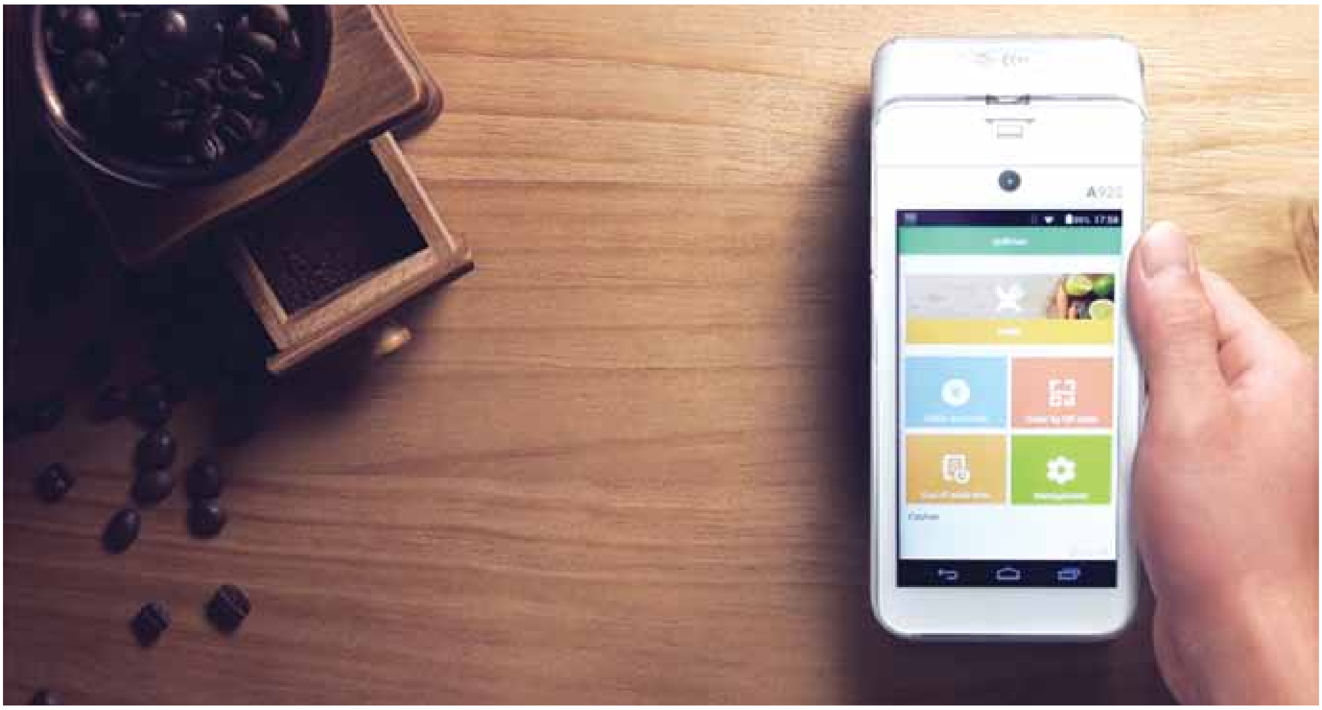
REVENUE GROUP BERHAD

(1248321-D)

ANNUAL REPORT 2019

CONTENTS



01 OVERVIEW

02 BUSINESS REVIEW

03 CORPORATE GOVERNANCE AND FINANCIAL STATEMENTS

04 OTHERS

CORPORATE **PROFILE**

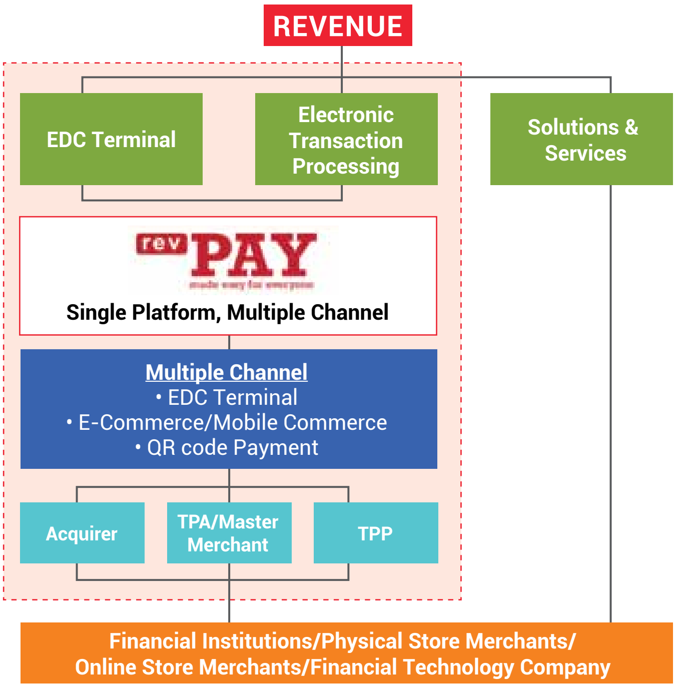
About
REVENUE GROUP BERHAD

Established in 2003, with 16 years of operating history in the electronic payments industry in Malaysia, Revenue Group Berhad ("REVENUE" or "the Group") has been servicing different customers including banks, non-bank institutions, physical store merchants, online store merchants and e-money payment scheme.

REVENUE's products and services are divided into three segments, namely deployment of Electronic Data Capture ("EDC") terminals, electronic transaction processing and solutions and services related to payments infrastructure.

REVENUE offers a wide range of technology-led multi-channel payment solutions to different customers through its flagship platform, **revPAY**, that provides the connectivity between front-end to back-end solutions.

Through its **revPAY** platform, REVENUE offers a single platform which facilitates the acceptance of payment transactions across various payment channels from physical EDC terminals to virtual payments (via e-commerce and mobile commerce channels) to QR Payment, thereby providing cost effective solutions to its customers.



CORPORATE PROFILE

OUR VALUE

Commitment

We are highly committed to our valued clients, providing customized applications based on what you need. Through internal Research and Development efforts we will be able to provide specific solutions to your requirements, such as loyalty program or even precise Artificial Intelligence driven advertising through the use of machine learning.

Transparency

We are always open with our communications and in what we do. Honesty and transparency is very important not only to our customers, but also within our own internal community.

Trust & Integrity

We are always looking to build a healthy relationship through trust, and we do that by striving to provide the very best that we can.

OUR VISION

To be at the electronic payment frontier, providing world class e-payment facilities.

OUR MISSION

Pushing technology through research and development, because technology is at the forefront of the payment industry.

CORPORATE STRUCTURE

AS AT 30 OCTOBER 2019

REVENUE Group Berhad

- 100% **Revenue Harvest Sdn Bhd** (“Revenue Harvest”)
  - 100% Revenue Commerce Sdn Bhd (“Revenue Commerce”)
  - 100% Revenue Solution Sdn Bhd (“Revenue Solution”)
  - 100% Revenue Techpark Sdn Bhd (“Revenue Techpark”)
  - 100% Revenue Safe Nets Sdn Bhd (“Revenue Safe Nets”)
  - 100% Revenue Privilege Card Sdn Bhd (“Revenue Privilege Card”)
  - 100% Next Revenue Sdn Bhd (“Next Revenue”)
  - 51% Buymall Services Sdn Bhd (“Buymall”)
  - 70% Anypay Sdn Bhd (“Anypay”)
  - 51% Revenue Secure Sdn Bhd (“Secure”)
- 100% **Revenue Harvest Pte Ltd** (“Revenue Harvest Singapore”)
  - 20% PT Sarana Pembayaran Syariah (“PT Sarana”)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Nor Azzam Bin Abdul Jalil
Independent Non-Executive Chairman

Ng Chee Siong
Managing Director and
Group Chief Executive Officer

Ng Shih Chiow
Executive Director and
Group Chief Operations Officer

Ng Shih Fang
Executive Director and
Group Chief Technology Officer

Lai Wei Keat
Executive Director

Ooi Guan Hoe
Independent Non-Executive Director

Ng Chee Keong
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Ooi Guan Hoe
(Independent Non-Executive Director)

Members
Nor Azzam Bin Abdul Jalil
(Independent Non-Executive Director)

Ng Chee Keong
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Chairman
Nor Azzam Bin Abdul Jalil
(Independent Non-Executive Director)

Members
Ooi Guan Hoe
(Independent Non-Executive Director)

Ng Chee Keong
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Chairman
Ng Chee Keong
(Independent Non-Executive Director)

Members
Nor Azzam Bin Abdul Jalil
(Independent Non-Executive Director)

Ooi Guan Hoe
(Independent Non-Executive Director)

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482)
Heng Chiang Pooh
(MAICSA 7009923)
Thien Lee Mee
(LS0009760)

AUDITORS

Messrs UHY (AF 1411)
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel. no. : 03-2279 3088
Fax no. : 03-2279 3099

REGISTERED OFFICE

Suite 10.02, Level 10,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel no. : 03-2298 0263
Fax no. : 03-2298 0268

HEAD OFFICE

Wisma Revenue
No. 12,
Jalan Udang Harimau 2,
Kepong Business Park,
51200 Kuala Lumpur
Tel no. : 03-9212 0505
Fax no. : 03-6242 8785

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8 Jalan Kerinchi,
59200 Kuala Lumpur
Tel no. : 03-2783 9299
Fax no. : 03-2783 9222

SPONSOR

M&A Securities Sdn Bhd
Level 11, No. 45 & 47,
The Boulevard,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel no. : 03-2284 2911
Fax no. : 03-2284 2718

STOCK EXCHANGE LISTING

ACE Market of
Bursa Malaysia Securities Berhad
Stock name: REVENUE
Stock Code: 0200
Sector: Technology
Warrant Name: REVENUE-WA
Warrant Code: 0200WA

PRINCIPAL BANKER

CIMB Bank Berhad

CORPORATE WEBSITE

www.revenue.com.my

INVESTOR RELATIONS

Email : ir@revenue.com.my

REVENUE IN THE NEWS

HLB Introduces First All-In-One Payment Terminal
Date: 30 October 2018
Media Title: Focus Malaysia


HLB introduces first all-in-one payment terminal

Merchantrade Asia Ties Up With REVENUE
Date: 7 November 2018
Media Title: New Straits Times


Merchantrade Asia ties up with Revenue Group

Public Bank, REVENUE Launch All-In-One Digital Payment Platform
Date: 8 November 2018
Media Title: The Star


Public Bank, Revenue Group launch all-in-one digital payment platform

Great Deals for AirAsia BIG Online Shoppers Using revPAY platform
Date: 10 November 2018
Media Title: The Borneo Post


Great deals for AirAsia BIG online shoppers using revPAY platform

Enormous Potential of Electronic Payments, Eyes Myanmar Next Year
Date: 3 December 2018
Media Title: Nanyang Siang Pau


电子支付潜能大
银丰冀明年抢进缅甸

REVENUE To Focus on Expanding Market Share In Malaysia
Date: 10 December 2018
Media Title: The Edge Financial Daily


Revenue to focus on expanding market share in Malaysia

Singapore's NETS Cardholders Can Shop In Giant Outlets Via REVENUE-HLB Bank Tie-up
Date: 18 July 2019
Media Title: The Star


Singapore's NETS cardholders can shop in Giant outlets via Revenue-HL Bank tie-up

Sees Great Potential in Electronic Payments, REVENUE Takes On Both The "Soft" And "Hard" Routes
Date: 22 July 2019
Media Title: Sin Chew Daily

REVENUE Still On The Hunt For Acquisitions
Date: 31 July 2019
Media Title: The Edge Financial Daily

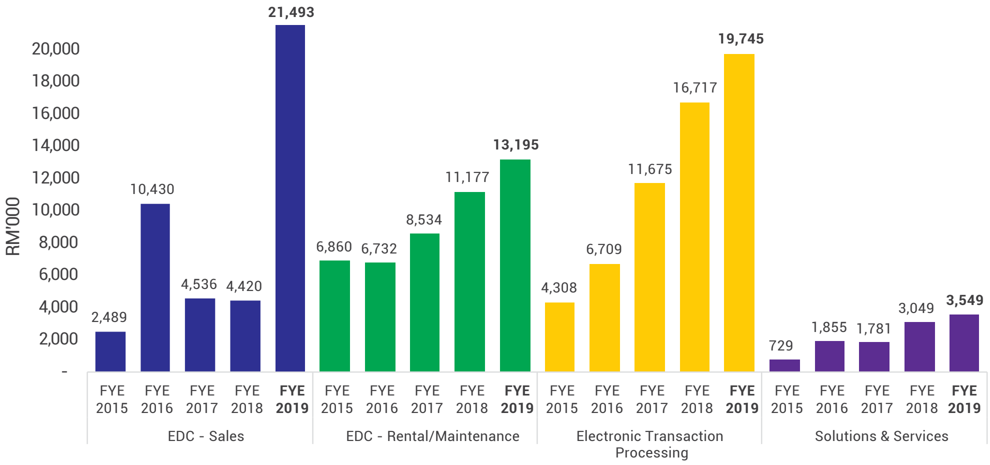

Revenue Group still on the hunt for acquisitions

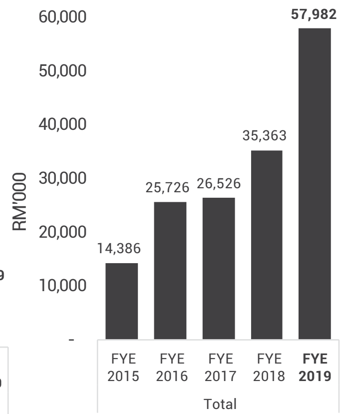
REVENUE Partners TNG Digital To Enable Use Of Touch 'n Go eWallet on Taobao, Tmall
Date: 1 October 2019
Media Title: The Edge Financial daily


Revenue partners TNG Digital to enable use of Touch 'n Go eWallet on Taobao, Tmall

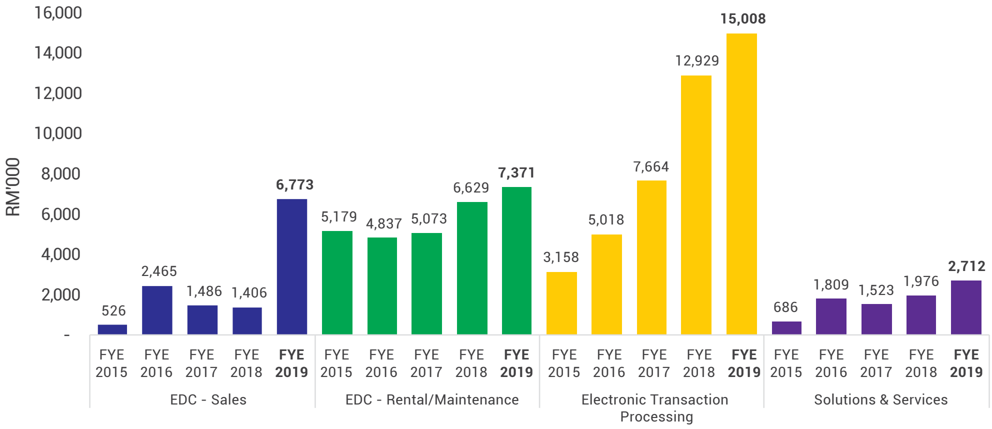
FINANCIAL HIGHLIGHTS

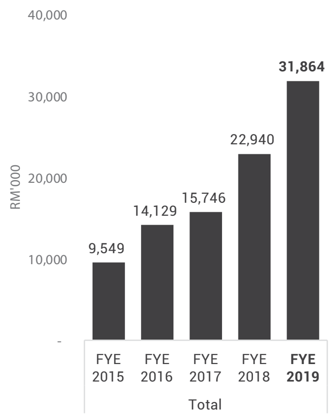
Revenue By Business Segments

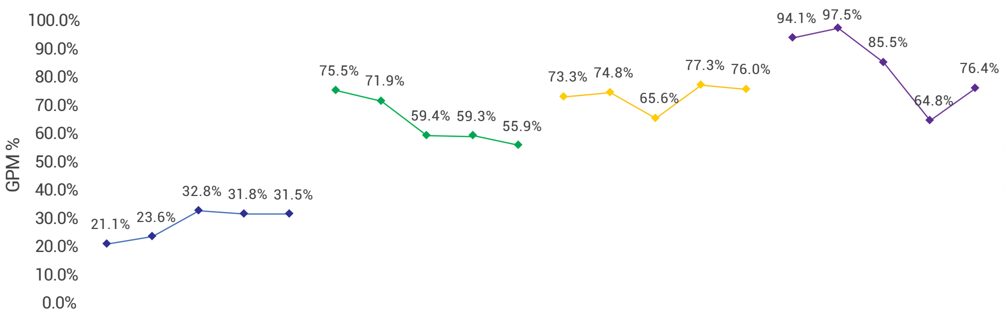


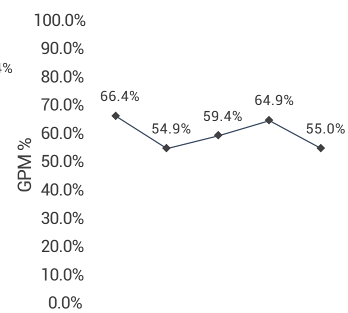


Gross Profit ("GP") & GP Margin By Business Segments



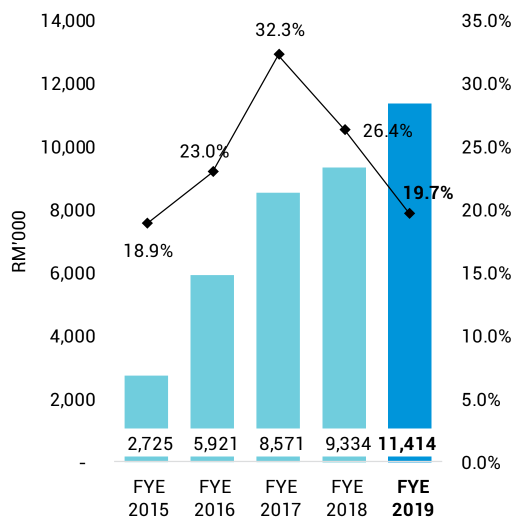




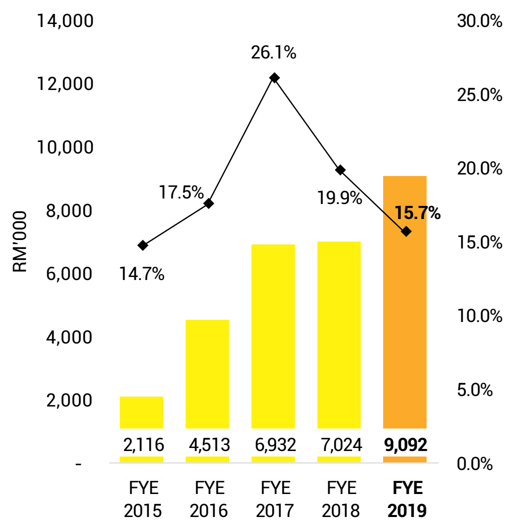


FINANCIAL HIGHLIGHTS

Profit Before Tax ("PBT") & PBT Margin



Profit After Tax ("PAT") & PAT Margin



Note:

Our Company was only incorporated on 26 September 2017. The FYE 2015 to FYE 2017 were presented based on the historical combined audited financial statements of Revenue Harvest and its subsidiary companies.

