

REVENUE GROUP BERHAD (1248321-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2018⁽¹⁾

	Note	3-MONTH ENDED		PERIOD-TO-DATE	
		31.12.2018 RM'000	31.12.2017 ⁽²⁾ RM'000	31.12.2018 RM'000	31.12.2017 ⁽²⁾ RM'000
Revenue	A9	13,588	N/A	28,424	N/A
Cost of sales		(5,947)	N/A	(12,459)	N/A
Gross profit ("GP")		7,641	N/A	15,965	N/A
Other income		51	N/A	69	N/A
Administrative expenses		(4,262)	N/A	(9,289)	N/A
Finance costs		(98)	N/A	(200)	N/A
Profit before tax ("PBT")	B12	3,332	N/A	6,545	N/A
Taxation	B6	(804)	N/A	(1,740)	N/A
Profit after tax ("PAT")		2,528	N/A	4,805	N/A
Profit for the financial period attributable to:					
• Owners of the Company		2,385	N/A	4,311	N/A
• Non-controlling interests		143	N/A	494	N/A
		<u>2,528</u>	<u>N/A</u>	<u>4,805</u>	<u>N/A</u>
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		2,385	N/A	4,311	N/A
• Non-controlling interests		143	N/A	494	N/A
		<u>2,528</u>	<u>N/A</u>	<u>4,805</u>	<u>N/A</u>
Earnings per share attributable to owners of the Company					
• Basic (sen) ⁽³⁾	B11	1.07	N/A	1.93	N/A
• Diluted (sen) ⁽⁴⁾	B11	1.07	N/A	1.93	N/A

REVENUE GROUP BERHAD (1248321-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2018⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share is calculated based on the enlarged share capital of 222,848,000 shares as at 31 December 2018.
- (4) Diluted earnings per share of the Company for the individual quarter ended 31 December 2018 and period-to-date ended 31 December 2018 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

N/A – Not applicable

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REVENUE GROUP BERHAD (1248321-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018⁽¹⁾**

	UNAUDITED	AUDITED
	As at 31.12.2018 RM'000	As at 30.06.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,136	24,329
Goodwill on consolidation	2,684	2,684
Total non-current assets	31,820	27,013
Current Assets		
Trade receivables	9,895	9,226
Other receivables	1,099	1,835
Tax recoverable	-	290
Fixed deposits with licensed banks	545	545
Cash and bank balances	25,146	14,715
Total current assets	36,685	26,611
TOTAL ASSETS	68,505	53,624
EQUITY AND LIABILITIES		
Equity		
Share capital	35,581	16,714
Merger reserve	(15,694)	(15,694)
Retained earnings	26,374	22,488
Equity attributable to owners of the Company	46,261	23,508
Non-controlling interests	724	230
Total Equity	46,985	23,738
LIABILITIES		
Non-current liabilities		
Bank borrowings	5,246	6,793
Finance lease payables	332	353
Deferred tax liabilities	367	367
Total non-current liabilities	5,945	7,513
Current liabilities		
Trade payables	5,040	3,031
Other payables	8,944	17,005
Amount due to Directors	116	78
Finance lease payables	45	45
Bank borrowings	160	1,178
Derivative financial liability	-	19
Tax payable	1,270	1,017
Total current liabilities	15,575	22,373
TOTAL LIABILITIES	21,520	29,886
TOTAL EQUITY AND LIABILITIES	68,505	53,624
Weighted average number of ordinary shares ('000)	222,848	167,136
NET ASSETS PER SHARE (RM)⁽²⁾	0.21	0.14

REVENUE GROUP BERHAD (1248321-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on the share capital of 167,136,000 shares in issue as at 30 June 2018 and enlarged share capital of 222,848,000 shares in issue as at 31 December 2018.

N/A – Not applicable

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REVENUE GROUP BERHAD (1248321-D)**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2018⁽¹⁾⁽²⁾**

	Attributable to owners of the parent					Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable Merger Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000			
As at 1 July 2018							
- as previously stated	16,714	(15,694)	22,488	23,508	230	23,738	
- effect of adoption of MFRS 9	-	-	(425)	(425)	-	(425)	
As at 1 July 2018 (restated)	16,714	(15,694)	22,063	23,083	230	23,313	
Profit for the financial period, representing total comprehensive income for the financial period	-	-	4,311	4,311	494	4,805	
Transactions with owners							
Issuance of shares by the Company	20,613	-	-	20,613	-	20,613	
Share issuance expenses	(1,746)	-	-	(1,746)	-	(1,746)	
As at 31 December 2018	35,581	(15,694)	26,374	46,261	724	46,985	

