



MYKRIS INTERNATIONAL BERHAD (811039-T)

(Incorporated in Malaysia)

**ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2019**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD
("BURSA SECURITIES")**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY MYKRIS INTERNATIONAL BERHAD ("MYKRIS" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

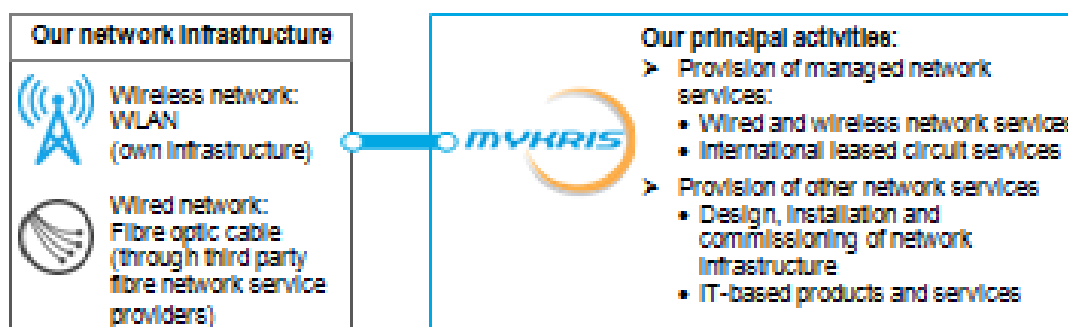


MYKRIS INTERNATIONAL BERHAD (811039-T)
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**PART A: ADDITIONAL INFORMATION
(APPENDIX 6A, PART B OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD)**

1. Overview

MyKRIS International Berhad (“**MyKRIS**”) and its subsidiaries (the “**Group**”) are primarily a managed network service provider, specialising in the provision and management of Internet and Intranet network services to enterprises. A brief illustration of the Group’s business is set out below:-



The Group’s revenue is derived from its subsidiaries, namely MyKRIS Asia Sdn Bhd and MyKRIS Net (MSC) Sdn Bhd. MyKRIS Asia contributed nearly the entire Group’s revenue. Revenue from MyKRIS Net which was in the form of royalty fee charged to MyKRIS Asia, was eliminated on consolidation.

2. Review of Financial Performance

(i) Revenue by business activities

The Group’s revenue based on its activities for the financial year ended (“**FYE**”) 31 March 2019 and 2018 is presented below:-

	Audited FYE			
	31.3.2019		31.3.2018	
	RM'000	%	RM'000	%
Managed network services	35,711	91.59	31,766	91.14
IT-based products and services	3,278	8.41	3,089	8.86
	38,989	100.00	34,855	100.00



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(ii) Revenue by geographical markets

The Group's revenue is mainly derived from local markets, primarily Klang Valley, Penang and Johor, which contributed approximately 98.7% of the Group's revenue in FYE 31 March 2019. The Group's revenue based on geographical location is presented as follows:

	FYE 31 March			
	2019		2018	
	RM'000	%	RM'000	%
Local				
- Klang Valley	34,323	88.0	30,758	88.2
- Penang	2,469	6.3	2,282	6.5
- Johor	387	1.0	293	0.8
- Others	1,333	3.4	1,122	3.4
	38,512	98.7	34,455	98.9
Overseas	477	1.3	400	1.1
Total revenue	38,989	100.0	34,855	100.0

(ii) Commentary on financial performance

The Group recorded revenue of RM38.9 million for the FYE 31 March 2019 ("FYE 2019"), an increase of 11.9% from RM34.9 million in the FYE 31 March 2018 ("FYE 2018"). Managed network services contributed approximately RM35.7 million which accounted for 91.6% of the total revenue for the FYE 2019. Revenue from managed network services increased RM3.9 million or 12.4% in FYE 2019 as compared to FYE 2018, backed by the growing number of new customers and continuous support from existing customers. In addition, the revenue from the IT-based products and services posted an increase of RM0.2 million or 6.1% from RM3.1 million in FYE 2018 to RM3.3 million in FYE 2019.

In line with the increase in revenue, the Group recorded a profit before taxation ("PBT") of RM9.5 million in the FYE 2019 as compared to RM8.6 million in FYE 2018, representing an increase of 11.3%. Despite the incurrance of one-off listing expenses and higher depreciation charges in FYE 2019, Group PBT improved as a result of higher revenue coupled with lower operating cost as compared to the previous year.

The Group income for FYE 2019 was subject to the full impact of income tax following the expiry of its Pioneer Status on 30 September 2017. As a result, income tax expense rose from RM1.4 million in FYE 2018 to RM2.7 million. and partly caused the profit after tax ("PAT") of the Group to decrease from RM7.1 million in FYE 2018 to RM6.8 million in FYE 2019.



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2. Prospects

The Group has put in place a series of plans to enhance our service package offerings, intensify our marketing and promotional activities and grow our managed network service business through the expansion of our network coverage. Since our listing on LEAP Market of Bursa Securities in October 2019, we had focused on the marketing and implementation of our MyKRIS 360 service offering, which revolves around cyber security, hybrid infrastructure and network visibility. The success of our MyKRIS 360 would enhance our competitive edge and market position, and contribute positively to our future growth and financial results.

We have also taken steps to expand and strengthen our wireless network coverage, such as working with various telecommunication service providers to incorporate diversity of infrastructure ranging from fiber, mobile wireless, microwave to satellite in our managed network services offering. This would enable us to broaden our service offering profile, and tap into the enormous market potential in managed data services.

Our main customer base which comprises niche high value enterprises will continue to receive our undivided attention as we enhance our product offerings and value added services to move up our market position in this highly competitive industry.

Barring any unforeseen circumstances, the Board of Directors of the Company ("Board") is of the opinion that the prospects of the Group for the financial year ending 31 March 2020 will remain favourable.



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PART B: OTHER INFORMATION

1 Status of corporate proposals

No corporate proposal was announced or pending completion as at the date of this report.

2. Utilisation of proceeds

The proposed and actual utilisation of proceeds (approximately RM8.0 million) raised from the Excluded Issue, is as follows:

Details of use	Proposed utilisation	Actual utilisation*	Proceeds balance	Estimated timeframe for use upon listing
	RM'000	RM'000	RM'000	
Expansion of business and operational facilities	2,600	-	2,600	Within 24 months
Working capital	3,399	688	2,711	Within 18 months
Relocation and renovation of our Headquarters	1,000	1,000	-	Within 12 months
Estimated listing expenses	1,000	1,000	-	Within 3 months
Total	7,999	2,688	5,311	

** Utilisation as at 31 May 2019*

Dated: 15 July 2019