DIRECTORS' PROFILE

01

Encik Nor Azzam Bin Abdul Jalil

Gender
Male

Age
54

Nationality
Malaysian

Position
Independent Non-Executive Chairman
Chairman of Nomination Committee
Member of Audit and Risk Management Committee
Member of Remuneration Committee

Encik Nor Azzam Bin Abdul Jalil, was appointed to the Board on 1 December 2017 as Independent Non-Executive Chairman. He has about 30 years of working experience in the commercial banking industry.

He graduated in 1987 with a Bachelor of Business Administration (finance) from George Washington University, USA. Upon his graduation he was employed as an Executive Trainee and the corporate foreign exchange dealer in the treasury department of Bank of Commerce (M) Berhad. In 1991, he was promoted to Assistant Vice President responsible for managing the bank's foreign exchange book. In 1993, he moved to the corporate banking department as a Credit Officer and was promoted to Vice President to head the Japanese Desk team in January 1995.

In 1999, after the merger of Bank of Commerce (M) Berhad and Bank Bumiputra Malaysia Berhad to Bumiputra-Commerce Bank Berhad, he was redesignated as Business Center Manager where he was responsible to set-up and manage a business center in Klang Valley. In 2000, he was seconded to Tokyo, the Japan branch of Bumiputra-Commerce Bank Berhad as General Manager to manage the overall business and operations of the branch.

In 2005, he returned to Malaysia to become Chief Executive Officer of Commerce Tijari Bank Berhad. On the onset of the merger with the CIMB Group, he was transferred to CIMB Bank Berhad as Regional Director IV (responsible for the South Selangor and Negeri Sembilan branches, and three (3) Klang Valley business centers) in 2006. He was subsequently promoted to Senior Vice President/Regional Director I (responsible for the Kuala Lumpur branches) in 2010. He remained with the CIMB group and was promoted several times before leaving CIMB Bank Berhad in 2016. His last position with the bank was Acting Head of Consumer Sales and Distribution with the corporate ranking of Senior Managing Director, responsible for driving retail banking and enterprise banking businesses. During that period, he had also served as the Chief Executive Officer of the CIMB Foundation managing the Corporate Social Responsibility projects for CIMB Bank Berhad. He joined Kuwait Finance House (Malaysia) Berhad in the same year as Deputy Chief Executive Officer, where he was responsible for driving the overall strategic direction of the bank's business.

In 2017, he left Kuwait Finance House (Malaysia) Berhad to join his family business. Voxel Imaging Sdn Bhd, a visual effects and production company for film and television as well as end-to-end production for corporate and commercial clients. He currently manages the financial and investment aspects of the company.

He sits on the board of Ocean Vantage Berhad as Independent Non-executive Chairman since August 2019.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

02

Mr Eddie Ng Chee Siong

Gender
Male

Age
46

Nationality
Malaysian

Position
Co-Founder,
Managing Director and
Group Chief Executive Officer

Mr Eddie Ng Chee Siong, was appointed to the Board on 1 December 2017 as Managing Director and Group Chief Executive Officer. He has more than 15 years of working experience in the local electronic payments industry.

He is the co-founder of our Group and has been jointly spearheading the business growth of our Group since its inception in 2003. He is responsible for the overall strategy and corporate direction of our Group, including sales, marketing initiative and business development.

He obtained his Diploma in Electrical and Electronic Engineering from Institut Teknologi Pertama, Kuala Lumpur in 1994. Upon graduation, he began his career in Telecopier (M) Sdn Bhd as a Sales Executive where he was responsible for sales and marketing of the Company's products. He left Telecopier (M) Sdn Bhd in 1995 to establish a sole proprietorship business, RE Copy Sales and Services in 1995 which was involved in the trading of photocopier machine.

In 1998, He joined Tricomas Sdn Bhd as Sales Manager. He was responsible for the overall strategic sales direction of the Company while leading a team of sales personnel to achieve its sales goal. He left Tricomas Sdn Bhd in 2003 to pursue the entrepreneurship path again.

In September 2003, he co-founded Revenue Harvest together with Mr Brian Ng Shih Chiow and Mr Dino Ng Shih Fang.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

DIRECTORS' PROFILE

03

Mr Brian Ng Shih Chiow

Gender
Male

Age
46

Nationality
Malaysian

Position
Co-Founder,
Executive Director and
Group Chief Operations Officer

Mr Brian Ng Shih Chiow, was appointed to the Board on 1 December 2017 as Executive Director and Group Chief Operations Officer. He has more than 15 years of working experience in the local electronic payments industry.

He is also the co-founder of our Group and has been jointly spearheading the business growth of our Group since incorporation. He is responsible for the day-today operations of our Group, including establishing Group policies, setting and monitoring key performance indicators for various departments as well as overseeing administrative and finance functions.

He obtained a Diploma in Mechanical Engineering from Federal Institute of Technology, Kuala Lumpur in 1994 and Bachelor of Mechanical Engineering from Trine University (formerly known as Tri-State University), Indiana, USA in 1997.

In 1998, he started his career in JVC Video Malaysia Sdn Bhd, as an engineer responsible for technical design, modification and improvement of product for video and camcorder mechanism as well as providing technical support to both local and overseas customers.

In 2003, he was promoted to Senior Engineer and was assigned to the R&D segment in optical technology for camcorder. He left the Company in 2003 and co-founded Revenue Harvest together with Mr Eddie Ng Chee Siong and Mr Dino Ng Shih Fang.

He does not hold any directorships in any other public companies and listed issuer.

He and Dino Ng Shih Fang are brothers and he is the cousin of Ng Cai Lei. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

DIRECTORS' PROFILE

04

Mr Dino Ng Shih Fang

Gender
Male

Age
43

Nationality
Malaysian

Position
Co-Founder,
Executive Director and
Group Chief Technology Officer

Mr Dino Ng Shih Fang, was appointed to the Board on 1 December 2017 as Executive Director and Group Chief Technology Officer. He has more than 17 years of combined working experience in the electronic payments industry in Canada and Malaysia with in depth knowledge on payment technologies and architecture as well as possessing the expertise in handling payment security related systems such as encryption system and fraud prevention system.

He is also the co-founder of our Group. He is responsible for developing ICT strategies and directions for our Group. He manages our Group's R&D and IT teams, monitors development and advancement of new technologies for potential new products and services, overseeing the selection of R&D projects, designing business solutions and integration of business application as well as deciding It architecture and designs of our products.

He graduated with a Bachelor of Computer Science in 2001 from Acadia University, Canada. Upon graduation, he started his career in Unitam International Inc., Canada (currently known as Unitam Management International Inc.) as a Software Developer undertaking web development and software development. He left the Company in 2003 and returned to Malaysia.

Upon his return, he co-founded Revenue Harvest together with Mr Eddie Ng Chee Siong and Mr Brian Ng Shih Chiow.

He does not hold any directorships in any other public companies and listed issuer.

He and Brian Ng Shih Chiow are brothers and he is the cousin of Ng Cai Lei. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

DIRECTORS' PROFILE

05

Mr Ooi Guan Hoe

Gender
Male

Age
44

Nationality
Malaysian

Position
Independent Non-Executive Director
Chairman of Audit and Risk Management Committee
Member of Nomination Committee
Member of Remuneration Committee

Mr Ooi Guan Hoe, was appointed to the Board on 1 December 2017 as Independent Non-Executive Director. He has more than 19 years of working experience in the investment banking and corporate advisory industries.

He graduated in 1999 with a Bachelor of Accounting (Honours) from Universiti Putra Malaysia. He has been a member of Malaysian Institute of Accountants since 2002. He attended the Harvard Business School Executive Education on Private Equity and Venture Capital in 2011.

In 1999, he began his career with Arthur Andersen (now merged with Ernst & Young) where he was involved in auditing, financial due diligence and reporting accounting work for listing exercises and mergers and acquisitions. In November 2002, he joined the Corporate Finance team of CIMB Investment Bank Berhad and was involved in marketing, originating and implementing corporate proposals such as initial public offerings, mergers and acquisitions, real estate investment trusts, joint ventures, fund-raising exercises, privatization exercises and general financial advisory work. He left CIMB as a Senior Manager in October 2009.

From 2010 to July 2017, he was the Director and Management Board member of various listed companies in Malaysia and Germany. He was appointed as the Independent Non-Executive Director of Only World Group Holdings Berhad in 2013, a position he still holds to date. He also sits on the board of Techbond Group Berhad and TCS Group Holdings Berhad as Independent Non-Executive Director since January 2018 and May 2019 respectively. In January 2019, he was appointed as the Chief Financial Officer of Metro Eyewear Holdings Sdn Bhd.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

06

Mr Ng Chee Keong

Gender
Male

Age
48

Nationality
Malaysian

Position
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit and Risk Management Committee
Member of Nomination Committee

Mr Ng Chee Keong, was appointed to the Board on 1 December 2017 as Independent Non-Executive Director. He has more than 20 years of working experience as a corporate lawyer.

He graduated in 1995 with a Bachelor of Laws from Bond University, Australia.

Upon graduation, he was employed as a chambering student by Messrs Baharuddin & CK Lim in 1995, where he was in charge of perusing, drafting statement of claims, providing legal opinions and researching on points of law. He left Messrs Baharuddin & CK Lim in 1996 and was called to the Malaysian Bar in 1996.

In 1996, he joined Messrs Alan Chua & Co as Legal Assistant where he was responsible for advising on legal matters. He left Messrs Alan Chua & Co n 1997 to join Messrs Stanley Chang & Co as legal Assistant where he led its civil claim department and assisted in arbitration matter for construction disputes.

In 1998, he left Messrs Stanley Chang & Co to start his own firm, Messrs C.K. Ng & Co which specializes in Civil claim, conveyancing and advisory works on corporate laws. In 2001, he merged with Ong & Tan to form Messrs Tan Ng & Ong which specializes in conveyancing of property or bank loans, civil claims for company matter, probate, family matter and execution of judgements. He is currently still a Consultant in Messrs Tan Ng & Ong.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

DIRECTORS' PROFILE

07

Mr Lai Wei Keat

Gender
Male

Age
47

Nationality
Malaysian

Position
Executive Director and
Managing Director of Revenue Safe Nets

Mr Lai Wei Keat, was appointed to the Board on 3 June 2019 as an Executive Director. He has 22 years of experience in the electronic payments industry.

He graduated with a Bachelor of Science, Computer Science from Campbell University, USA in 1997. He subsequently obtained a Master's degree in Management in Information Technology from Universiti Putra Malaysia in 2004.

He started his career in 1997 as a Software Programmer with Omron Business System (M) Sdn Bhd. He was promoted to Project Manager in 2000 where he was responsible for managing the company's point of sale and car parking implementation project. He left Omron Business System (M) Sdn Bhd in 2003 to join Korvac (M) Sdn Bhd as Project Manager where he was responsible for amongst others, managing the EMV migration (from magnetic swipe-based to EMV chip-based) project in Malaysia.

In 2006, he left Korvac (M) Sdn Bhd to join Nera Infocom Sdn Bhd as a Project Manager and was subsequently promoted as Business Unit Manager in 2009. During his stint with the company, he was responsible for leading the business unit and overseeing the daily business activities. He left Nera Infocom Sdn Bhd in 2016.

In 2016, he co-founded Revenue Safe Nets with Revenue Harvest and assumed his current position.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

PROFILES OF KEY SENIOR MANAGEMENT

NG KUAN HORNG

36 years of age, Malaysian, Male
Group CFO

Ng Kuan Horng Ng Kuan Horng joined our Group in August 2017 and he is responsible for handling our Group's corporate finance affairs.

He graduated with a Bachelor of Science in Applied Accounting from Oxford Brookes University, UK, under a programme jointly offered by Association of Chartered Certified Accountant and Oxford Brookes University at Sunway TES Centre, Malaysia in 2006. He then obtained his professional accounting qualification from the Association of Chartered Certified Accountants of UK in 2009. He also obtained a Master's degree in International Business from Grenoble Ecole De Management (Singapore campus) in 2011. In December 2014, he was admitted as a Fellow Member of the Association of Chartered Certified Accountants of UK. He has been a registered member of the Malaysian Institute of Accountants since 2015.

He has accumulated 13 years of combined working experience in the field of accounting and finance in Malaysia and Singapore. In 2006, he started his career as an Audit Associate II with KPMG (Malaysia office) and was subsequently promoted to Audit Associate I in 2007. He was then responsible in conducting independent statutory financial audit works.

In 2007, he left his role in Malaysia and joined the Transaction Services division of KPMG Services Pte Ltd in Singapore as an Associate. He was subsequently promoted to Manager in 2010. During his stint there, he was involved in merger and acquisition exercises specialising in pre-deal evaluation, financial and vendor due-diligence, vendor assistance, financial projection review and completion accounts review. He was with KPMG Services Pte Ltd until April 2012 before he decided to return to Malaysia and join his family furniture hardware trading business, Wei Hua Horng Hardware Sdn Bhd as the Personal Assistant of the Managing Director, helping with accounting matters.

In May 2013, he left his family business to join PricewaterhouseCoopers LLP in Singapore from May 2013 to September 2013 as Senior Associate where he was assisting in the provision of financial due-diligence services. In October 2013, he returned to Malaysia again to join UHY Advisory (KL) Sdn Bhd as a Manager. He was subsequently promoted to Senior Manager in 2015 and Head of Merger and Acquisition Transaction Services in 2016. While working in UHY Advisory (KL) Sdn Bhd, he was involved in the provision of corporate advisory and restructuring services pertaining to initial public offering, reverse take-over, due-diligence, corporate restructuring and financial projections review. He left the company in July 2017 and assumed his current position.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

PROFILES OF KEY SENIOR MANAGEMENT

CHAN CHOO MENG

63 years of age, Malaysian, Male
Risk and Compliance Manager

Chan Choo Meng joined our Group in 2016 and he is responsible for developing and implementing our Group's risk management framework as well as to ensure that our Group's operations are in compliance with the regulatory requirements. He has more than 35 years of working experience in the banking industry in Malaysia.

Upon receiving his Higher School Certificate in 1975, he joined a few private entities as a Clerk before commencing his career in the banking industry. In 1979, he joined United Malayan Banking Corporation Berhad as an Executive responsible for handling cash management operations. In 1984, he obtained a Diploma in Banking (Stage 1) from the Asian Institute of Chartered Bankers (formerly known as Institute of Bankers Malaysia). He was promoted to Sub-Executive Officer in 1987 and subsequently left the bank in 1996 in the same position.