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

REVENUE GROUP BERHAD (1248321-D)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2018⁽¹⁾**

	PERIOD-TO-DATE	
	31.12.2018	31.12.2017⁽²⁾
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	6,545	N/A
Adjustments for:		
Depreciation of property, plant and equipment	2,534	N/A
Finance costs	200	N/A
Gain on disposal of property, plant and equipment	(9)	N/A
Reversal of expected credit losses on trade receivables	(260)	N/A
Interest income	(60)	N/A
Bad debts recovered	(4)	N/A
Unrealised loss on foreign exchange	119	N/A
Operating profit before working capital changes	<u>9,065</u>	<u>N/A</u>
Change in working capital		
Receivables	331	N/A
Payables	(7,086)	N/A
Amount due to Directors	38	N/A
Derivative financial liabilities	(19)	N/A
	<u>(6,736)</u>	<u>N/A</u>
Cash generated from operations	2,329	N/A
Interest paid	(200)	N/A
Interest received	60	N/A
Tax paid	(1,196)	N/A
Tax refund	-	N/A
Net cash generated from operating activities	<u>993</u>	<u>N/A</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(6,854)	N/A
Proceeds from disposal of property, plant and equipment	131	N/A
Net cash used in investing activities	<u>(6,723)</u>	<u>N/A</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares	18,867	N/A
Repayment of finance lease payables	(21)	N/A
Repayment of term loans	(1,582)	N/A
Net cash from financing activities	<u>17,264</u>	<u>N/A</u>
Net increase in cash and cash equivalents	11,534	N/A
Cash and cash equivalents at the beginning of the financial period	13,846	N/A
Effect of exchange translation differences on cash and cash equivalents	(119)	N/A
Cash and cash equivalents at the end of the financial period	<u>25,261</u>	<u>N/A</u>

REVENUE GROUP BERHAD (1248321-D)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2nd) QUARTER ENDED 31 DECEMBER 2018⁽¹⁾ (CONT'D)**

	PERIOD-TO-DATE	
	31.12.2018	31.12.2017⁽²⁾
	RM'000	RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	25,146	N/A
Fixed deposits with licensed banks	545	N/A
Bank overdraft	-	N/A
	<u>25,691</u>	<u>N/A</u>
Less: Fixed deposits pledged with licensed banks	(430)	N/A
	<u>25,261</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

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REVENUE GROUP BERHAD (1248321-D)

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of Revenue Group Berhad (“**REVENUE**” or “**the Company**”) and its subsidiaries (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements of Bursa Securities.

This interim financial statements on the Company’s unaudited condensed consolidated financial results for the second (2nd) quarter ended 31 December 2018 is announced by the Company in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 30 June 2018, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations.

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>	1 January 2018*
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018

The adoption of above new MFRSs, new interpretation and amendments to MFRSs did not have any significant impact on the financial statements of the Group except as stated below.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A2. Summary of Significant Accounting Policies (Cont'd)

MFR 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 9, *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces MFRS 139 *Financial Instruments: Recognition and Measurement*.

(a) Classification of financial assets

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics.

MFRS 9 contains three (3) principal classification categories for financial assets:

- Amortised Cost (“AC”);
- Fair Value through Other Comprehensive Income (“FVOCI”); and
- Fair Value through Profit or Loss (“FVTPL”)

The standard eliminates the existing MFRS 139 categories of Held-to-Maturity (“HTM”), Loans and Receivables (“L&R”) and Available-for-Sale (“AFS”).

(b) Impairment of financial assets

MFRS 9 replaces the “incurred loss” model in MFRS 139 with a forward-looking “expected credit loss” (“ECL”) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at AC or FVOCI, except for investment securities.

Under MFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not increased significantly. An entity may determine that a financial asset’s credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, the Group has adopted lifetime ECL measurement for loans and receivables due to the expected lifetime period of loans and receivables are generally less than 12 months.

REVENUE GROUP BERHAD (1248321-D)

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A2. Summary of Significant Accounting Policies (Cont'd)

MFR 9 Financial Instruments (IFRS 9 issued by IASB in July 2014) (Cont'd)

(c) Classification of financial liabilities

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities. However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to change in the credit risk of the liability is presented in Other Comprehensive Income; and
- the remaining amount of change in the fair value is presented in profit or loss.

