second tranches of placement of 74,396,800 ordinary shares to third party investors on 21 October 2020.

The Company's issued and paid-up share capital has increased from RM60,177,883.34 comprising 517,185,217 ordinary shares to RM70,965,419.34 comprising 591,582,017 ordinary shares and raised proceeds of RM10,787,536 as announced on 20 October 2020.

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

**7. Dividend paid**

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

**8. Segmental information**

The Group's segmental reporting by business segment as at 30 September 2020 is as follows: -

BUSINESS SEGMENT	EXTERNAL SALES RM'000	INTERSEGMENT SALES RM'000	ELIMINATION RM'000	GROUP SALES RM'000
(a) <i>IT Related Products and Services and Trading</i>	23,050	124	( 124)	23,050
(b) <i>Payment Solutions &amp; Services</i>	576			576
<b>SALES BY SEGMENT</b>	<b>23,626</b>	<b>124</b>	<b>( 124)</b>	<b>23,626</b>
(a) <i>IT Related Products and Services and Trading</i>	(6,504)		4,891	(1,613)
(b) <i>Payment Solutions &amp; Services</i>	(559)			(559)
<b>SEGMENT RESULTS</b>	<b>(7,063)</b>	<b>-</b>	<b>4,891</b>	<b>(2,172)</b>
Interest income				101
Unallocated expenses				(4,524)
Loss from operations				(6,595)
Interest expenses				(201)
Loss before taxation				(6,796)
Taxation				-
Loss after taxation				(6,796)

**9. Valuation of property, plant and equipment**

The Group has not revalued its property, plant and equipment.

**10. Significant events**

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.

## 12. Change of financial year end- Comparatives

- (1) The Group has changed its financial year end from 31 March to 31 December as announced on 23 September 2019. The second quarter of the 9 months for the preceding year ended 31 December 2019, that is period from 1 July 2019 to 30 September 2019 of the corresponding period were prepared for comparative purpose, as preceding year corresponding quarter against the current year quarter ended 30 September 2020 for the financial year ending 31 December 2020.
- (2) The cumulative quarter for current year was for 9-month period ended 30 September 2020 and the preceding year cumulative corresponding quarter was for 6 months ended 30 September 2020. There is no comparative for the first quarter for the financial year ending 31 December 2020 due to change of financial year end in the preceding year

## 13. Changes in contingent liabilities (Secured)

Contingent Liabilities :-	Group		
	30.09.2020 RM'000	31.12.2019 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for performance guarantee of a subsidiary (secured)	756	545	211
	756	545	211

## 14. Review of performance

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/09/2020] RM'000	PRECEDING YEAR CORRESPONDING QUARTER *[30/09/2019] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [01/01-30/09/2019] RM'000	PRECEDING YEAR CORRESPONDING QUARTER **[01/04-30/09/2019] RM'000	CHANGES (AMOUNT/ %)
Revenue	8,551	10,963	-22%	23,626	21,067	12%
Operating profit / (loss)	(2,205)	(662)	-233%	(6,527)	(3,386)	-93%
Profit / (Loss) Before Interest and Tax	(2,205)	(662)	-233%	(6,527)	(3,386)	-93%
Profit / (Loss) before taxation	(2,308)	(768)	-201%	(6,796)	(3,642)	-87%
Profit / (Loss) for the year	(2,308)	(768)	-201%	(6,796)	(3,642)	-87%
Profit / (Loss) attributable to owners of the Company	(2,288)	(767)	-198%	(6,760)	(3,641)	-86%

Note: \*\*

- (1) \* The Group has changed its financial year end from 31 March to 31 December as announced on 23 September 2019. The second quarter of the 9 months for the preceding year ended 31 December 2019, that is period from 1 July 2019 to 30 September 2019 of the corresponding period were prepared for comparative purpose, as preceding year corresponding quarter against the current year quarter ended 30 September 2020 for the financial year ending 31 December 2020.
- (2) \*\*The cumulative quarter for current year was for 9-month period ended 30 September 2020 and the preceding year cumulative corresponding quarter was for 6 months ended 30 September 2020. There is no comparative for the first quarter for the financial year ending 31 December 2020 due to change of financial year end in the preceding year.

The Group's recorded lower sales of RM8.55 million, a decrease of 22% as compare with the preceding year corresponding quarter of RM10.96 million was due to completion of two major projects in the preceding year corresponding quarter and smaller projects were secured in the current quarter.

The loss before taxation of RM2.31 million in the current quarter as against RM0.77 million in the preceding year corresponding quarter was due to fewer manage services projects secured with high margin contribution.