In 1996, he graduated with a Bachelor of Business Administration from Chartered Institute of Business Administration, Ireland. In the same year, he joined Multi Purpose Bank Berhad (now known as Alliance Bank Malaysia Berhad) as an Assistant Manager responsible for assisting the manager on the daily operations of various branches of the bank. In 2005, he was transferred back to the head office and was redesignated as Operations Manager for the mass market segment. He was promoted to Assistant Vice President and transferred to the SME banking segment in 2009 and subsequently transferred to fraud management and group consumer banking in 2013.

He left Alliance Bank Malaysia Berhad in 2016, to join our Group and assumed his current position.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

NG CAI LEI

36 years of age, Malaysian, Female
Finance Manager

Ng Cai Lei joined our Group in August 2017 and she is responsible for our Group's finance and accounting functions as well as reporting to our Group Chief Financial Officer pertaining to financial matters of our Group.

She graduated with a Bachelor of Accountancy from Universiti Putra Malaysia in 2007. She is a member of Malaysian Institute of Accountants since 2010.

Upon graduation, she began her career as an Audit Assistant for KK Chow & Partner in 2007 and was then promoted as Audit Semi-Senior in 2009. Her last held position at KK Chow & Partner was as an Audit Senior in 2011, where she was responsible for various audit assignments. In 2013, she left KK Chow & Partner to join Tiptop Management Services Sdn Bhd as Company Secretary where she was in charge of advising clients on compliance with the Companies Act 1965 and the Act, as well as the preparation of resolutions and annual returns. In August 2017, she joined our Group and assumed her current position.

She does not hold any directorships in any other public companies and listed issuer.

She is the cousin of Brian Ng Shih Chiow and Dino Ng Shih Fang. Save as disclosed, she has no family relationship with other Director and/or major shareholder of the Group and has no conflict of interest with the Group. She has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the financial year ended 30 June 2019.

PROFILES OF KEY SENIOR MANAGEMENT

LOO TAK KHEONG

43 years of age, Malaysian, Male
Chief Executive Officer of Revenue Harvest

Loo Tak Kheong joined our Group in December 2017 and he is responsible for overseeing the overall management and daily operations of Revenue Harvest.

He has 20 years of working experiences in the banking industry in Malaysia. He completed his South Australian Matriculation at Disted College in Penang in 1995. In 1996, he enrolled for the Bachelor of Commerce course in Metropolitan College until 1997.

In 1998, he quit his course to become a Marketing Executive for Citibank Berhad (Penang branch), and was responsible for managing and serving retail banking customers as well as developing a customer base through networking and marketing activities. In January 2000, he was promoted to Assistant Sales Manager and subsequently promoted to Sales Manager with the Direct Sales Division (Northern Region) in April 2000. In 2003, he was then transferred to Head Office to assist in leading the Telemarketing Division, where he was responsible for planning and managing customer acquisitions.

He left Citibank Berhad in 2005 to establish E-Iideas Resources, a sole proprietorship business which supplies gifts and premiums to the banks. In 2008, he converted E-Iideas Resources to E-Iideas Sdn Bhd where he served as Director until 2010. In 2012, he was reappointed as a Director of E-Iideas Sdn Bhd and subsequently resigned in 2014. In 2006, he set up Lighthouse Alliances Sdn Bhd, an outsource company to promote and distribute credit card products for OCBC Bank (M) Berhad where he was a Director until 2007.

He briefly joined UOB Bank Berhad from July 2010 to December 2010 as Assistant Vice President, responsible for providing direct marketing and sales support to sales distribution channels as well as creating new business opportunity. He moved to join OCBC Bank (M) Berhad in 2011 as Head of Card Sales, Telemarketing and Indirect Channels where he was mainly responsible for leading and managing teams of direct sales, telemarketing, portfolio sales and indirect channels to achieve the division's operational plans. In 2014, he was redesignated as the Head of Merchant Relations Unit to lead the merchant sales team in merchant acquiring. In April 2017, he was given a dual role as Head of Merchant Relations Unit and Head of Card Sales, Telemarketing and Indirect Channels.

He left OCBC Bank (M) Berhad in December 2017 and assumed his current position.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

CHEAH CHEE CHOON

46 years of age, Malaysian, Male
Chief Operations Officer for Revenue Harvest

Cheah Chee Choon joined our Group in 2010 and he is responsible for the day-today operations of our Group.

He is an industry veteran with 22 years of working experience in the electronic payments industry. He obtained a Diploma in Marketing from Systematic Business Training Centre in 1994.

In 1991, he started his career in Malayan Banking Berhad as a Teller responsible for handling counter transactions. He left the bank in 1993 to join Hong Leong Leasing Sdn Bhd as a Senior Factoring Clerk responsible to maintain customers' accounts and liaising with debtors.

In 1996, he left Hong Leong Leasing Sdn Bhd to join MBF Card Services Sdn Bhd as a Sales Executive where he was responsible for identifying and acquiring new merchants, servicing of existing merchants, providing fraud and card acceptance training as well as conducting sales planning. In 2000, he left MBF Card Services Sdn Bhd and subsequently joined RHB Bank Berhad as Senior Merchant Sales Executive until 2003 where he was responsible for identifying, planning and executing strategic initiatives for merchants acquiring, servicing existing merchants, conducting fraud and card acceptance training and implementing Easy Payment Plan. In 2003, he joined AmBank as Senior Executive responsible for supervising the merchant sales team and providing training. He was promoted in 2008 as Assistant Manager and subsequently left AmBank in 2010.

In 2010, he joined Revenue Harvest as Vice President of Business Development, before assuming his current role in December 2017.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

PROFILES OF KEY SENIOR MANAGEMENT

NG KIAN SENG

45 years of age, Malaysian, Male
Chief Technology Officer

Ng Kian Seng joined our Group in March 2018 and he is responsible for leading the technology division in payment technology development and innovation on financial and payment technology ("Fintech") services.

He has 20 years of cumulative IT and Product experiences in the electronic payment industry covering physical and virtual payment, credit card personalisation, electronic wallet ("e-wallet"), peer to peer lending, retail point of sale, e-commerce and loyalty solution.

He graduated with a Bachelor of Science in Computer Science Universiti Sains Malaysia in 1999.

He began his career with Unit Terjemahan Melalui Komputer at Universiti Sains Malaysia as a Research Software Engineer in 1999. Subsequently, he joined Multimedia Prospect Sdn Bhd (subsequently renamed to ManagePay Services Sdn Bhd in 2011) as a Tech Lead in 2000 and was subsequently promoted to Senior Software Analyst cum project manager in 2004 focusing on E-Commerce and Loyalty Solution. From 2005 till 2009, he was involved in both Acquiring System development supporting e-payment through internet and terminal, and in the same time leading credit card personalization services for EON Bank Berhad. In 2009, he was promoted to CTO of that company to oversee the overall technology development, direction and innovation of the company. His area of expertise spans from Fintech project advisory, project management, product conceptualisation and management, solution architect, solution design and development, security and regulatory compliances, solution deployment to market, production management and services.

In 2018, he joined our Group and assumed his current position.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2019.

WONG PEK CHIN

38 years of age, Malaysian, Female
IT Operations Manager

Wong Pek Chin joined our Group in 2005 and she is responsible for leading and managing our software development team and IT operations teams.

She has 14 years of working experience in various IT related fields particularly on software development and management of IT operations. She graduated with a Bachelor of Information Technology from Charles Sturt University, Australia in 2005.

She began her career with Revenue Harvest in 2005 as a Junior Software Engineer where she was responsible to develop terminal applications. She was promoted to Senior System Analyst in 2008. In 2013, she was then promoted to R&D Manager before assuming her current role in 2016.

She does not hold any directorships in any other public companies and listed issuer.

She has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. She has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the financial year ended 30 June 2019.

CHAIRMAN'S STATEMENT

A REMARKABLE YEAR

The year of 2019 had been a rewarding and fruitful year for all of us at REVENUE. Our Group was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 18 July 2018, and since our listing, our Group had grown from strength to strength and never look back.

During 2019, our Group had successfully roll out our all-in-one smart digital payment terminal, first in Malaysia, with Public Bank Berhad and Hong Leong Bank Berhad. The all-in-one smart digital payment terminal simplifies the payment acceptance process as it enables the physical retail merchants to accept both card payments and mobile wallet payments in a single digital payment terminal.

Our Group always strive to develop innovative products and solutions to provide our customers with the latest technology available in the market.

During the financial year, we had successfully established strategic collaboration with Axiata Digital Ecode Sdn Bhd (owner and operator of BOOST eWallet), Merchantrade Asia Sdn Bhd (owner and operator of Merchantrade e-wallet) and TNG Digital Sdn Bhd (owner and operator of Touch 'n Go eWallet) for e-wallet payment acceptance in our revPAY platform. We had also established collaboration with Think Big Digital Sdn Bhd (owner and operator of AirAsia BIG Loyalty point) to facilitate BIG Loyalty point issuance and redemption.

We had also successfully roll out the payment acceptance and services to Singapore's NETS cardholders to shop in selected retail outlets under GCH Retail (Malaysia) Sdn Bhd & Guardian Health And Beauty Sdn Bhd (operators of Giant, Cold Storage and Guardian).

During the financial year, our Group undertook a few corporate exercises as part of our plans to grow our Company.

The first being the bonus issue of warrants, which was completed in January 2019. The Board of Directors view the bonus issue as a way to reward you, our shareholders, for your continuous support of the Group by providing and allowing you with an opportunity to increase your equity participation and benefit from any potential capital appreciation of the warrants, as well as to strengthen the Group's capital base and shareholders' funds.

Our Group also undertook a few acquisitions which would complement and enhance our value propositions to all our customers whilst enhancing our revenue. The Group completed the acquisition of the remaining 25% equity stake in Revenue Safe Nets Sdn Bhd on 17 April 2019, followed by the acquisitions of 70% equity stake in Anypay Sdn Bhd and 51% equity stake in Buymall Services Sdn Bhd, both on 10 May 2019. All these acquisitions would allow the Group to create a dynamic, Business-to-Business-to-Consumer ("B2B2C") eco-system.

CHAIRMAN'S STATEMENT

FINANCIAL RESULTS

Our Group achieved a higher revenue of RM57.98 million in Financial Year Ended 30 June 2019 ("FYE 2019") compared to RM35.36 million recorded in FYE 2018, an increase of RM22.62 million or 64.0% year-on-year. The increase in the revenue was mainly due to higher sales and rental recorded in our EDC terminals segment and electronic transaction processing segment, as well as the revenue contribution from our newly acquired subsidiary companies.

The higher revenue had also resulted in higher gross profit ("GP") which increased by RM8.92 million or 38.9% from RM22.94 million in FYE 2018 to RM31.86 million in FYE 2019. Despite the increase in our GP, our GP margin dropped by 9.9% from 64.9% in FYE 2018 to 55.0% in FYE 2019. The drop in GP margin was mainly attributed to a change in the margin contribution from the EDC terminals segment. (Please refer to Management Discussion & Analysis for further details)

Our profit before tax ("PBT") increased by RM2.08 million from RM9.33 million in FYE 2018 to RM11.41 million in FYE 2019. Despite the increase in our PBT, our PBT margin had dropped by 6.7% from 26.4% in FYE 2018 to 19.7% in FYE 2019. The lower PBT margin was due to higher administrative expenses to support our business growth and one-off expenses charged out during the financial year pertaining to the listing of our Group, bonus issue of warrants and the costs associated to the acquisition of our subsidiary companies. For illustration and comparison purposes, the Group's PBT and PBT margin after adjusting for the one-off expenses charged out during the financial year, the Group would have recorded a PBT and PBT margin of RM12.52 million and 21.6% respectively. (Please refer to Management Discussion & Analysis section for further details)

As at 30 June 2019, the Group's financial position remained healthy with net assets of RM56.12 million (or net assets per share of RM0.25). Our cash and cash equivalents had also increased to RM23.18 million as at FYE 2019 as compared to RM14.08 million as at FYE 2018.

MARKET OUTLOOK AND PROSPECT

REVENUE has a proven track record in the electronic payment industry, as evident by and from the various strategic collaborations established during the financial year and with focused strategies amidst robust business environment led by our strong management team, we are poised to continue with our growth.

We will continue to work hard, uphold our quality of services, pursue innovation and efficiency in order to stay ahead and thrive in today's dynamic and competitive electronic payment industry.

ACKNOWLEDGEMENT

On behalf of the Board of Directors of REVENUE, I wish to express my sincere appreciation to all parties who have supported and helped us to strive and achieve another fruitful and remarkable year. We are thankful for the hardwork and dedication rendered especially by the senior management team and diligent staff of the Company.

I wish to convey my heartfelt gratitude to our shareholders for your unwavering support and placing your trust upon us.

I would also like to express my earnest appreciation to our business partners in e-payment industry such as payment card issuers, card schemes, physical and online store merchants, technology partners and business associates for their commitment and continued support extended to us.

Lastly, my gratitude also goes to my fellow Board members for their wise advice, valuable inputs and guidance in steering REVENUE to continue deliver and perform in the highly competitive industry in which we operate in. As the Group is well positioned to expand its business horizon further in the coming financial year, I call upon all our stakeholders to continue to support us steadfastly.

Thank you.

NOR AZZAM BIN ABDUL JALIL
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

We are pleased to present our Group's Management Discussion & Analysis Statement for the financial year ended 30 June 2019 ("FYE 2019").

1. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

1.1 Core business of the Group

REVENUE is a cashless payment solutions provider in Malaysia offering a single platform that provides multi-channel payment solutions to different customers.

REVENUE is principally engaged in three (3) core business segments:

Segments	Principal activities	Revenue derived from:
(i) EDC terminals	Distribution, deployment and maintenance of EDC terminals.	(a) Monthly rental income from renting our EDC terminals to our customers; (b) Monthly maintenance income from the maintenance of EDC terminals; and (c) Income from the sale of EDC terminals and spare parts.
(ii) Electronic Transaction Processing segment	Provision of electronic transaction processing services for credit cards, debit cards and electronic money payment scheme, where the Group acts as Acquirer, Master Merchant ("MM") or Third-Party Payment Processor.	(a) Net Merchant Discount Rate ("MDR") earned from the processing of electronic transactions via the EDC terminal channel (card-present); (b) Pre-determined commission earned from the processing of electronic transactions via e-commerce/mobile channel (card-not-present); (c) A share of Net MDR earned as a TPP; and (d) A share of Net MDR earned as a MM.
(iii) Solutions & Services	(a) Provision of solutions and services in relation to payment gateway, payment network security and payment infrastructure. (b) Provision of digital payment solutions and services such as mobile top up, phone bill payment, utilities bill payment, game credits, entertainment and ticketing services. (c) Provision of procurement services consumer goods from e-commerce websites, as well as the provision of cross border logistics and last mile delivery in Malaysia.	(a) Sales, development and licensing of software, payment network security solutions, as well as its related hardware including its maintenance services. (b) Commission earned on: a. Successful digital payment on mobile top up, phone bill and utilities bill payment, game credits, entertainment and ticketing services; and b. Successful transaction on the services rendered pertaining to procurement and/or logistics services rendered to consumers.

1.2 Principal markets

Our main market for our business operations is predominantly in Malaysia.

1.3 Products and services

Our Group act as Acquirer for various local and international branded Card Schemes and e-money payment scheme including MyDebit, UnionPay, Diners Club, NETS, JCB, Alipay, Boost and Touch n' Go, whereby we undertake merchant acquisition services and enable the acceptance of payment made via both domestic and foreign issued Card Schemes.

Besides that, our Group also act as MM for Visa and MasterCard.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

2. FINANCIAL PERFORMANCE REVIEW

	FYE 2019	FYE 2018	Variance	
	RM'000	RM'000	RM'000	%
Revenue	**57,982**	**35,363**	22,619	64.0%
Gross Profit ("GP")	**31,864**	**22,940**	8,924	38.9%
Profit Before Tax ("PBT")	**11,414**	**9,334**	2,080	22.3%
Profit After Tax ("PAT")	**9,092**	**7,024**	2,068	29.4%
Net Profit Attributable To Owners Of The Company	**8,569**	6,775	1,794	26.5%
Key ratios				
GP margin (%)	***55.0%***	***64.9%***	*(9.9)%*	*(15.3)%*
PBT margin (%)	***19.7%***	***26.4%***	*(6.7)%*	*(25.4)%*
PAT margin (%)	***15.7%***	***19.9%***	*(4.2)%*	*(21.1)%*
Earnings Per Share ("EPS") (sen)	***3.86 sen[(1)]***	***4.05 sen[(2)]***	*(0.19) sen*	*(4.7)%*
Diluted EPS (sen)	***3.80 sen[(3)]***	***3.04 sen[(4)]***	*0.82 sen*	*27.0%*

Notes:

(1) ***EPS for FYE 2019 is calculated based on Net Profit attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue of 221,958,777 as at 30 June 2019.***

(2) ***EPS for FYE 2018 is calculated based on Net Profit attributable to the owners of the Company divided by the share capital of 167,136,000 before our IPO.***

(3) ***Diluted EPS for FYE 2019 is calculated based on Net Profit attributable to the owners of the Company divided by the weighted average number of ordinary in issue of 225,242,149 as at 30 June 2019, adjusted for contingently issuable ordinary shares. The number of shares under warrants was not taken into account in the computation of diluted EPS as the warrants do not have any dilutive effect on the weighted average number of ordinary shares.***

(4) ***Diluted EPS for FYE 2018 is calculated based on Net Profit attributable to the owners of the Company divided by the enlarged share capital of 222,848,000 after our IPO.***

2.1 Revenue

Our Group's overall revenue increased by RM22.62 million or 64.0% from RM35.36 million in FYE 2018 to RM57.98 million in FYE 2019. For the FYE 2019, our EDC terminals segments was our largest revenue contributor with a revenue of RM34.69 million or 59.8% of our Group's total revenue, followed by our electronic transaction processing segment with a revenue of RM19.75 million or 34.1% of our Group's total revenue.