The Group has applied the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standard. Comparative for 2018 will not be restated. Effect arising from the application of ECL is as follows:

	<u>As previously stated</u> RM'000	<u>Adjustment due to Adoption of MFRS 9</u> RM'000	<u>As restated</u> RM'000
<u>Consolidated Statement of Financial Position</u>			
Retained earnings	22,488	(425)	22,063

Standards issued but not yet effective

The Group has not adopted the following new MFRSs, Interpretations and amendments to MFRSs that have been issued by the Malaysian Accounting Standard Board which are not yet effective for the Group. The Group intends to adopt the below mentioned MFRSs, Interpretations and Amendments to MFRSs when they become effective.

		<u>Effective dates for financial periods beginning on or after</u>
IC Interpretation 23	Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019

REVENUE GROUP BERHAD (1248321-D)

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A2. Summary of Significant Accounting Policies (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group has not adopted the following new MFRSs, Interpretations and amendments to MFRSs that have been issued by the Malaysian Accounting Standard Board which are not yet effective for the Group. The Group intends to adopt the below mentioned MFRSs, Interpretations and Amendments to MFRSs when they become effective. (Cont'd)

	Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards	
• Amendments to MFRS 2 <i>Share-Based Payment</i>	1 January 2020
• Amendment to MFRS 3 <i>Business Combination</i>	1 January 2020
• Amendments to MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
• Amendment to MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2020
• Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2020
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
• Amendments to MFRS 134 <i>Interim Financial Reporting</i>	1 January 2020
• Amendment to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
• Amendment to MFRS 138 <i>Intangible Assets</i>	1 January 2020
• Amendment to IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2020
• Amendment to IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
• Amendment to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
• Amendment to IC Interpretation 22 <i>Foreign Currency Transactions and Advances Consideration</i>	1 January 2020
• Amendments to IC Interpretation 123 <i>Intangible Assets – Website Costs</i>	1 January 2020
MFRS 17	Insurance Contracts 1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture Deferred until further notice

REVENUE GROUP BERHAD (1248321-D)

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial year ended 30 June 2018 was not subject to any qualification.

A4. Seasonal or cyclical factors

During the festive seasons such as Chinese New Year, Hari Raya Puasa and Christmas, as well as specific dates such as double 11 (i.e. 11 November) and double 12 (i.e. 12 December), the Group typically records higher transaction volume.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A6. Material changes in estimates

There were no material changes in the estimates in the current financial quarter under review.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity during the financial quarter under review.

A8. Dividends paid

There was no dividend paid during the current financial quarter under review.

REVENUE GROUP BERHAD (1248321-D)

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental information

The Group's segmental information for the current financial period ended 31 December 2018 is as follows:

(a) Analysis of revenue by business segments

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017⁽¹⁾	31.12.2018	31.12.2017⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Electronic Data Capture ("EDC") terminals	6,914	N/A	16,519	N/A
Electronic transaction processing	5,996	N/A	10,391	N/A
Solutions and services	678	N/A	1,514	N/A
Total	13,588	N/A	28,424	N/A

(b) Analysis of revenue by geographical location

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017⁽¹⁾	31.12.2018	31.12.2017⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysia	13,588	N/A	28,238	N/A
USA	-	N/A	186	N/A
Total	13,588	N/A	28,424	N/A

Notes:

- (1) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

REVENUE GROUP BERHAD (1248321-D)

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A11. Material events subsequent to the end of the current financial quarter

Save as disclosed below, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

Bonus issue of warrants

On 11 October 2018, the Company proposed to undertake a bonus issue of 111,424,000 warrants on the basis of one warrant (“Warrant”) for every two existing REVENUE shares (“REVENUE Share”) held by the shareholders.

On 30 October 2018, Bursa Securities had, vide its letter dated 30 October 2018, resolved to approve the proposed bonus issue of warrants.

On 17 December 2018, the Board had resolved to fix the exercise price for the warrants to be issued pursuant to the proposed bonus issue of warrants at RM1.25 per Warrant (“Exercise Price”), representing a discount of approximately 8.23% to the 5-day volume weighted average market price of REVENUE Share up to and including 14 December 2018 of approximately RM1.3621 per REVENUE Share.

Bonus issue of warrants was completed on 22 January 2019 upon the listing of and quotation for 111,424,000 warrants on the ACE Market of Bursa Securities

A12. Changes in the composition of the Group

Save as disclosed below, there were no material changes in the composition of the Group for the current financial quarter under review.