#### **14. Review of performance (Cont'd)**

##### **a. Comparison of results for the current quarter with the preceding year corresponding quarter (Cont'd)**

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 RM8.33 million was lower than the preceding year corresponding quarter of RM10.62 million due to completion of two major projects in the preceding year corresponding quarter and smaller projects were secured in the current quarter.

The loss before taxation of RM0.63 million in the current quarter as against a loss before taxation of RM0.05 million in the preceding year corresponding quarter was due to fewer manage services projects secured with high margin contribution.

##### Payment Solutions and Services

The revenue decreased from RM0.34 million in the preceding year corresponding quarter to RM0.23 million in the current quarter was due to lower number of terminal installed.

This segment recorded a loss before taxation of RM0.16 million in the current quarter as against a profit before taxation of RM0.041 million due to lower number of terminal installed.

#### 14. Review of performance (Cont'd)

##### b. Comparison of results for the current cumulative quarter ended 30 September 2020 with the preceding year corresponding quarter ended 30 September 2019. (\* Refer to note)

\*Note:

- (1) The Group has changed its financial year end from 31 March to 31 December as announced on 23 September 2019. The second quarter of the 9 months for the preceding year ended 31 December 2019, that is period from 1 July 2019 to 30 September 2019 of the corresponding period were prepared for comparative purpose, as preceding year corresponding quarter against the current year quarter ended 30 September 2020 for the financial year ending 31 December 2020.
- (2) The cumulative quarter for current year was for 9-month period ended 30 September 2020 and the preceding year cumulative corresponding quarter was for 6 months ended 30 September 2020. There is no comparative for the first quarter for the financial year ending 31 December 2020 due to change of financial year end in the preceding year.

##### c. Assets and Liabilities

Total assets increased from RM30.41 million as at 31 December 2019 to RM 32.36 million as at 30 September 2020 attributable to higher trade and other receivables.

Total liabilities increase from RM13.30 million as at 31 December 2019 to RM17.26 million as at 30 September 2020 was due to utilization of trade facilities for ongoing projects.

#### 15. Comparison of results for the current quarter with the immediate preceding quarter.

		CURRENT YEAR QUARTER [30/09/2020] RM'000	IMMEDIATE PRECEDING QUARTER [30/06/2020] RM'000	CHANGES (AMOUNT/%)
1	Revenue	8,551	7,362	16%
2	Operating profit / (loss)	(2,205)	(1,834)	-20%
3	Profit / (Loss) Before Interest and Tax	(2,205)	(1,834)	-20%
4	Profit / (Loss) before taxation	(2,308)	(1,925)	-20%
5	Profit / (Loss) for the year	(2,308)	(1,925)	-20%
6	Profit / (Loss) attributable to owners of the Company	(2,288)	(1,915)	-19%

The Group's revenue for the current quarter was RM8.55 million as compared to the immediate preceding quarter of RM7.36 million. Higher revenue was due to new projects secured.

The Group recorded a loss before taxation of RM2.31 million in the current quarter as compared to loss before taxation of RM1.92 million in the immediate preceding quarter. The loss before taxation in the current quarter was due to fewer manage services projects secured with high margin contribution.

## **16. Prospects**

The Group remain positive in managing its businesses during the current adverse business environment by exploring solutions in line with the new norm and social distancing such as online platform that supports e-learning, e-meeting solutions and e-payments. The Group will continue with its strategy to improve its profitability and revenue and securing higher profit margin projects, prudent in spending, managing productivity and efficiency of its manpower and also leveraging on new business and investment opportunities that is suitable for the Group.

The Group is optimistic about certain aspects of the ICT industry despite the current adverse business environment caused by the Covid-19 pandemic as it will benefits from new norms and social distancing requirements which creates ICT opportunities in areas such as telemedicine, digital and contactless payments, as well as online platforms which enable e-learning and e-meeting. In line with the Government efforts to revive the economy through various stimulus packages, coupled with the government-led initiatives in “Digital Lifestyle Malaysia”, the management expects the Group’s business to grow at a stronger pace. Furthermore, the Group has 48 years of proven group-wide accumulated ICT experience and professional staffs in implementing large-scale ICT projects and this enables the Group to participate in the said government’s initiative.

The Group is in the process of completing the fund raising from private placements as approved by the shareholders of the Company at the EGM held on 17 July 2020. The completion of the Company ‘s corporate exercise will increase the capital base of the Company, strengthen its financial position and facilitate the Group in its working capital requirements to carry out new projects secured.