The higher revenue recorded in FYE 2019 was mainly attributed to the higher sale of EDC terminals and the recognition of two (2) months revenue contribution of our newly acquired subsidiary companies. Please refer to section 3.1 Analysis of revenue by business segments for further details.

2.2 GP and GP margin

Our Group's overall GP increased by RM8.92 million or 38.9% from RM22.94 million in FYE 2018 to RM31.86 million in FYE 2019. For the FYE 2019, our electronic transaction processing segment was our largest GP contributor with a GP of RM15.01 million or 47.1% of our Group's total GP, followed by our EDC terminals segments with GP of RM14.14 million or 44.4% of our Group's total GP.

Our Group's overall GP margin dropped by 9.9% from 64.9% in FYE 2018 to 55.0% in FYE 2019. The drop in the GP margin was due to a change in the GP margin contribution from the business segments arising from the higher revenue contribution from the sale of EDC terminals which accounted for 37.1% of the total revenue in FYE 2019, as compared to 12.5% of revenue contribution in FYE 2018. Please refer to section 3.2 Analysis of GP and GPM by business segments for further details.

2. FINANCIAL PERFORMANCE REVIEW (CONT'D)

2.3 Other income

Our Group's overall other income increased by RM0.11 million or 26.8% from RM0.41 million in FYE 2018 to RM0.52 million in FYE 2019. The increase was mainly due to the higher unrealised gain on foreign exchange amounting to RM0.20 million and gain on disposal of property, plant and equipment amounting to RM0.02 million, but was offset by a lower realised gain of foreign exchange amounting to RM0.15 million.

2.4 Administrative expenses (inclusive of net loss on impairment of financial instruments)

Our Group's overall administrative expenses increased by RM7.03 million or 51.7% from RM13.61 million in FYE 2018 to RM20.64 million in FYE 2019. The increase was mainly due to the increase in the staff costs by RM2.48 million arising from the increase in our headcount, increase in the depreciation (exclude EDC terminals) by RM1.33 million mainly due to the addition of software system, one-off expenses charged out during the financial year amounting to RM1.10 million pertaining to the listing of the Group, bonus issue of warrants and costs associated to the acquisition of subsidiary companies, increase in the net impairment losses of receivables amounting to RM0.22 million, consultancy fee incurred for projects undertaken by the Group amounting to RM0.30 million, as well as increase in operating and connectivity expenses such as leaseline, data centre amounting to RM1.14 million.

2.5 Finance costs

Our finance costs decreased by RM0.06 million or 15.5% from RM0.40 million in FYE 2018 to RM0.34 million in FYE 2019. The drop in the finance costs mainly due to the settlement of a property term loan and bank overdraft facility during FYE 2019.

2.6 PBT and PBT margin

Our Group's PBT increased by RM2.08 million or 22.3% from RM9.33 million in FYE 2018 to RM11.41 million in FYE 2019. The increase in our PBT was mainly driven by the higher GP achieved during the financial year and higher other income but was offset by the increase in the administrative expenses.

Our Group's PBT margin has decreased by 6.7% from 26.4% in FYE 2018 to 19.7% in FYE 2019. The drop was due to higher administrative expenses to support our business growth and one-off expenses charged out during the financial year as explained under item 2.4.

For illustration and comparison purposes, the Group's adjusted PBT and adjusted PBT margin after adjusting for one-off expenses would be as follows:

	FYE 2019	FYE 2018	Variance	
	RM'000	RM'000	RM'000	%
PBT	**11,414**	**9,334**	2,080	22.3%
Add: One-off expenses	1,102	497	605	121.7%
Adjusted PBT	**12,516**	**9,831**	2,685	27.3%
Adjusted PBT margin (%)	*21.6%*	*27.8%*	*(6.2)%*	*(22.3)%*

2.7 Taxation

Our Group's overall corporate taxation increased marginally by RM0.01 million or 0.4% from RM2.31 million in FYE 2018 to RM2.32 million in FYE 2019. The Group's effective tax rate is 20.3% in FYE 2019 which was lower than 24.7% recorded in FYE 2018 mainly due to the lower current year tax provision by RM0.53 million and an over-provision of corporate tax in prior year by RM0.25 million, but offset by the increase in the deferred tax by RM0.80 million during the financial year.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

2. FINANCIAL PERFORMANCE REVIEW (CONT'D)

2.8 PAT and PAT margin

Our Group's overall PAT increased by RM2.07 million or 29.5% from RM7.02 million in FYE 2018 to RM9.09 million in FYE 2019.

Our Group's overall PAT margin decreased by 4.2% from 19.9% in FYE 2018 to 15.7% in FYE 2019. The drop was due to higher administrative expense to support our business growth and one-off expenses charged out during the financial year as explained under item 2.4.

For illustration and comparison purposes, the Group's adjusted PAT and adjusted PAT margin after adjusting for one-off expenses would be as follows:

	FYE 2019	FYE 2018	Variance	
	RM'000	RM'000	RM'000	%
PAT	**9,092**	**7,024**	2,068	29.4%
Add: One-off expenses[1]	1,102	497	605	121.7%
Adjusted PAT	**10,194**	**7,521**	2,673	35.5%
Adjusted PAT margin (%)	*17.6%*	*21.3%*	*(3.7)%*	*(17.4)%*

Note:
(1) ***Excluded corporate tax effect.***

3. REVIEW OF OPERATING ACTIVITIES

3.1 Analysis of revenue by business segments

The breakdown of the revenue by business segments is as follows:

	FYE 2019	FYE 2018	Variance	
	RM'000	RM'000	RM'000	%
EDC terminals:				
- *Sales*	*21,493*	*4,420*	*17,073*	*386.3%*
- *Rental and maintenance*	*13,195*	*11,177*	*2,018*	*18.1%*
	34,688	**15,597**	**19,091**	122.4%
Electronic transaction processing Solutions & Services:	**19,745**	**16,717**	**3,028**	18.1%
- *IT solutions and services*	*2,649*	*3,049*	*(400)*	*(13.1)%*
- *Digital payment services*	*144*	*-*	*144*	*100%*
- *Procurement and logistic services*	*756*	*-*	*756*	*100%*
	3,549	**3,049**	**500**	16.4%
Total revenue	**57,982**	**35,363**	**22,619**	*64.0%*

3. REVIEW OF OPERATING ACTIVITIES (CONT'D)

3.1 Analysis of revenue by business segments (cont'd)

(a) EDC terminals segment

Revenue from our EDC terminals segment increased by RM19.09 million or 122.4% from RM15.60 million in FYE 2018 to RM34.69 million in FYE 2019. The increase was mainly attributed to the increase in the sales of EDC terminals by approximately 17,000 units during FYE 2019. The higher sale mainly driven by the successful roll out of our smart all-in-one terminals with two (2) of our partner banks during FYE 2019.

Our rental and maintenance income had also increased arising from the increase in the average number of EDC terminals rented and maintained by 14,200 units from approximately 19,200 units during FYE 2018 to approximately 33,400 units during FYE 2019.

(b) Electronic transaction processing segment

Revenue from our electronic transaction processing segment increased by RM3.03 million or 18.1% from RM16.72 million in FYE 2018 to RM19.75 million in FYE 2019. The increase was mainly attributed to the increase in the transactional value processed by approximately RM160.00 million from approximately RM1.12 billion in FYE 2018 to approximately RM1.28 billion in FYE 2019.

The increase in the transactional value was mainly driven by the increase in the payment card usage across majority of the Card Schemes (such as MyDebit, Alipay's QR Payment etc.), encouraged by the greater usage of electronic payment and the increase in the deployment of EDC terminals.

(c) Solutions & Services segment

Revenue from our solutions & services segment increased by RM0.50 million or 16.4% from RM3.05 million in FYE 2018 to RM3.55 million in FYE 2019.

The increase was mainly attributed to the recognition of the two (2) months revenue contribution of our newly acquired subsidiary companies, namely Anypay Sdn Bhd and Buymall Services Sdn Bhd, amounting to RM0.14 million and RM0.76 million respectively.

The decrease in the IT solutions & services by RM0.40 million or 13.1% from RM3.05 million in FYE 2018 to RM2.65 million in FYE 2019 was mainly attributed to lower revenue from software and system development projects and the completion of two (2) Network Access Controller ("NAC") projects in FYE 2018.

3.2 Analysis of GP and GPM by business segments

The breakdown of the GP and GPM by business segments are as follows:

	GP		GPM	
	FYE 2019	FYE 2018	FYE 2019	FYE 2018
	RM'000	RM'000		
EDC terminals:				
- *Sales*	*6,773*	*1,406*	*31.5*	*31.8*
- *Rental and maintenance*	*7,371*	*6,629*	*55.9*	*59.3*
	14,144	**8,035**	**40.8**	**51.5**
Electronic transaction processing	**15,008**	**12,929**	**76.0**	**77.3**
Solutions & Services				
- *IT solutions and services*	*2,263*	*1,976*	*85.4*	*64.8*
- *Digital payment services*	*144*	*-*	*100*	*-*
- *Procurement and logistic services*	*305*	*-*	*40.2*	*-*
	2,712	**1,976**	76.4	**64.8**
Total GP and GPM	**31,864**	**22,940**	**55.0**	**64.9**

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

3. REVIEW OF OPERATING ACTIVITIES (CONT'D)

3.2 Analysis of GP and GPM by business segments (cont'd)

(a) EDC terminals segment

GP from our EDC terminals segment increased by RM6.11 million or 76.0% from RM8.04 million in FYE 2018 to RM14.14 million in FYE 2019. The increase mainly attributed to higher GP from the sales of EDC terminals by RM5.37 million arising from the increase in the number of EDC terminals sold during FYE 2019. GP from rental and maintenance had also increased by RM0.74 million arising from the increase in the average number of EDC terminals rented and maintained during FYE 2019.

Despite the increase in the GP of the sales of EDC terminals, the GPM dropped marginally by 0.3% from 31.8% in FYE 2018 to 31.5% in FYE 2019. The drop in the GPM was mainly due to the change in the product mix of our sales, which had a lower average selling price.

The GPM of rental and maintenance also recorded a drop by 3.4% from 59.3% in FYE 2018 to 55.9% in FYE 2019. The drop in the GPM was mainly due to additional cost incurred, such as depreciation of EDC terminals and additional manpower expenses required for the deployment of the EDC terminals.

The GPM of the EDC terminals segments dropped by 10.7% from 51.5% in FYE 2018 to 40.8% in FYE 2019 mainly attributed to the higher revenue contribution from the sales of EDC terminals in FYE 2019, which accounted for 62.0% of the total revenue of the EDC terminals segments, as compared to 28.3% of revenue contribution in FYE 2018.

(b) Electronic transaction processing segment

GP from our electronic transaction processing segment increased by RM2.08 million or 16.1% from RM12.93 million in FYE 2018 to RM15.01 million in FYE 2019. The increase in the GP mainly due to higher transactional value during FYE 2019.

However, the overall GP margin dropped by 1.3% from 77.3% in FYE 2018 to 76.0% in FYE 2019 mainly attributed to the higher contribution from our Card Schemes which had a lower net margin.

(c) Solutions & services segment

GP from our solutions & services segment increased by RM0.73 million or 36.8% from RM1.98 million in FYE 2018 to RM2.71 million in FYE 2019. The increase in the GP mainly attributed to the recognition of the two (2) months GP contribution of our newly acquired subsidiary companies amounting to RM0.45 million.

The overall GP margin increased by 11.6% from 64.8% in FYE 2018 to 76.4% in FYE 2019. The increase in the GPM was mainly attributed to the higher GP margin contributed from the IT solutions & services, driven by the maintenance contracts undertaken by the Group.

4. FINANCIAL POSITION REVIEW

	30.06.2019	30.06.2018	Variance	
	RM'000	RM'000	RM'000	%
Assets				
Non-current Assets	39,268	27,013	12,255	45.4%
Current Assets	49,634	26,611	23,023	86.5%
Total Assets	88,902	53,624	35,278	65.8%
Liabilities				
Non-current liabilities	(6,586)	(7,513)	(927)	(12.3)%
Current liabilities	(26,197)	(22,374)	3,823	17.1%
Total Liabilities	(32,783)	(29,887)	2,896	9.7%
Net Assets ("NA")	56,119	23,737	32,382	136.4%
Key ratios				
Current ratio (times)	1.89x	1.19x	0.70x	58.8%
Trade receivables turnover (days)(1)	83.4	95.2	(11.8)	(12.4)%
Trade payables turnover (days)(2)	106.5	89.0	17.5	19.7%
Gearing ratio (times)	0.11x	0.36x	(0.25)x	(69.4%)
NA per share (RM)	0.25(3)	0.14(4)	0.11	78.6%

Notes:

(1) *Computed based on trade receivables and net of allowances for impairment loss as at year end over revenue for the year multiplied by 365 days.*

(2) *Computed based on trade payables as at year end over cost of sales for the year multiplied by 365 days.*

(3) *Calculated based on equity attributable to the owners of the Company divided by the weighted average number of shares in issue of 221,958,777 as at 30 June 2019.*

(4) *Calculated based on equity attributable to the owners of the Company divided by the share capital of 167,136,000 before our IPO.*

4.1 Total assets

Our total assets increased by RM35.28 million from RM53.62 million as at FYE 2018 to RM88.90 million as at FYE 2019.

Non-current assets increased by RM12.26 million mainly due to the purchase of EDC terminals amounting to RM5.07 million, as well as the addition of computer and software amounting to RM4.78 million for our business expansion and was offset by depreciation charge amounting to RM6.56 million during the financial year. The increase was also due to the recognition of goodwill on consolidation arising from the acquisition of subsidiary companies, Anypay Sdn Bhd and Buymall Services Sdn Bhd amounting to RM7.27 million.

Current assets increased by RM23.02 million mainly due to higher trade receivables balance of RM18.06 million (FYE 2018: RM9.23 million) arising from the billing on the sale of EDC terminals in the month of June 2019, higher cash and bank balances of RM22.95 million (FYE 2018: RM14.72 million) arising from the increase in our business activities and the proceeds from our IPO listing and increase in inventory balance of RM4.42 million (FYE 2018: nil) pertaining to pre-paid airtime credit and EDC terminals.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

4. FINANCIAL POSITION REVIEW (CONT'D)

4.2 Total liabilities

Our total liabilities increased by RM2.89 million from RM29.89 as at FYE 2018 to RM32.78 million as at FYE 2019.

Non-current liabilities decreased by RM0.93 million mainly due to the settlement of a property term loan.

Current liabilities increased by RM3.82 million mainly due to higher trade payables balance of RM13.78 million (FYE 2018: RM3.03 million) due to the increase in the purchase of EDC terminals and reclassification of EDC terminals creditor balance (from non-trade to trade) from other payables to trade payables balance, a lower other payables balance of RM10.66 million (FYE 2018: RM17.00 million) due to the reclassification of EDC terminals creditors balance (from non-trade to trade) from other payables to trade payables balance and the recognition of contingent consideration pertaining to the acquisition of our subsidiary companies amounting to RM4.06 million.

4.3 Cash flows

	FYE 2019	FYE 2018	Variance	
	RM'000	RM'000	RM'000	%
Net cash from operating activities	**2,360**	**12,922**	(10,562)	(81.7)%
Net cash used in investing activities	**(10,118)**	**(4,474)**	5,644	126.2%
Net cash from/(used in) financing activities	**16,875**	**(2,331)**	19,206	823.9%
Net change in cash and cash equivalents ("CCE")	**9,117**	**6,117**	3,000	49.0%
CCE at the beginning of the financial year	14,076	**8,321**	5,755	69.2%
Effect of exchange translation differences on CCE	**(9)**	**(362)**	(353)	(97.5)%
CCE at the end of the financial year	**23,184**	**14,076**	9,108	64.7%

Overall, the Group generated a net cash of RM9.12 million as at FYE 2019. The higher net cash generated mainly due to:

(a) Net cash from operating activities amounting to RM2.36 million mainly attributed the increase in the business activities and positive results during FYE 2019;

(b) Net cash used in investing activities amounting to RM10.12 million mainly attributed to the purchase of property, plant and equipment, such as EDC terminals and software system, amounting to RM10.51 million for our business expansion, and partially offset by the proceeds from the disposal of property, plant and equipment amounting to RM1.13 million and the investment in an associate amounting to RM1.17 million during FYE 2019; and

(c) Net cash from in financing activities amounting to RM16.88 million mainly attributed to proceeds from the IPO amounting to RM20.61 million, the repayment of term loans amounting to RM1.63 million and payment for expenses pertaining to the issuance of shares amounting to RM1.75 million during FYE 2019.