On 26 October 2018, the Company had incorporated a wholly-owned subsidiary company, namely Revenue Harvest Pte. Ltd., a company incorporated in Singapore under the Singapore Companies Act, with an issued and paid-up share capital of SGD10,000 comprising of 10,000 ordinary shares.

REVENUE GROUP BERHAD (1248321-D)

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A13. Contingent assets and contingent liabilities

Save as disclosed below, there were no other contingent assets and contingent liabilities as at the date of this interim report.

	<u>UNAUDITED</u> As at 31.12.2018 RM'000	<u>UNAUDITED</u> As at 31.12.2017 ⁽¹⁾ RM'000
Secured		
Bank guarantee given to Payments Network Malaysia Sdn. Bhd. in favour of Revenue Solution Sdn. Bhd.	900	N/A

Notes:

- (1) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

A14. Capital commitments

There were no capital commitments during the current financial quarter under review.

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REVENUE GROUP BERHAD (1248321-D)**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)****A15. Operating lease commitments**

The future minimum lease payments under non-cancellable operating leases are as follows:-

	<u>UNAUDITED</u> As at 31.12.2018 RM'000	<u>UNAUDITED</u> As at 31.12.2017 ⁽¹⁾ RM'000
Not later than 1 year	134	N/A
Later than 1 year and not later than 5 years	63	N/A
	<u>197</u>	<u>N/A</u>

Notes:

- (1) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

A16. Related party transactions

There were no material related party transactions during the current financial quarter under review.

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REVENUE GROUP BERHAD (1248321-D)

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Results for current quarter

The Group recorded revenue of RM13.59 million for the current financial quarter ended 31 December 2018.

The Group's revenue was principally derived from the EDC terminals and electronic transaction processing segments, accounting for approximately 50.88% and 44.13% of the total revenue for the current financial quarter ended 31 December 2018. The Malaysian market is the single largest market contributing to the Group's revenue accounting for the entire total revenue for the current financial quarter ended 31 December 2018.

The Group registered a PBT of RM3.33 million in the current financial quarter under review.

(b) Results for financial year-to-date

For the financial year-to-date, the Group recorded revenue of RM28.42 million.

The Group's revenue was principally derived from the EDC terminals and electronic transaction processing segments, accounting for approximately 58.12% and 36.56% of the total revenue for the financial period-to-date. The Malaysian market remains the largest market contributing to the Group's revenue accounting to approximately 99.35% of the total revenue for the financial period-to-date.

The Group registered a PBT of RM6.55 million for the current financial year-to-date.

There are no comparative figures for the preceding year available as this interim financial report is being announced by the Group in compliance with the Listing Requirements.

B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		CHANGES	
	31.12.2018 RM'000	30.09.2018 RM'000	RM'000	%
Revenue	13,588	14,836	(1,248)	(8.41)%
PBT ⁽¹⁾	3,332	3,212	120	3.74%

Note:

- (1) One-off listing expenses of RM0.64 million was included in the PBT for the financial quarter ended 30 September 2018.

For the current financial quarter ended 31 December 2018, the Group recorded a lower revenue of RM13.59 million but with a marginally higher PBT of RM3.33 million as compared to RM14.84 million and RM3.21 million respectively in the immediate preceding financial quarter ended 30 September 2018 mainly due to lower sales of EDC terminals.

REVENUE GROUP BERHAD (1248321-D)

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B3. Prospects and outlook

The Group has put in place a series of future plans as follows:

- (i) The Group intends to expand its business presence in Malaysia by deploying new digital EDC terminals with capability to accept Quick Respond (“**QR**”) Payment to its physical store merchants. On 8 November 2018, the Group has successfully developed an all-in-one digital payment terminal and will be deploying the new all-in-one digital payment terminal progressively to the Group’s partner banks;
- (ii) The Group intends to upgrade and enhance its revPAY platform and the data centre to cater for higher volume of electronic transactions, as well as recruit additional Information Technology (“**IT**”) personnel to support its product development and business expansion; and
- (iii) The Group also intends to expand its geographical reach by entering into selected ASEAN countries such as Cambodia and Myanmar.

Premised on the future plans above and with the implementation of the Payment Card Reform Framework (“**PCRF**”) by Bank Negara Malaysia (“**BNM**”) to promote wider acceptance and the usage of electronic payments, as well as the successful development and deployment of the all-in-one-digital payment terminal, the Board of Directors is of the opinion that, barring any unforeseen circumstances, the prospects and outlook of the Group for 2019 will remain favourable.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Status of corporate proposals

Save as disclosed in A11, there were no corporate proposals announced but not completed as at the date of this interim report.