Subsequent to the third quarter, as at 31 October 2020, the Company has successfully raised proceeds of RM19,787,536. A total number of 128,046,693 new ordinary shares were listed and quoted out of the proposed private placement of up to 139,060,500 new ordinary shares. The share capital of the Company has increased from RM51,177,883.34, represented by 463,535,324 ordinary shares to 70,965,419.34, represented by 591,582,017 ordinary shares as at 31 October 2020. The private placement is expected to be completed by 31 December 2020.

The Group via its wholly-owned subsidiary Solsisnet Sdn. Bhd. had on 23 October 2020 entered into a HOA in relation to the proposed acquisition of 510,000 ordinary shares in RIDAA representing 51% of the issued and paid-up share capital of RIDAA.

With the potential completion of the acquisition of RIDAA, which is licensed by the Malaysian Communications and Multimedia Commission (MCMC) as the Network Facility Provider (NFP), Network Service Provider (NSP) and Applications Service Provider Class License (ASP(C)), the Group plans to pursue the opportunities to build, install, operate, maintain and manage the telecommunication tower assets in Malaysia, with the key focus is to construct at least 1,000 towers throughout the country, based on the secured right of ways (ROW) and subsequently lease them to the telco operators.

The Group is looking forward on the new venture into telco tower projects as it is aligned with the implementation of the National Fiberisation and Connectivity Plan (NFCP) by the government as the foundation of the country's digital infrastructure transition towards 5G technology. Furthermore, the proposed acquisition will allow the Group to realize the potential synergies including cross-selling opportunities and better cost efficiencies arising from consolidation of operations and utilization of resources.

The Group aims to explore more business opportunities in the public sector, and is actively participating in government's project tender under the wide spectrum of ICT services to further improve profitability.

## **17. Taxation**

There was no provision of taxation in the current quarter due to the Group has sufficient unutilized tax losses and unabsorbed capital allowances.

## **18. Status of corporate exercise**

On 21 April 2020, the Company has announced that it proposes to undertake the following:-

- (i) proposed private placement of up to 139,060,500 new ordinary shares in Dataprep Holdings Bhd (“DHB”), representing up to 30% of the total number of issued shares of DHB to parties identified and to be identified at a later date (“Proposed Share Placement”); and
- (ii) proposed establishment of a long term incentive plan of up to 15% of the total number of issued DHB Shares (excluding treasury shares, if any) for the eligible directors, senior management and employees of DHB and its subsidiary companies (excluding subsidiaries which are dormant) (“Proposed LTIP”), which are collectively referred to as the “Proposals”

The listing application in relation to the Proposals has been submitted to Bursa Securities on 18 May 2020.

Bursa Securities via its letter dated 29 June 2020 had approved the following:-

- (i) Listing of up to 139,060,500 Placement Shares to be issued pursuant to the Proposed Share Placement; and
- (ii) Listing of such number of new DHB Shares representing up to 15% of the total number of issued shares of DHB (excluding treasury shares) to be issued pursuant to the exercise of the options and/vesting of the new shares under the Proposed LTIP.

The approval granted by Bursa Securities for the listing and quotation of the Placement Shares is subject to the following conditions: -

- (i) DHB and KAF IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Share Placement;
- (ii) DHB and KAF IB to inform Bursa Securities upon the completion of the Proposed Share Placement; and
- (iii) DHB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Share Placement is completed.

The approval granted by Bursa Securities for the Proposed LTIP is subject to the following conditions: -

- (i) KAF IB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed LTIP pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolutions passed by the shareholders in general meeting; and
- (ii) DHB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of options, pursuant to the Proposed LTIP as at the end of each quarter together with a detailed computation of listing fees payable.

**18. Status of corporate exercise (Cont'd)**

On 17 July 2020, all the resolutions as set out in the Notice of Extraordinary General Meeting ("EGM") dated 2 July 2020 were duly approved by way of poll by the shareholders of the Company.

The Company has also made announcement on 21 July 2020 that the effective date for the implementation of the LTIP was on 21 July 2020, being the date on which the Company was in full compliance with Paragraph 6.43(1) of the Listing Requirements of Bursa Securities.

The Company announced that the Board had on 21 August 2020 fixed the issue price for the first tranche of the Share Placement comprising 30,120,482 Placement Shares at RM0.166 per Placement Share ("Price Fixing Date").

The issue price of RM0.166 per Placement Share represents a discount of approximately 9.78% to the five (5)-day VWAP of DHB Shares, up to and including 19 August 2020 (being the last market day prior to the Price Fixing Date) of RM0.184 per DHB Share.