4.4 Liquidity and capital reserve

Our business requires working capital to finance the purchases of EDC terminals, hardware and software, expenses related to running our revPAY infrastructure such as internet connectivity, hosting and data storage expenses as well as manpower cost.

Our working capital is funded by our existing cash and bank balances, cash generated from our operations, credit extended by facilities from financial institutions. Our credit facilities from financial institutions comprise of term loans, bank overdraft and finance lease facilities.

4. FINANCIAL POSITION REVIEW (CONT'D)

4.4 Liquidity and capital reserve (Cont'd)

As at 30 June 2019, the Group was in a net cash position of RM16.94 million.

	FYE 2019	FYE 2018	Variance	
	RM'000	RM'000	RM'000	%
Cash and bank balances (exclude bank overdraft)	**23,185**	**15,060**	8,125	54.0%
Total loans and borrowings	**(6,242)**	**(8,369)**	2,127	25.4%
Net cash	**16,943**	**6,691**	10,252	153.2%

After taking into account of our gearing and cash flow position, the credit facilities currently available to our Group, as well as the proceeds raised from our IPO on 18 July 2018, our working capital will be sufficient for our existing and foreseeable requirements.

5. SIGNIFICANT FACTORS THAT WILL AFFECT OUR FINANCIAL POSITION AND RESULTS OF OPERATION

Factors that can affect our financial results include, but not limited to:

(a) Our Group operates in a competitive market and our products and services is subject to rapid technological developments, evolving industry standards, changing ICT operating environments and software applications and we have experienced and will continue to experience competition from current and future competitors. The Group is constantly researching and developing new and innovative products and value-added services to keep abreast of the latest development;

(b) Our revenue from electronic transaction processing are dependent on our continued memberships with the Card Schemes and e-money payment scheme. Our failure to comply with the standards and requirements set by these payment schemes may result in a revocation or termination of our membership with the payment schemes. As at the date of this report, we have complied with the standards and requirements and none of our memberships have been revoked;

(c) Our business will be affected if our major customers cease to work with us. Our agreements with our customers are generally non-exclusive and do not prohibit them from working with our competitors. As at the date of this report, none of our major customers have ceased working with us; and

(d) Our financial performance may be affected by fluctuations in foreign exchange rates as our purchases of EDC terminals is transacted in United States Dollars ("USD") and our settlement to one of our merchants who operates an online marketplace in People's Republic of China ("PRC") is transacted in Chinese's Renminbi ("RMB"). A depreciation of the Ringgit Malaysia ("RM") against these currencies may affect the cost. In order to mitigate the Group's foreign currency risk, the Group continues to monitor our exposure to foreign currency movements on a regular basis in order for our management to assess on the need to utilise financial instruments to hedge our currency exposure, taking into account factors such as the foreign currency involved, exposure periods and transaction costs.

6. FUTURE PLANS AND PROSPECTS

6.1 Future plans

(a) Expansion of our electronic payment network

Our Group intend to continue to expand our electronic payment network in Malaysia and will continue to purchase and deploy additional new digital payment terminals with the capability to accept payment cards and Quick Response ("QR") Payment.

The Group is currently working with our partner banks on the development, testing and certification on the new digital payment terminals, which will be rolled out and deployed to the market in various stages.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

6. FUTURE PLANS AND PROSPECTS

6.1 Future plans (Cont'd)

(b) Regional expansion

Our businesses are predominantly concentrated in Malaysia. As part of our future business expansion, the Group intends to expand to ASEAN market and we have identified two (2) potential countries for our regional expansion, namely Myanmar and Cambodia. In this respect, we will partner with local financial institutions or local industry player in those countries and/or Malaysian financial institutions that already have presence in these countries to provide electronic payment processing services for various Card Schemes.

(c) Enhancement of revPAY and expansion of IT team

As IT forms the backbone and is an integral part of our business operations, it is crucial for our Group to continuously enhance, upgrade and maintain the scalability of our revPAY platform and its related software and systems to support our business expansion and technology advancement. The Group is continuously on the lookout for IT talent to expand our IT personnel.

(d Value-added solutions and services

The acquisition of Anypay Sdn Bhd and Buymall Services Sdn Bhd will enable the Group to provide additional value-added solutions and services to our customers which will complement the Group's existing business.

(e) Research & Development ("R&D")

Our Group is researching and developing more electronic solutions to be integrated with our revPAY. Our solutions will enable our customers to digitalise loyalty programme, rewards redemption, discount coupons and gift cards, bill payment, goods pick up via our new digital payment terminals.

6.2 Prospects of electronic payment industry in Malaysia

Under the Payment Card Reform Framework ("PCRF") implemented by Bank Negara Malaysia ("BNM") in 2015, whereby multiple measures have been introduced to enhance transparency and affordable pricing to the merchants and coupled with the wider network of EDC terminals which has enabled greater usage of payment cards, have contributed to an upward trajectory for overall electronic payment usage since then.

The electronic payment industry in Malaysia continues to receive strong support from the Government to promote the usage of electronic payment services. BNM is looking at the third (3rd) wave of payment reforms focusing on the mobile payments and QR payments. This has resulted in the mobile payment transaction volume increased by twenty-fold from below two million transactions in 2017 to 34 million transactions in 2018.

In the recent Budget 2020 announced on 11 October 2019, the Government is committed towards digital transformation and building Digital Malaysians. The Government will offer a one-time RM30 digital stimulus to qualified Malaysians aged 18 and above with annual income less than RM100,000 to increase the number of Malaysians, participating merchants and SMEs to use e-wallets.

The continuously enhanced payment security features and innovative payment services provided by financial institutions and e-money issuers will also help to shift the behaviours of consumers' payment method.

Premised on the future plans above and with the various initiatives undertaken by BNM to promote wider acceptance and the usage of electronic payments, the Board of Directors is of the opinion that, barring any unforeseen circumstances, the prospects of our Group for 30 June 2020 will remain favourable.

7. DIVIDEND POLICY

Our Group presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant to our Board.

The Board do not recommend or paid any dividend in respect for FYE 2019.

CORPORATE SUSTAINABILITY STATEMENT

CORPORATE SUSTAINABILITY STATEMENT

The Board acknowledges that for long term sustainability, its strategic orientation will need to look beyond the financial parameters and therefore it is important to pursue an agenda that upholds a good Economic, Environmental and Social ("EES") practices.

In this aspect, the Group is committed to be a responsible corporate organisation and is also committed to operate in a sustainable manner which will help to create long term value for our stakeholders, our environment and our society.

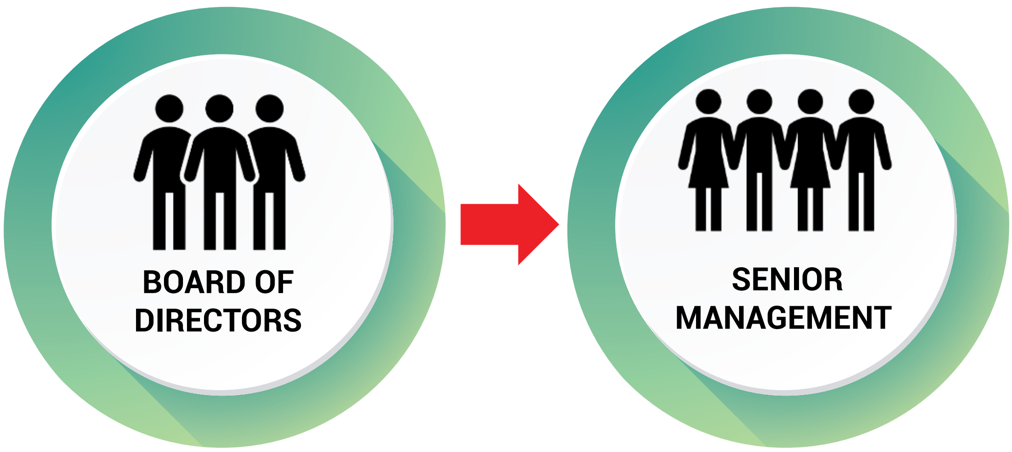
The Group's continued success in maintaining a sustainable business and creating long-term shareholder values is influenced by several internal and external sustainability factors. Each material sustainability factor presents unique risks and opportunities to the Group and its subsidiary companies and serves as a key consideration in our approach to strategies and formulate the way we work in a sustainable way. We will regularly review these sustainability factors to assess their impacts on our business model over the near, medium and long term, as well as to discover new ways to address the sustainability issues face by our stakeholders, our environment and our society.

This Corporate Sustainability Statement ("CS Statement") covers the sustainability performance of the Group and its subsidiary companies in Malaysia for the financial year ended 30 June 2019. This CS Statement was prepared in line with the Bursa Securities' Sustainability Reporting Guidelines.

Corporate Governance

The Board is responsible for the oversight of embedding sustainability into the Group and its business strategy, and that adequate resources, systems and processes are in place for managing sustainability matters. The Board plays a vital role in providing guidance and oversight in advancing sustainability across the organisation with the assistance from the Senior Management to oversee the implementation of the organisation's sustainability approach and ensures that key targets are being met.

The Board is ultimately accountable for the oversight on the management of sustainability matters and is responsible for setting and embedding sustainability strategies in the Group's business operations. The sustainability governance structure is as follows:



Ethical Business Practices

The Board recognises that the core sustainability of our Group's business is founded on ethical business practices and effective governance across the operations in order to maintain the trust of our stakeholders.

Our business is conducted with integrity through good governance as mentioned by the Code of Conduct and Ethics. Our Whistle Blowing Policy provides all stakeholders a direct channel for reporting instances of misconduct that contradicts to our Code of Conduct and Ethics and/or non-compliance offences.

CORPORATE SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT

We continued to engage our stakeholders throughout the financial year as we believe maintaining a good degree of communication and understanding with all the internal and external stakeholders will allow us to gain more understanding on the key aspects and impacts, which is essential in our journey to be a good corporate governance and sustainable business organisation.

The ongoing engagement with our key stakeholders' groups and their respective areas of interest as well as the type of engagement by which we engaged them are as follows:

Stakeholders	Engagement Aspects	Type pf Engagements
Customers	• Customer satisfactions • Quality and performance of our products and services • New and innovative product and solution offerings • Strategic partnership	• Regular business meeting • Customer audit • Product and services presentation • Trainings for customers/merchants
Employees	• Remuneration policy • Working condition and welfare • Occupational Safety & Health • Career development and talent development	• Staff performance appraisal and review • Social events with employees • Training and development • Formal meeting and discussion
Government & Regulatory Bodies	• Regulatory compliance	• Adhere to all regulatory requirements • Attending seminars organised by the relevant authorities • Timely submission of reports to the relevant authorities
Suppliers	• Quality and performance of the products and services • Competitive pricing • Strategic partnership	• Regular business meeting • Supplier's events and forums • Site visits
Shareholders/Investors	• Financial and operational performance • Strategic plan • Corporate information updates • Interim results	• Quarterly report • Bursa announcements • Investors presentations • Annual & Extraordinary General Meetings • Press releases • Annual report
Analyst/Media	• Financial and operational performance • Strategic plan	• Quarterly report • Bursa announcements • Analyst presentations • Press releases
Community	• Job opportunities • Social contribution	• Internship • Sponsorship

MATERIAL SUSTAINABILITY MATTERS

Economic Practices

Our Group is continuously on the lookout for growth and expansionary opportunities with a view to maximise profits, increasing wealth, creating jobs and optimising investment returns for its stakeholders and investors.

Shareholders

Our shareholders are entitled to timely and quality information on the Group's financial performance and position. The Group's corporate website at www.revenue.com.my also provides investor related information including quarterly and annual financial statements, announcements, financial information, annual reports and other pertinent information which are published on a timely basis. Our shareholders are encouraged to participate and inquire the Board and Senior Management on business operations and the financial performance and position of the Group during yearly Annual General Meeting.

Customers

The Group values our customers and the Group's business activities are consistently aligned to the needs of the customers. Customer loyalty and satisfaction are critical success factors for the Group. In order to build a strong and conducive business relationship, our sales and marketing team schedule regular business meetings with our customers, both formal and informal, to provide updates and information pertaining to latest products development and services offering, as well as gathering customers' feedback and provide responses and actions to these feedbacks.

Suppliers

The Group aims to maintain viable and supportive supply chain through transparent, ethical and fair procurement practices. Suppliers are regularly reviewed to ensure value creation, on-time delivery, quality and timely response.

Environment Practices

The Group is mindful of the environment that we live and operate in and therefore, the Group has actively taken the initiative to raise awareness within the Group to reduce the impact of its business on the environment and to protect our environment.

Water Saving

Our water conservation effort includes educating our employees the needs to conserve water and improving the efficiency in the usage of water. Our Group has also put up signage with slogan and messages to remind our employees to save water.

Waste Management

The Group implements a "reduce, reuse and recycle" programme in the office. The employees are encouraged to reduce printing and photocopying, and to use double sided printing, if necessary. The Group also educates the employees on waste segregation on items such as plastic and cans.

CORPORATE SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Social Practices

The Group's aim is to create a safe and supportive working environment for every employee to contribute their best and the Board recognise the importance of our employees to feel proud and be inspired to work with our Group. The Group is also mindful of its responsibility in lending a helping hand and giving back to the society.

Talent development

The effective development of our employees and building capability are crucial for the Group's long-term sustainability and therefore, the Group is supportive and encourages the continuous personal and professional development of our employees through various training programmes, workshops and seminars to enhance the employees' career and personal development.

Employees welfare and workplace

The Group adheres to the statutory contribution as mandated and defined by local legislation. The Group also takes care of the health and well-being of our employees with Group Hospitalisation and Surgical Insurance coverage and other medical benefits.

We believe our employees are the most important assets to us as they form the core backbone of ours Group. Hence, our Group has a policy to conduct its business in a manner that protects the health and safety of our employees and others involved in its operations. In order to promote and encourage a work-life balance and healthier lifestyle, the Group had recently organised a badminton tournament on 28 September 2019, which saw 16 of our employees battling out to be the Badminton Champion of REVENUE.

In order to foster a greater team spirit and unity, the Group had held our "Olympic Night Gala Dinner" on 23 February 2019.

OLYMPIC NIGHT GALA DINNER

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Social Practices (Cont'd)

The Community

The Group is also mindful of its responsibility in giving back to the society.

The Group organised a "revPAY Charity Hunt" on 30 June 2019, which attracted approximately 100 participants. The event, together with our partners, had successfully raise a total sum of RM7,500 for the selected social welfare organisation – Bethesda House, an orphanage home.

revPAY CHARITY HUNT 2019

CONCLUSION

The Group is committed and remain steadfast in conducing our business in a responsible and meaningful manner by upholding good environmental and social values which will make a difference to our environment and societies.

The Group is continuously looking for new ways to incorporate sustainability practices into its business operations and continues to operate in a responsible manner by optimising the Group's resources.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of REVENUE are committed to high standards of corporate governance by supporting and implementing the prescriptions of the principles, practices and guidance set out in the Malaysian Code on Corporate Governance ("Code") issued by the Securities Commission Malaysia. The Board will enhance its accountability, transparency and sustainability in discharging its responsibilities with integrity and professionalism to protect and enhance the Group's business, shareholders' value and the financial position of the Group.

The Board will continuously evaluate the Group's corporate governance practices and procedures, and where appropriate, will adopt and implement the best practices as enshrined in the Code to the best interest of the shareholders of the Company.

The Board presents this statement to provide shareholders with an overview of the Corporate Governance ("CG") practices of the Group which were based on the principles and best practices as set out in the Code, the governance standards prescribed in the ACE Market Listing Requirements ("Listing Requirements") and the requirements under the Companies Act, 2016 and being applied under the leadership of the Board during FYE 2019.

The overview statement is to be read together with the CG Report 2019 ("CG Report") of the Group which is available on the Group's website at www.revenue.com.my. The detailed explanation on the application of the corporate governance practices are reported under the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

STRATEGIC AIMS, VALUES AND STANDARDS

The Board is responsible in providing the overall governance, stewardship and oversight for the direction and management of the Group. The Board sets out the strategic directions and objectives, formulating the policies and executing the key strategic action plans of the Group. The Board regularly reviews the Group's business operations, management performance and also ensure that the necessary resources are in place.