REVENUE GROUP BERHAD (1248321-D)**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B6. Income tax expenses**

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018⁽³⁾	31.12.2017⁽¹⁾	31.12.2018⁽³⁾	31.12.2017⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Current tax expense	804	N/A	1,740	N/A
Deferred tax expense	-	N/A	-	N/A
Total tax expense	804	N/A	1,740	N/A
Effective tax rate (%) ⁽²⁾	24.13%	N/A	26.59%	N/A

Notes:

- (1) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate for the current financial quarter is higher than the statutory tax rate due to non-deductible expenses.
- (3) Income tax expense is recognised based on management's best estimate.

N/A – Not applicable

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REVENUE GROUP BERHAD (1248321-D)**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B7. Utilisation of proceeds from the IPO**

Based on the IPO Price, the gross proceeds arising from the public issue amounting to RM20.61 million is intended to be utilised in the following manner:-

<u>Details of utilisation</u>	<u>Proposed Utilisation</u> RM'000	<u>Actual Utilisation</u> RM'000	<u>Estimated timeframe for utilisation upon listing</u>
Capital expenditure	8,100	1,350	24 months
Enhancement of revPAY and expansion of IT team	4,040	-	24 months
Repayment of bank borrowings	2,500	2,500	3 months
Business expansion	1,500	-	24 months
Working capital	1,773	183	24 months
Listing expenses	2,700	2,700	Immediately
	<u>20,613</u>	<u>6,733</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 11 June 2018.

Note:

N/A – Not applicable

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REVENUE GROUP BERHAD (1248321-D)**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B8. Bank borrowings**

The Group's bank borrowings were as follows:

	<u>UNAUDITED</u> As at 31.12.2018 RM'000	<u>UNAUDITED</u> As at 31.12.2017 ⁽¹⁾ RM'000
Current:		
Finance lease payable	45	N/A
Term loans	160	N/A
Bank overdraft	-	N/A
	<u>205</u>	<u>N/A</u>
Non-current:		
Finance lease payable	332	N/A
Term loans	5,246	N/A
	<u>5,578</u>	<u>N/A</u>
Total bank borrowings	<u>5,783</u>	<u>N/A</u>

All the Group's borrowings are denominated in Ringgit Malaysia.

Notes:

- (1) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

B9. Material litigation

There were no material litigation involving the Group as at 31 December 2018.

B10. Dividend

The Board of Directors does not recommend any dividend for the current financial quarter under review.

REVENUE GROUP BERHAD (1248321-D)**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B11. Earnings per share**

The basic earnings per share (“EPS”) are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017⁽¹⁾	31.12.2018	31.12.2017⁽¹⁾
Profit attributable to ordinary owners of the Company (RM'000)	2,385	N/A	4,311	N/A
Number of ordinary shares ('000)	222,848	N/A	222,848	N/A
Basic EPS (sen) ⁽²⁾	1.07	N/A	1.93	N/A
Diluted EPS (sen) ⁽³⁾	1.07	N/A	1.93	N/A

Notes:

- (1) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic earnings per share is calculated based on the enlarged share capital of 222,848,000 shares in issue as at 31 December 2018.
- (3) Diluted earnings per share of the Company for the individual quarter ended 31 December 2018 and period-to-date ended 31 December 2018 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

N/A – Not applicable

REVENUE GROUP BERHAD (1248321-D)**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B12. Disclosure on selected expense/income items as required by the Listing Requirements**

Profit before tax is arrived after charging/(crediting):

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017⁽¹⁾	31.12.2018	31.12.2017⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,276	N/A	2,534	N/A
Reversal of expected credit losses on trade receivables	(260)	N/A	(70)	N/A
Unrealised loss on foreign exchange	108	N/A	119	N/A
Rental expenses				
• Office/space	133	N/A	194	N/A
• Leased equipment	32	N/A	97	N/A
Bad debts recovered	-	N/A	(4)	N/A
Gain on disposal of property, plant and equipment	(8)	N/A	(9)	N/A
Interest income	(44)	N/A	(60)	N/A

Note:

- (1) This interim financial report for the second (2nd) quarter ended 31 December 2018 is announced in compliance with the Listing Requirements of Bursa Securities. As the Company was only listed on the ACE Market of Bursa Securities on 18 July 2018, there are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements of Bursa Securities are not applicable.

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