The Company has issued and listed the first tranches of private placement of 30,120,482 ordinary shares to Widad Business Group Sdn Bhd ("WBG") on 1 September 2020. The Company's issued and paid-up share capital has increased from RM51,177,883.34 comprising 463,535,324 ordinary shares to RM56,177,883.34 comprising 493,655,806 ordinary shares and raised proceeds of RM5,000,000 from the first tranches as announced on 28 August 2020.

The first tranches proceeds raised during the quarter of RM 5,000,000 from the private placement to Widad Business Group Sdn Bhd was fully utilized as follows:-

	First Tranche*
	RM'000
Repayment of bank borrowings	1,088
Working capital requirement	3,912
	<hr/>
	5,000
	<hr/>

\* The first tranche of proceeds raised was utilised in September 2020

Subsequently, the Company has on 28 September 2020 fixed the issue price for the balance of the first tranche placement comprising 23,529,411 Placement Shares at RM0.170 per Placement Share ("Price Fixing Date").

The issue price of RM0.170 per Placement Share represents a discount of approximately 9.57% to the five (5)-day VWAP of DHB Shares, up to and including 25 September 2020 (being the last market day prior to the Price Fixing Date) of RM0.188 per DHB Share.



**18. Status of corporate exercise (Cont'd)**

Subsequent to the quarter on 7 October 2020, the Company has listed the final balance of the first tranche of placement of 23,529,411 ordinary shares to WBG. The Company's issued and paid-up share capital has increased from RM56,177,883.34 comprising 493,655,806 ordinary shares to RM60,177,883.34 comprising 517,185,217 ordinary shares and raised proceeds of RM4,000,000 as announced on 28 September 2020.

The Company has on 9 October 2020 fixed the issue price for the second tranche of the Placement Shares at RM0.145 each.

The issue price of RM0.145 per Placement Share represents a discount of approximately 9.94% to the five (5)-day VWAP of DHB Shares, up to and including 8 October 2020 (being the last market day prior to the Price Fixing Date) of RM0.161 per DHB Share.

The Company has listed the second tranches of placement of 74,396,800 ordinary shares to third party investors on 21 October 2020. The Company's issued and paid-up share capital has increased from RM60,177,883.34 comprising 517,185,217 ordinary shares to RM70,965,419.34 comprising 591,582,017 ordinary shares and raised proceeds of RM10,787,536 as announced on 20 October 2020.

**19. Event subsequent to the end of reporting period**

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

**20. Group borrowings**

The Group borrowings are as follows:

		As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
<b>Short Term Borrowings:</b>			
<b>Secured :</b>			
- Banker acceptances		5,627	3,261
- Bank overdraft		1,974	1,980
- Hire purchase payables		32	31
<b>Total Short Term Borrowings</b>	<b>A</b>	<b>7,633</b>	<b>5,272</b>
<b>Long Term Borrowings:</b>			
<b>Secured :</b>			
- Hire purchase payables		53	69
<b>Total Long Term Borrowings</b>	<b>B</b>	<b>53</b>	<b>69</b>
<b>Total Borrowings</b>	<b>(A + B)</b>	<b>7,686</b>	<b>5,341</b>

All borrowings are denominated in Ringgit Malaysia.

**21. Material litigation**

There was no material litigation as at 30 September 2020.

**22. Dividend proposed or declared**

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

### 23. Loss per share

#### (a) Basic

	Current Quarter Ended 30.09.2020	Cumulative Quarter Ended 30.09.2020
Loss attributable to owners of the Company (RM'000)	(2,288)	(6,760)
Weighted average number of shares in issue ('000)	466,833	466,833
<b>Loss per share (sen)</b>	<b>(0.49)</b>	<b>(1.45)</b>

#### (b) Diluted

There was no dilution effect on earnings per share for the current quarter.

### 24. Capital commitment

The Group has no material capital commitment as at 30 September 2020

### 25. Notes to the Consolidated Statement of Comprehensive Income

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

	Current Quarter Ended 30.09.2020 RM'000	Cumulative Quarter Ended 30.09.2020 RM'000
Interest expense	70	201
Depreciation of plant and equipment	193	590
Amortisation of intangible assets	76	208
Allowance for obsolete inventories	15	33
and after crediting:		
Interest income	(30)	(101)

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 September 2020.

By Order of the Board  
**Dataprep Holdings Bhd**

**Geng Mun Mooi (MIA 8365)**  
**Nor Fazieana Daud (MAICSA 7067115)**  
**Leong Shiak Wan (MAICSA 7012855)**  
**Zuriati Binti Yaacob (LS0009971)**

**Company Secretaries**  
**26 November 2020**