In the Group, the Board and the Senior Management work cohesively to formulate and implement the Group's business strategy. The Group's review and strategy-setting are an integral part of matters reserved for the Board.

The Board will scrutinise the sustainability, effectiveness and implementation of the strategic plans for the financial year under review and provide guidance and input to the Senior Management.

The key responsibilities of the Board are:

(a) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that these are being properly managed;
(b) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
(c) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems, to safeguard our Group's reputation, our employees and assets and to ensure compliance with applicable laws and regulations;
(d) To ensure that our Group has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines as recommended by the Code;
(e) To review and approve our annual business plans, financial statements and annual reports;
(f) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and
(g) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board Committees and deliberate on the recommendations thereon.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

STRATEGIC AIMS, VALUES AND STANDARDS (CONT'D)

In order to discharge its duties and functions effectively, the Board has set up and delegate certain responsibilities to other Board Committees, which operates within the roles and responsibilities defined in the Terms of Reference, to assist the Board in leading and directing the Group towards realising the Group's corporate objectives in a sound and sustainable business operation and safeguarding shareholders' value.

The Committees set up are:

(a) Audit and Risk Management Committee ("ARMC");
(b) Nomination Committee ("NC"); and
(c) Remuneration Committee ("RC").

The Chairman of the respective Committees will report to the Board on the outcome of the Committees meetings for the Board's consideration and final decision. The Board retains full responsibility for the direction and control of the Group.

THE CHAIRMAN

The Board is led by Encik Nor Azzam Bin Abdul Jalil, the Independent Non-Executive Chairman of the Group. The roles and responsibilities of the Chairman of the Board have been clearly specified in Item 6.2 of the Board Charter, which is available on the Group's website at www.revenue.com.my.

THE CHAIRMAN AND THE MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Managing Director and Group Chief Executive Officer of the Group are held by two different individuals with clean and distinct roles which are set out in the Board Charter of the Company. The roles of the Chairman and Executive Directors have been specified in Item 6.2 and Item 6.3 of our Board Charter respectively, which is available on the Group's website at www.revenue.com.my.

QUALIFIED AND COMPETENT COMPANY SECRETARIES

In compliance with Practice 1.4 of the Code, the Board is supported by qualified and competent Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and Licensed Secretary ("LS"). The Company Secretaries provides advice and assists the Board and Committees in achieving good corporate governance by ensuring compliance to statutory laws, legislation, regulatory requirements, listing requirements and other relevant rules and regulations.

ACCESS TO INFORMATION AND ADVICE

The Board is provided with appropriate information and Board papers seven (7) days prior to the Board meetings to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner. The Senior Management is also invited to attend the Board and Board Committee's meetings and to brief and provide explanations to the Directors and Board on the operations of the Group. Upon conclusion of the meeting, minutes are circulated in a timely manner.

All Directors have full and unrestricted access to any information pertaining to the Group's affairs. Other information and/or report will also be supplied upon the specific request by the Board to enable them to discharge their duties and responsibilities.

BOARD CHARTER

The Board Charter that has been formalised and adopted by the Board, serves as a primary reference which sets out the composition of the Board, appointments of Directors, re-election of Directors, roles and responsibilities of the Board, Board Committees, Chairman, Executive Directors and Independent Non-Executive Directors.

The roles and responsibilities of the Board Committees, as well as the issues and decisions which required the Board Committees collective decision, are also spelled out in the Terms of Reference of the respective Board Committees.

The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current law and practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

CODE OF CONDUCT AND ETHICS

The Board is mindful of its leadership and stewardship that is pivotal in creating an ethical corporate culture. The Board has formalised and adopted the Code of Conduct & Ethics Policy which serves as a primary guidance on the ethical and behavioural conduct of the Group.

The Code of Conduct & Ethics Policy sets out the principles in dealing with conflicts of interest, insider dealings, compliance to laws and others.

The Board will review the Code of Conduct & Ethics Policy from time to time to ensure that it remains relevant and appropriate. The Code of Conduct & Ethics Policy is available on the Group's website at www.revenue.com.my.

WHISTLE BLOWING POLICY

The Board has in place a Whistle Blowing Policy that serves as a platform and laid out the procedures for employees to raise genuine concerns about any suspected and/or known unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place and/or has taken place and/or may take place in the future at the earliest opportunity, without being subject to victimisation, harassment or discriminatory treatment.

The Whistle Blowing Policy sets out the protection to Reporting Individual who has made the disclosure or report in good faith, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channel and the procedurals flow of making the disclosure or report.

The Board will review the Whistle Blower Policy from time to time to ensure that it remains relevant and appropriate. The Whistle Blower Policy is available on the Group's website at www.revenue.com.my.

PART II – BOARD COMPOSITION

BOARD COMPOSITION AND BALANCE

The Board is committed in ensuring that its composition not only reflects the diversity as recommended by the Code, as best as it can, but also the right mix of skills and balance to contribute to the achievement of the Group's goal and business objectives.

The Board consists of seven (7) members, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors. The board composition of our Group fulfils the requirements as set out under the Listing Requirements which stipulates that at least two (2) directors or at least one-third (1/3) of the Board, whichever is higher, must be independent.

The Directors play an active role in the Board's decision-making process, offering vast experience and knowledge as well as independence and objectivity, acting in the best interests of the Company. All Independent Non-Executive Directors are independent of management and free from any relationship.

During the financial year, our NC assisted the Board in its annual assessment of the effectiveness of our Board as a whole, our Board Committee, the contribution of each individual Directors and assessment on the independence of the Independent Directors.

TENURE OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Currently, none of our Independent Non-Executive Directors has served the Group for a cumulative term of nine (9) years.

In accordance with the Company's Constitution, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office and be eligible for re-election, and all Directors including, the Managing Director, shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

DIVERSE BOARD AND SENIOR MANAGEMENT TEAM

The appointments of our Board members and Senior Management are made based on merit, in the context of diversity in skills, experience, age, background, gender, ethnicity and other factors which is in the best interests of our Group.

The Group practice a segregation of duties between the Executive Directors and Independent Non-Executive Directors as set out in the Board Charter. The Executive Directors are responsible for the overall management of the Group, as well as overseeing the operations and the development and implementation of business and corporate strategies. The Independent Non-Executive Directors provide an independent view, advice and judgement to ensure that the interests of the minority shareholders and the general public are given due consideration in the decision-making process.

GENDER DIVERSITY POLICY

Although the Group does not have a written policy on the gender diversity, the Board is supportive of diversity in gender, ethnicity and age as such diversity would enlarge the pool of skills, talents, perspective and ideas within the Board.

Currently, our Board does not have a female director, however, our Board is of the view that gender is also an important aspect of diversity and will strive to ensure that female candidate(s) with the relevant skills and experience will be prioritised and included for consideration by the NC in future recruitment exercise.

Our Board is endeavour to appoint a female Director into the Board within the next 12 months.

DIRECTORS' COMMITMENT

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. The attendance record of the Directors as set out in the section below.

To facilitate the Directors' time planning, the annual meeting calendar is prepared and discussed in advance during Boards meeting. The calendar provides Directors with scheduled dates for Board meetings, Board Committees meetings and Annual General Meeting ("AGM").

The Board ordinarily meets at least four (4) times a year to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Additional meetings will also be convened when urgent and important decisions are required to be made in between scheduled meetings.

During the financial year under review, seven (7) Board Meetings were held and the attendance record of the Board members are reflected as follows:-

Directors	No. of meetings attended
Nor Azzam Bin Abdul Jalil	7/7
Ooi Guan Hoe	7/7
Ng Chee Keong	7/7
Ng Chee Siong	7/7
Ng Shih Chiow	7/7
Ng Shih Fang	7/7
Lai Wei Keat *(appointed on 3/6/2019)*	N/A

The Board is satisfied with the time commitment given by the Directors and is confident that the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

NOMINATION COMMITTEE

The NC is established to ensure the Board are comprised of individuals with an optimal mix of qualifications, skills and experiences and also to recommend candidates for all directorships to the Board.

The current composition of NC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The NC is being chaired by Encik Nor Azzam Bin Abdul Jalil.

The NC is also responsible to undertake the annual evaluation of the effectiveness of the Board as a whole, the various Board Committees and the contribution of each individual Directors.

The Terms of Reference of the NC is available on the Group's website at www.revenue.com.my.

The NC also assessed the training needs of the Board and remind the Board on the needs of continuous professional development and training to enhance their skills and knowledge to keep themselves abreast with the changes in the business environment, market condition, legislations and regulations affecting the Group.

No.	Seminars / Conferences / Training Programmes Attended	Attendee(s)	Date Attended
1.	Mandatory Accreditation Programme	• Nor Azzam Bin Abdul Jalil • Ng Chee Keong • Ng Chee Siong • Ng Shih Chiow • Ng Shih Fang	5 & 6 July 2018
2.	Advocacy Programme On CG Assessment Using The Revised ASEAN CG Scorecard Methodology	• Nor Azzam Bin Abdul Jalil • Ng Chee Siong	10 August 2018
3.	Case Study Workshop for Independent Directors: Rethinking – Independent Directors: Board Best Practices	• Ooi Guan Hoe	5 September 2018
4.	Using Artificial Intelligence (AI) to Analyse Financial and Business Trends	• Ooi Guan Hoe	27 February 2019
5.	Case Study Workshop for Independent Directors	• Ng Chee Keong	18 April 2019
6.	MIA's Engagement Session with Audit Committee members on Integrated Reporting	• Ooi Guan Hoe	30 April 2019
7.	Mandatory Accreditation Programme	• Lai Wei Keat	23 & 24 July 2019
8.	Evaluating Effective Internal Audit Function	• Ng Chee Keong	15 October 2019

ANNUAL ASSESSMENT

The Board undertakes an annual assessment and the NC has reviewed the independence of the Independent Directors for the FYE 2019 and is satisfied that they continue to bring independent and objective judgement to board deliberations. Peer and self-assessment are carried out by Directors once every year.

All assessments and evaluations carried out will be documented and minuted by the Company Secretary.

The results of all assessment and comments by Directors are summarised and deliberated at the NC meeting and thereafter, reported to the Board for deliberation.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

REMUNERATION COMMITTEE

The current composition of RC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The RC is being chaired by Mr. Ng Chee Keong. The Terms of Reference which set out its duties and responsibilities, are available on the Group's website at www.revenue.com.my.

The Board has authorised the RC to establish a formal and transparent procedure for developing remuneration policies on executives' remuneration and for fixing the remuneration packages of individual Directors and senior management. The Board as a whole, with the assistance of the RC, determines the fees for Non-Executive Directors, with each Director concerned, abstaining from any decision with regards to his/her own remuneration.

The remuneration policies and procedures has been listed under Item 7.1 of the Terms of Reference of the Remuneration Committee.

REMUNERATION POLICY

The Board has in place policies and procedures to ensure remuneration of the Directors reflect their responsibilities and commitment to be undertaken by them and also to attract and retain right talent in the Board and Senior Management to achieve the Group's business objectives.

The Board is of the view that the disclosure of the Senior Management's remuneration components will not be in the best interest of the Group, given the competitive human resources environment as such disclosure may give rise to talent recruitment and retention issue. Also premised on the security and confidentiality of the remuneration package of our Senior Management, the Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000 on an unnamed basis.

The Board will recommend the Directors' fees and other benefits payable to Directors to the shareholders for approval in the AGM. Details of the remuneration of Directors and Senior Management for the financial year under review are provided in the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE

The current composition of ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The ARMC is being chaired by Mr. Ooi Guan Hoe. The Terms of Reference set out its duties and responsibilities, are disclosed on the Group's website, www.revenue.com.my.

The ARMC has been established and is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditor. The ARMC has been explicitly accorded the power to communicate directly with both the external auditors and/or internal auditors without the presence of the Executive Directors and/or Senior Management.

The Board has established a Policy Statement on the Independence of External Auditors which has set the rules for engaging external auditors, the selection criteria, annual assessment and non-audit services.

The ARMC is comprised of members who are financially literate and also possess the appropriate level of expertise and experience.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Audit Committee was merged together with the Risk Management Committee to form the ARMC and the ARMC is comprised of entirely Independent Non-Executive Directors.

The Board has authorised the ARMC to review the effectiveness of the internal audit function and to provide oversight on the establishment and implementation of a risk management framework. The ARMC reviews its effectiveness by identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure in order to facilitate the implementation of risk management's action plans.

The ARMC has established a Risk Management Framework and Compliance Framework ("Frameworks") and these Frameworks provide an on-going process for identifying, evaluating and managing the significant risks faced by the Group that may affect the achievement of the Group's business objectives.

The Statement on Risk Management and Internal Control is set out in the Annual Report 2019 which provides an overview of the state of risk management and internal controls within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART 1 – COMMUNICATION WITH STAKEHOLDERS

The Board is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.

Presently, the Board and the Senior Management of the Group communicate regularly with its shareholders and other stakeholders through corporate announcement made via Bursa Securities and the Group's website, www.revenue.com.my.

The AGM also serves as a principal forum for dialogue with the shareholders where they will be given the opportunity to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

As an ongoing effort to strengthen the Group's relationship with the shareholders, the Group will arrange programmes for meetings or interview with the investment community or press.

PART II – CONDUCT OF GENERAL MEETINGS

General meetings are important and effective platforms for Directors and Senior Management to communicate with the shareholders and other stakeholders. Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

Shareholders will receive annual reports and notices of AGM, which will be sent out at least 28 calendar days before the date of the AGM. In addition, the Notice of AGM and/or Extraordinary General Meeting ("EGM") will be advertised in the newspapers. The Board encourages shareholders to attend the forthcoming AGM and undertakes to answer all questions raised by shareholders.

Pursuant to the Listing Requirements of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Hence, voting for all resolutions as set out in the Notice of the forthcoming AGM and future general meetings will be conducted by poll. An independent scrutineer will be appointed to validate the votes cast at the general meetings.

Barring unforeseen circumstances, all Directors as well as the Chairman of the respective Board Committees (i.e. ARMC, NC and RC) will present at the forthcoming AGM of the Group to enable the shareholders to raise questions and concerns directly to those responsible.

This Corporate Governance Overview Statement was approved by the Board on 30 October 2019.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC was established with the primary objective to provide additional assurance to the Board of the Group by giving an objective and independent review of financial, operational and administrative controls and procedures, establish and maintain internal controls, reinforce the independence of the Group's External Auditors, evaluate the quality of the Internal Audit function and oversee compliance with laws and regulations together with observance of a proper code of conduct.

1. COMPOSITION OF THE ARMC

The current composition of the ARMC are as follows: -

Chairman	Ooi Guan Hoe	Independent Non-Executive Director
Member	Nor Azzam Bin Abdul Jalil	Independent Non-Executive Director
Member	Ng Chee Keong	Independent Non-Executive Director

The ARMC comprises of all Independent Non-Executive Directors. Mr. Ooi Guan Hoe is a member of the Malaysian Institute of Accountants. The ARMC therefore meets the requirement of Rules 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities and the Practice 8.4 of the Code.

2. ATTENDANCE OF ARMC

During the FYE 2019, the ARMC held a total of six (6) meetings.

The details of the attendance of ARMC are as follows:

	No. of meetings attended
Ooi Guan Hoe	6/6
Nor Azzam Bin Abdul Jalil	6/6
Ng Chee Keong	6/6

3. TERMS OF REFERENCE

The full Terms of Reference of the ARMC which set out its duties and responsibilities are accessible via the Group's website at www.revenue.com.my.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

2. SUMMARY OF ACTIVITIES OF THE ARMC

(a) Reviewed the quarterly unaudited financial of the Group and of the Company including the announcement pertaining thereto, before recommending to the board for their approval and release of the Group's results to Bursa Securities;

(b) Reviewed with the external auditors on their audit planning memorandum on the statutory audit of the Group's for the FYE 2019;

(c) Reviewed the annual audited financial statements of the Group before recommending to the Board for their approval and release of the Group's results to Bursa Securities;

(d) Reviewed and discussed with the external auditors of their audit including of system evaluation, audit fees, issue raised, audit recommendations and management's response to these recommendations;

(e) Evaluated the performance of the external auditors for the FYE 2019 covering areas such as quality, audit team resources and experience, audit scope, audit communication, audit governance and independence of the audit team and thereafter considered and make recommendation on the re-appointment of the external auditors;

(f) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;

(g) Reviewed the risk and compliance reports presented and considered the findings of the internal audit conducted by our Risk & Compliance department through the review of the risk and compliance reports tabled and management response thereof;

(h) Reviewed the updates on the risk profile and summary of risk presented by the management;

(i) Reviewed the effectiveness of the Group's system of internal control;

(j) Recommending the appointment of external and independent professional consulting firm to the Board as part of its effort to provide additional, adequate and effective internal control system;

(k) Reviewed the proposed fees for the external auditors and internal auditors in respect of their audit of the Company and the Group;

(l) Reviewed the related party transactions and conflict of interest situation that may arise within the Company or the Group;

(m) Reviewed the Company's compliance with the Listing Requirements, applicable approved accounting standards and other relevant legal and regulatory requirements;

(n) Reviewed the ARMC Report and Statement in Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and

(o) Report to the Board on its activities and significant findings and results.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, Malaysian Code on Corporate Governance issued in 2017 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

The Board acknowledges that the Group cannot achieve its objectives and sustain success without an effective governance, risk management and internal control processes. An effective governance, risk management and internal control processes will enable the Group to achieve its corporate objectives and goals by taking appropriate risk to achieve a proper balance between risks incurred and potential returns to shareholders in accordance with the Group's acceptable risk appetite.

BOARD'S RESPONSIBILITIES

The Board affirms its overall responsibilities and is committed to maintain a sound risk management and internal control system within the Group and will regularly review the adequacy, effectiveness and integrity of the system and policies that are in place to achieve the Group's corporate objectives and strategies to safeguard the shareholders' investment and the Group's assets.

The Board has established and authorised the ARMC to provide oversight on the establishment and implementation of a risk management framework and internal control systems. The ARMC reviews the effectiveness of the risk management framework and internal control systems in identifying and managing risks and internal control processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans of risk management.

The system of risk management and internal controls covers not only financial aspect of the Group, but also operational and compliance aspect of the Group. However, the Board recognises that these systems are designed to manage, rather than eliminate, the risk of not adhering to the Group's policies and failure to achieve corporate objectives and goals. The systems provide reasonable, but not absolute, assurance against the occurrence of any material misstatement, losses, fraud or breaches of laws or regulations.

The Board is assisted by the Managing Director and Group Chief Executive Officer, Executive Directors and Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing and operating suitable internal controls to manage and control these risks; and monitoring the effectiveness of the risk management and control activities.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks that may affect the Group in achieving its corporate objectives and goals. Any issue that affects the Group are discussed in a monthly Risk Management meeting. Senior Management is also responsible in assisting the Board in identifying, evaluating, monitoring and reporting risks and internal controls throughout the period.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Board recognises that an effective risk management framework will allow the Group to identify, evaluate and manage risks that may affect the achievement of the Group's corporate objectives within defined risk parameters in a timely and effective manner.

The Group's business plans, business strategies and investment proposals with risks consideration are being formulated by the Managing Director, Executive Directors and Senior Management and will be presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite.

The Board and the Senior Management practice a proactive approach in identifying significant risks in the business operations, processes and activities of the Group. Strategic, operational and project risks will be highlighted and deliberated by the ARMC and/or the Board during ARMC committee and/or special meetings, as and when necessary.

The ARMC has established the Risk Management Framework and Compliance Framework ("Frameworks") and these Frameworks provide an on-going process for identifying, evaluating and managing the significant risks faced by the Group that may affect the achievement of the Group's corporate objectives.

The Group's Frameworks encompass the following key elements:

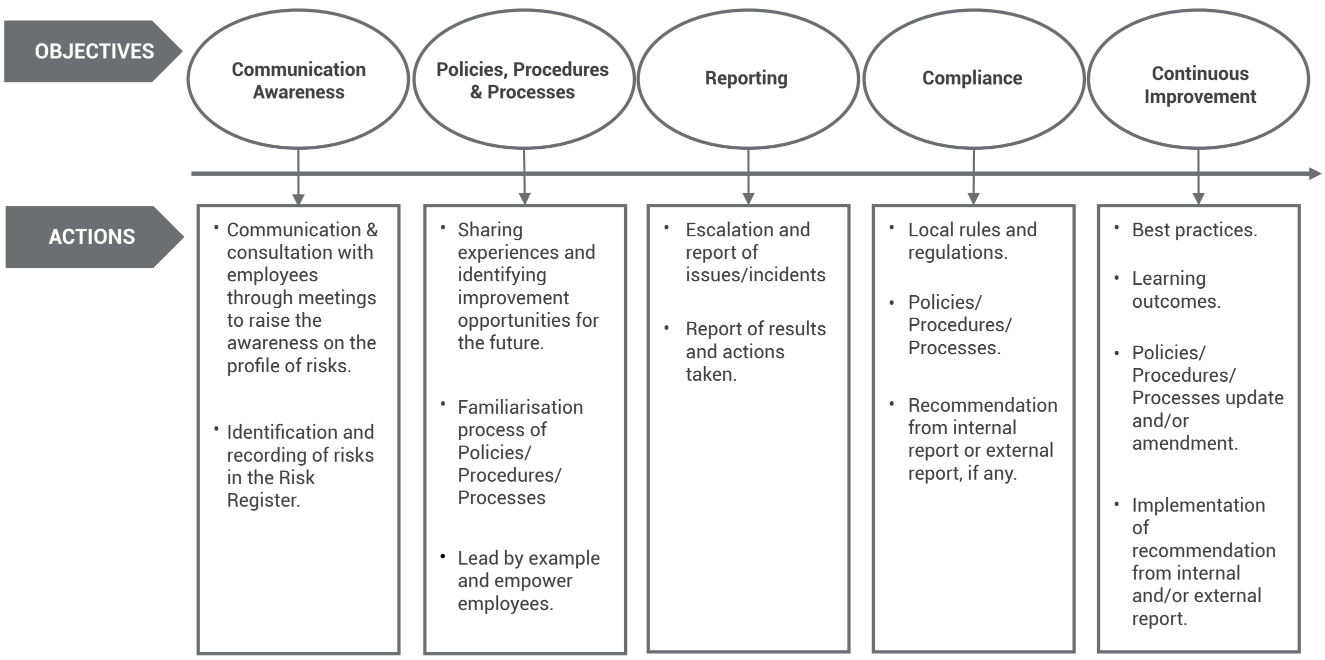
(a) The underlying objective of an effective risk management and compliance framework is to contribute to a good corporate governance which will enable the Group to achieve its corporate's objectives;

(b) Risk management shall be an integral part of our Group's culture and embedded into day-to-day management of operations, processes and structures and should be extensively applied in all decision-making and strategic planning;

(c) Risk management processes applied should also aim to take advantage of opportunities by balancing risks incurred, managing uncertainties and minimising threats associated to the opportunities;

(d) Regular monitoring and reporting of risks in a proactive, responsible and accountable manner.

The Group's risk management process can be briefly summarised as follows: -



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Senior Management receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision-making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies.

The Board acknowledges that a sound system of internal control reduces but cannot eliminate the possibility of poor judgement in decision-making; human error, control processes being deliberately circumvented by employees and others; management overriding controls; and the occurrence of unforeseeable circumstances.

The ARMC reviews internal control matters and update the Board on significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during Board meetings and any significant fluctuation or exceptional noted will be analysed and acted in a timely manner.

The key elements of the Group's internal control systems are as follows: -

(a) The Board has delegated to the ARMC the task of undertaking a periodic review of the effectiveness, adequacy and integrity of the Group's risk management framework and internal control systems;

(b) A formal organisation structure with well-defined scopes of responsibility, clear lines of accountability and appropriate levels of delegated authority;

(c) The Group has developed and maintains documented policies, procedures and process flows for its key business operations with appropriate levels of delegated authority. The documented internal policies, procedures and processes are in place to ensure compliance with the internal control and relevant laws and regulations;

(d) The Board has formalised and adopted the Code of Conduct & Ethics Policy which serves as a primary guidance on the ethical and behavioural conduct of the Group. The Code of Conduct & Ethics Policy sets out the principles on dealing with conflicts of interest, insider dealings, compliance to laws and others;

(e) The Group has put in place a consistent human resource practice throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skill and experience in order to carry out their duties and responsibilities effectively and efficiently;

(f) Information pertaining to internal control policies, procedures and processes which are critical to the achievement of the Group's corporate objectives are communicated through established reporting lines across the Group via electronic mail system, internal meetings and briefings etc.;

(g) Periodic management meetings are held to discuss and review financial data and operational performance of key business units of the Group. Issues and/or matters that require the Board and Senior Management's attention will be highlighted for review, deliberation and decision-making on a timely manner; and

(h) Periodic reviews on adequacy and integrity of selected areas of internal control systems are carried out by our Risk & Compliance department and results of such reviews are reported to the ARMC for review, deliberation, decision-making and actions.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and the Board has authorised the ARMC to review the effectiveness of the internal audit function.

The ARMC is currently assisted by our Group's Risk & Compliance Manager who reports independently and directly to the Board. Any issue affecting the Group from achieving its corporate's objectives and the implementation of the action plans to address the risks identified, will be discussed during the ARMC meetings.

The Risk & Compliance Manager has unrestricted access to all documents and records of the Group which deemed necessary in the performance of his function. Any highlighted issues will be followed up closely to determine the extent of the recommendation that have been implemented by the management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The ARMC is supported by the Internal Audit team, which has been outsourced to GovernanceAdvisory.com Sdn Bhd. Its primary role is to assess the adequacy and effectiveness of the risk, control and governance framework for the Group. The Internal Audit report directly to the ARMC and its role are to independently review the internal control system established by the management, its adequacy and effectiveness with the objectives set and to make appropriate recommendations for further improvement.

During FYE 2019, the Group had conducted review on the corporate governance and risk management systems of the Group on 22 November 2018 and 27 May 2019, focusing on the conformance to Payments Network Malaysia Sdn Bhd (“PayNet”) regulations (Financial Process Exchange (“FPX”) and MyDebit) and inventory management respectively.

For the financial year under review, the total costs incurred by the Group for maintaining the Internal Audit Functions was RM20,000.

The Board, under the recommendation by the ARMC, has agreed to continue to engage an external and independent professional consulting firm as part of its effort to provide adequate and effective internal control system for our financial year ending 30 June 2020.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required under Rule 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control.

Their review was performed in accordance with the Audit and Assurance Practice Guide (“AAPG”) 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in Annual Report* issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines to be set out, nor is factually inaccurate.

CONCLUSION

The Board has received assurance from the Managing Director and Group Chief Executive Officer and Group Chief Financial Officer, as well as Risk & Compliance Manager, that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the FYE 2019 and up to the date of this statement.

Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the FYE 2019.

As the improvement of the system of internal controls is an on-going process and the Board and the Senior Management will continue to take necessary measures and on-going commitment to strengthen and improve its internal control environment and risk management.

This statement is made in accordance with the resolution of the Board of Directors on 30 October 2019.

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD – ACE MARKET LISTING REQUIREMENTS

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

In conjunction with its listing on the ACE Market of Bursa Malaysia Securities Berhad, REVENUE issued its prospectus on 11 June 2018 and undertook a public issue of 55,712,000 new ordinary shares at an issue price of RM0.37 per ordinary share.

The entire enlarged issued and paid up capital of the Group comprising 222,848,000 ordinary shares was listed on the Ace Market of Bursa Malaysia Securities Berhad on 18 July 2018.

The gross proceeds arising from the public issuance of RM20.61 million accrued entirely to the Group are planned to be utilised in the following manner:

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Estimated timeframe for utilisation upon listing
Capital expenditure	8,100	8,100	-	24 months
Enhancement of revPAY and expansion of IT team	4,040	1,357	2,683	24 months
Repayment of bank borrowings	2,500	2,500	-	3 months
Business expansion	1,500	-	1,500	24 months
Working capital	1,773	183	1,590	24 months
Listing expenses	2,700	2,700	-	Immediately
	20,613	14,840	5,773	

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

AUDIT AND NON-AUDIT FEES

During FYE 2019, the amount of audit and non-audit fees paid and payables by the Company and the Group to its External Auditors are as follows:

	Company RM'000	Group RM'000
Audit fees	35	107
Non-audit fees	35	35
(a) Professional fees in relation to the review of the Net Assets of REVENUE		
(b) Review of Statement on Risk Management and Internal Control		

MATERIAL CONTRACTS

During FYE 2019, there was no material contracts entered into by the Group and its subsidiary companies involving Directors' and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

During FYE 2019, there was no Recurrent Related Party Transactions of a revenue or trading nature which requires shareholders' mandate.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements prepared for each financial year and ensure that the financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2019, and of their financial performance and their cash flows for the year ended then.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

(i) Overseeing the overall conduct of the Group and the Company's business;
(ii) Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
(iii) Reviewing the adequacy and integrity of Internal Controls and Management Information System within the Group and the Company;
(iv) Adopting suitable accounting policies and apply them consistently;
(v) Making judgements and estimates that are reasonable and prudent; and
(vi) Ensuring compliance with the application of Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records and other records which are closed with reasonable accuracy at any time the financial position of the Group and the Company.

The Directors are collectively responsible to ensure that the financial statements comply with the Listing Requirements of Bursa Securities, the provisions of the Companies Act 2016 and applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and the Company to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the FYE 2019, the Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS

03 CONTENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, attributable to:		
- Owners of the parent	8,568,683	(1,826,071)
- Non-controlling interests	523,122	-
	9,091,805	(1,826,071)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period. The Directors do not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up share capital from RM16,713,600 to RM46,688,035 by way of issuance of 64,862,934 new ordinary shares as follows:

(a) 55,712,000 new ordinary shares at an issue price of RM0.37 each for a total cash consideration of RM20,613,440 pursuant to the initial public offering of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

(b) 5,867,560 new ordinary shares at an issue price of RM1.193 each for a total consideration of RM7,000,000 for the acquisition of remaining non-controlling interests of an indirect subsidiary company.

(c) 3,283,374 new ordinary shares at an issue price of RM1.251 each for a total consideration of RM4,107,500 for the acquisition of indirect subsidiary companies.

The new ordinary shares issued during the financial year ranked pari passu in all respect with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

DIRECTORS' REPORT

WARRANTS

The warrants 2019/2024 were constituted under the Deed Poll dated 27 December 2018.

As at 30 June 2019, the total number of warrants that remained unexercised were 111,424,000.

The salient terms of the warrants are disclosed in Note 15(b) to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors in office since the beginning of the current financial year until the date of this report are:

Nor Azzam bin Abdul Jalil
Ng Chee Siong*
Ng Shih Chiow*
Ng Shih Fang*
Ooi Guan Hoe
Ng Chee Keong
Lai Wei Keat* (appointed on 3.6.2019)

* Director of the Company and its subsidiary companies

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report are:

Chung Wai Fong
Fabian Kong Yu Kiong
Gan Swan Kiat
Chok Kennon Alexander
Yan Wai Seng
Low Chung Ming
Tan Lip Han
Teh Liang How
Yong Kim Fong

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary company) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.07.2018	Allotted/ Bought	Sold	At 30.06.2019
Interests in the Company				
Direct Interests				
Nor Azzam bin Abdul Jalil	-	1,000,000	650,000	350,000
Ng Chee Siong	55,121,452	-	20,071,200	35,050,252
Ng Shih Chiow	53,500,234	-	5,571,200	47,929,034
Ng Shih Fang	53,500,234	-	5,571,200	47,929,034
Ooi Guan Hoe	-	1,050,000	780,000	270,000
Ng Chee Keong	-	1,000,000	1,000,000	-
Lai Wei Keat	-	4,200,060	420,000	3,780,060

	Number of Warrants 2019/2024			
	At 1.07.2018	Allotted	Sold	At 30.06.2019
Interests in the Company				
Direct Interests				
Nor Azzam bin Abdul Jalil	-	200,000	150,000	50,000
Ng Chee Siong	-	24,775,145	7,688,800	17,086,345
Ng Shih Chiow	-	23,964,517	7,000,000	16,964,517
Ng Shih Fang	-	23,964,517	7,000,000	16,964,517
Ooi Guan Hoe	-	185,000	185,000	-

By virtue of their interests in the shares of the Company, Ng Shih Chiow and Ng Shih Fang are also deemed interested in the shares of the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in Note 34(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

  (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 5 to the financial statements.

AUDITORS' REMUNERATION

The details of auditors' remuneration are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 39 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 October 2019.

NG CHEE SIONG

NG SHIH CHIOW

KUALA LUMPUR

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 62 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 October 2019.

NG CHEE SIONG **NG SHIH CHIOW**

KUALA LUMPUR

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Ng Shih Chiow, being the Director primarily responsible for the financial management of Revenue Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 62 to 137 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 30 October 2019) **NG SHIH CHIOW**

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REVENUE GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Revenue Group Berhad, which comprise the statements of financial position as at 30 June 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 62 to 137.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
1. Goodwill impairment review	
Under MFRS 136 *Impairment of Assets*, the Group is required to annually test goodwill for impairment. This assessment requires management to make estimates concerning the estimated future cash flows and associated discount rates and growth rates based on management's view of future business prospects. In view of the inherent uncertainty involved in forecasting and discounting future cash flows, our audit concentrated on this key judgemental area.	In respect of the assessment of cash generating units ("CGUs"), we challenged the Directors' assessment of CGUs with reference to accounting standards and considered the operating and management structure changes with reference to our understanding of the business. We have tested Management's sensitivity analysis in relation to the key inputs to the goodwill impairment test model, as well as performing our own sensitivity analysis which included changes to volume, margin and the discount rate applied. We have reviewed the appropriateness of the disclosures made in the financial statements.

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
2. Impairment of trade receivables	
The Group has material credit exposures in its portfolio of trade receivables amounting to RM18.1 million as at 30 June 2019. Given the nature of these assets, the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement.	We have performed impairment assessments on trade receivables that were either in default or overdue as at 30 June 2019. We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures. We also examined the recoverability by checking those subsequent receipts. We also obtained confirmation from the counterparties for selected accounts. We have reviewed the appropriateness of the disclosures made in the financial statements.

Information Other Than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REVENUE GROUP BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REVENUE GROUP BERHAD

Report on Other Legal and Regulatory Requirements

In accordance to the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

NG WEE TEIK
Approved Number: 01817/12/2020 J
Chartered Accountant

KUALA LUMPUR
30 October 2019

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	28,150,132	24,329,294	-	-
Investment in subsidiary companies	5	-	-	16,724,400	16,693,600
Investment in an associate	6	1,167,449	-	-	-
Goodwill on consolidation	7	9,950,796	2,683,977	-	-
Total Non-Current Assets		39,268,377	27,013,271	16,724,400	16,693,600
Current Assets					
Inventories	8	4,418,112	-	-	-
Trade receivables	9	18,061,667	9,226,240	-	-
Other receivables	10	1,968,635	1,834,614	159,693	231,061
Amount due from subsidiary companies	11	-	-	26,326,227	-
Other investment	12	505,213	-	-	-
Tax recoverable		1,015,799	290,421	-	-
Fixed deposits with licensed banks	13	710,000	544,790	-	-
Cash and bank balances		22,954,583	14,715,037	1,429,193	50,072
Total Current Assets		49,634,009	26,611,102	27,915,113	281,133
Total Assets		88,902,386	53,624,373	44,639,513	16,974,733
Equity and Liabilities					
Equity					
Share capital	14	46,688,035	16,713,600	46,688,035	16,713,600
Reserves	15	(21,996,629)	(15,693,600)	-	-
Retained earnings/(Accumulated losses)		30,911,911	22,488,030	(2,143,211)	(317,140)
Equity attributable to the owners of the parent		55,603,317	23,508,030	44,544,824	16,396,460
Non-controlling interests		516,255	229,597	-	-
Total Equity		56,119,572	23,737,627	44,544,824	16,396,460

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Non-Current Liabilities					
Bank borrowings	16	5,197,513	6,792,810	-	-
Finance lease liabilities	17	729,471	352,994	-	-
Deferred tax liabilities	18	659,158	367,190	-	-
Total Non-Current Liabilities		6,586,142	7,512,994	-	-
Current Liabilities					
Trade payables	19	13,778,743	3,030,618	-	-
Other payables	20	10,655,578	16,543,778	93,573	389,981
Contract liabilities	21	640,131	461,717	-	-
Amount due to a subsidiary company	11	-	-	-	188,292
Amount due to Directors	22	123,856	78,012	-	-
Derivative financial liability	23	-	18,923	-	-
Bank borrowings	16	162,462	1,178,370	-	-
Finance lease liabilities	17	152,745	45,227	-	-
Tax payable		683,157	1,017,107	1,116	-
Total Current Liabilities		26,196,672	22,373,752	94,689	578,273
Total Liabilities		32,782,814	29,886,746	94,689	578,273
Total Equity and Liabilities		88,902,386	53,624,373	44,639,513	16,974,733

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	Financial Period From 26 Sept 2017 to 30 June 2018 RM
Revenue	24	57,981,836	35,363,455	-	-
Cost of sales		(26,117,949)	(12,423,031)	-	-
Gross profit		31,863,887	22,940,424	-	-
Other income		524,736	406,095	9,526	-
Administrative expenses		(20,505,358)	(13,316,978)	(1,834,481)	(317,140)
Net loss on impairment of financial instruments		(130,958)	(295,519)	-	-
Finance costs	25	(338,067)	(400,188)	-	-
Share of results of an associate, net of tax		(26)	-	-	-
Profit/(Loss) before tax	26	11,414,214	9,333,834	(1,824,955)	(317,140)
Taxation	27	(2,322,409)	(2,309,826)	(1,116)	-
Profit/(Loss) for the financial year/period		9,091,805	7,024,008	(1,826,071)	(317,140)
Other comprehensive loss for the financial year/period, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		(17,506)	-	-	-
Total comprehensive income/(loss) for the financial year/period		9,074,299	7,024,008	(1,826,071)	(317,140)
Profit/(Loss) for the financial year/period attributable to:					
Owners of the parent		8,568,683	6,775,327	(1,826,071)	(317,140)
Non-controlling interests		523,122	248,681	-	-
		9,091,805	7,024,008	(1,826,071)	(317,140)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		8,551,177	6,775,327	(1,826,071)	(317,140)
Non-controlling interests		523,122	248,681	-	-
		9,074,299	7,024,008	(1,826,071)	(317,140)
Earnings per share					
Basic earnings per share (sen)	28	3.86	4.05		
Diluted earnings per share (sen)	28	3.80	4.05		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Attributable to owners of the parent								
		Non-Distributable					Distributable			
Group	**Note**	**Share Capital RM**	**Merger Reserve RM**	**Warrant Reserve RM**	**Other Reserves RM**	**Foreign Currency Translation Reserve RM**	**Retained Earnings RM**	**Total RM**	**Non-controlling Interests RM**	**Total Equity RM**
At 1 July 2017		1,000,000	-	-	-	-	15,712,703	16,712,703	(19,084)	16,693,619
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	6,775,327	6,775,327	248,681	7,024,008
Transactions with owners:										
Incorporation of the Company	14	20,000	-	-	-	-	-	20,000	-	20,000
Issue of ordinary shares pursuant to the acquisition of RHSB	14(a)	16,693,600	-	-	-	-	-	16,693,600	-	16,693,600
Adjustment on the acquisition of RHSB		(1,000,000)	(15,693,600)	-	-	-	-	(16,693,600)	-	(16,693,600)
Total transactions with owners		15,713,600	(15,693,600)	-	-	-	-	20,000	-	20,000
At 30 June 2018		16,713,600	(15,693,600)	-	-	-	22,488,030	23,508,030	229,597	23,737,627

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Group	Note	Share Capital RM	Merger Reserve RM	Warrant Reserve RM	Other Reserves RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
		Attributable to owners of the parent								
		Non-Distributable					Distributable			
At 1 July 2018, as previously reported		16,713,600	(15,693,600)	-	-	-	22,488,030	23,508,030	229,597	23,737,627
Effect of adopting MFRS 9	2(a)(i)(d)	-	-	-	-	-	(144,802)	(144,802)	-	(144,802)
At 1 July 2018, as restated		16,713,600	(15,693,600)	-	-	-	22,343,228	23,363,228	229,597	23,592,825
Profit for the financial year		-	-	-	-	-	8,568,683	8,568,683	523,122	9,091,805
Other comprehensive loss for the financial year		-	-	-	-	(17,506)	-	(17,506)	-	(17,506)
Total comprehensive income/(loss) for the financial year		-	-	-	-	(17,506)	8,568,683	8,551,177	523,122	9,074,299
Transactions with owners:										
Issuance of ordinary shares pursuant to initial public offering	14(b)(i)	20,613,440	-	-	-	-	-	20,613,440	-	20,613,440
Issuance of ordinary shares pursuant to acquisition of subsidiary companies	14(b)(ii), 14(b)(iii)	11,107,500	-	-	-	-	-	11,107,500	-	11,107,500
Changes in ownership interest in a subsidiary company	5(c)	-	-	-	(6,285,523)	-	-	(6,285,523)	(714,477)	(7,000,000)
Net changes of non-controlling interests	5(a)	-	-	-	-	-	-	-	478,013	478,013
Issuance of warrants		-	-	61,283,200	(61,283,200)	-	-	-	-	-
Share issuance expenses		(1,746,505)	-	-	-	-	-	(1,746,505)	-	(1,746,505)
Total transactions with owners		29,974,435	-	61,283,200	(67,568,723)	-	-	23,688,912	(236,464)	23,452,448
At 30 June 2019		46,688,035	(15,693,600)	61,283,200	(67,568,723)	(17,506)	30,911,911	55,603,317	516,255	56,119,572

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Company	Note	Non-distributable Share Capital RM	Non-distributable Warrant Reserve RM	Non-distributable Other Reserves RM	Accumulated Losses RM	Total Equity RM
At 26 September 2017 (Date of incorporation)	14	20,000	-	-	-	20,000
Loss for the financial period, representing total comprehensive loss for the financial period		-	-	-	(317,140)	(317,140)
Transaction with owners:						
Issue of ordinary shares pursuant to the acquisition of RHSB	14(a)	16,693,600	-	-	-	16,693,600
At 30 June 2018		16,713,600	-	-	(317,140)	16,396,460

	Note	Non-distributable Share Capital RM	Non-distributable Warrant Reserve RM	Non-distributable Other Reserves RM	Accumulated Losses RM	Total Equity RM
Company						
At 1 July 2018		16,713,600	-	-	(317,140)	16,396,460
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(1,826,071)	(1,826,071)
Transactions with owners:						
Issuance of ordinary shares pursuant to initial public offering	14(b)(i)	20,613,440	-	-	-	20,613,440
Issuance of ordinary shares pursuant to acquisition of subsidiary companies	14(b)(ii), 14(b)(iii)	11,107,500	-	-	-	11,107,500
Share issuance expenses		(1,746,505)	-	-	-	(1,746,505)
Issuance of warrants		-	61,283,200	(61,283,200)	-	-
Total transactions with owners		29,974,435	61,283,200	(61,283,200)	-	29,974,435
At 30 June 2019		46,688,035	61,283,200	(61,283,200)	(2,143,211)	44,544,824

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	Financial Period From 26 Sept 2017 to 30 June 2018 RM
Cash Flows From Operating Activities				
Profit/(Loss) before tax	11,414,214	9,333,834	(1,824,955)	(317,140)
Adjustments for:				
Bad debts written off				
- trade receivables	105,133	186,853	-	-
- other receivables	9,902	25,000	-	-
Deposits forfeited	-	(11,968)	-	-
Depreciation of property, plant and equipment	6,556,465	4,566,039	-	-
Finance costs	338,067	400,188	-	-
Gain on disposal of property, plant and equipment	(64,040)	(41,273)	-	-
Property, plant and equipment written off	1	-	-	-
Impairment losses on trade receivables	518,089	296,019	-	-
Reversal of impairment losses on trade receivables	(385,402)	(500)	-	-
Interest income	(129,399)	(122,528)	(6,526)	-
Over provision of point redemption in prior year	(1,505)	-	-	-
Fair value gain on financial asset at fair value through profit or loss	(1,729)	-	-	-
Share of results of associate	26	-	-	-
Unrealised (gain)/loss on foreign exchange	(246,579)	(38,065)	10,047	-
Unrealised loss on derivative financial liability	-	18,923	-	-
Operating profit/(loss) before working capital changes	18,113,243	14,612,522	(1,821,434)	(317,140)
Changes in working capital:				
Inventories	(3,656,111)	-	-	-
Receivables	(9,124,522)	(5,525,863)	71,368	(231,061)
Payables	229,760	5,916,431	(296,408)	389,981
Contract liabilities	178,414	345,955	-	-
Amount due from/to subsidiary companies	-	-	(15,417,066)	188,292
Amount due to Directors	45,844	(230,285)	-	-
Derivative financial liability	(18,923)	-	-	-
	(12,345,538)	506,238	(15,642,106)	347,212
Cash generated from/(used in) operations	5,767,705	15,118,760	(17,463,540)	30,072
Interest received	129,399	122,528	6,526	-
Interest paid	(338,067)	(400,188)	-	-
Tax paid	(3,201,650)	(2,003,104)	-	-
Tax refund	20,296	84,219	-	-
Exchange fluctuation adjustment	(17,506)	-	-	-
Net cash from/(used in) operating activities	2,360,177	12,922,215	(17,457,014)	30,072

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	Financial Period From 26 Sept 2017 to 30 June 2018 RM
Cash Flows From Investing Activities				
Proceeds from disposal of property, plant and equipment	1,132,303	180,147	-	-
Proceeds from disposal of investment properties	-	2,180,773	-	-
Acquisition of a subsidiary company	-	-	(30,800)	-
Acquisition of an associate	(1,167,475)	-	-	-
Acquisition of other investment	(503,484)	-	-	-
Net cash inflows arising from acquisition of subsidiary companies [Note 5(a)]	934,301	-	-	-
Purchase of property, plant and equipment [Note 4(c)]	(10,513,296)	(6,835,085)	-	-
Net cash used in investing activities	(10,117,651)	(4,474,165)	(30,800)	-
Cash Flows From Financing Activities				
(Increase)/Decrease in fixed deposits pledged	(280,000)	305,108	-	-
Dividends paid	-	(2,100,000)	-	-
Proceeds from issuance of shares (Note 14)	20,613,440	20,000	20,613,440	-
Payment of share issuance expenses	(1,746,505)	-	(1,746,505)	
Repayment of finance lease liabilities	(84,005)	(356,558)	-	-
Repayment of term loans	(1,627,825)	(199,984)	-	-
Net cash from/(used in) financing activities	16,875,105	(2,331,434)	18,866,935	-
Net increase in cash and cash equivalents	9,117,631	6,116,616	1,379,121	30,072
Cash and cash equivalents at the beginning of the financial year/date of incorporation	14,076,447	8,321,385	50,072	20,000
Effect of exchange translation differences on cash and cash equivalents	(9,495)	(361,554)	-	-
Cash and cash equivalents at the end of the financial year/period	23,184,583	14,076,447	1,429,193	50,072
Cash and cash equivalents at the end of the financial year/period comprises:				
Fixed deposits with licensed banks	710,000	544,790	-	-
Cash and bank balances	22,954,583	14,715,037	1,429,193	50,072
Bank overdraft	-	(983,380)	-	-
	23,664,583	14,276,447	1,429,193	50,072
Less: Fixed deposits pledged to licensed banks	(480,000)	(200,000)	-	-
	23,184,583	14,076,447	1,429,193	50,072

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. On 18 July 2018, the Company's entire enlarged issued and paid up share capital was listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at No. 12, Jalan Udang Harimau 2, Kepong Business Park, 51200 Kuala Lumpur.

The registered office of the Company is located at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 5. There has been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year.

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property

Annual Improvements to MFRSs 2014 - 2016 Cycle:
- Amendments to MFRS 1
- Amendments to MFRS 128

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company, except for:

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the financial statements.

The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with the provisions of this Standard, while the hedge accounting requirements under this Standard are not relevant to the Group and to the Company.

The Group and the Company applied MFRS 9 retrospectively, and have elected not to restate the comparative periods in the financial year of initial adoption as permitted under MFRS 9 transitional provision. The impact arising from MFRS 9 adoption were included in the opening retained earnings at the date of initial application, 1 July 2018.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company, except for: (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

(a) Classification of financial assets and liabilities

Financial assets

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

(i) measured at amortised cost ("AC");
(ii) fair value through other comprehensive income ("FVTOCI"); and
(iii) fair value through profit and loss ("FVTPL").

The standard replaces the existing MFRS 139 *Financial Instrument: Recognition and Measurement* categories of loans and receivables, held-to-maturity and available-for-sale. Classification under MFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics.

Financial liabilities

MFRS 9 largely retains the existing requirement in MFRS 139 for the classification of financial liabilities. There were no changes to the classification and measurement of financial liabilities to the Group and to the Company.

(b) Impairment

MFRS 9 requires impairment assessments to be based on an Expected Credit Loss ("ECL") model, replacing the incurred loss model under MFRS 139. The Group and the Company are required to record ECL on all of its debt instruments, loans and receivables, either on a 12-months or lifetime basis. The Group and the Company applied the simplified approach and record lifetime expected losses on all receivables. Based on readily information as at the date of this report, the Group and the Company do not expect any significant increase in impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company, except for: (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

(c) Effect of changes in classification and measurement of financial assets on 1 July 2018 are as follows:

	As at 30.6.2018 RM	Remeasurement RM	MFRS 9 measurement category - Amortised cost RM
MFRS 139 measurement category			
Group			
Financial assets			
Loans and receivables			
Trade receivables	9,226,240	(144,802)	9,081,438
Other receivables which are financial assets	478,059	-	478,059
Fixed deposits with licensed banks	544,790	-	544,790
Cash and bank balances	14,715,037	-	14,715,037
	24,964,126	(144,802)	24,819,324
Company			
Financial assets			
Loans and receivables			
Cash and bank balances	50,072	-	50,072

(d) Effect of impairment allowances on 1 July 2018 are as follows:

	Group RM
Impairment of financial assets	
Balance under MFRS 139 as at 30 June 2018	296,019
Impairment losses on trade receivables	144,802
Balance under MFRS 9 as at 1 July 2018	440,821

(ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. Revenue is recognised when a customer obtains control of a good or service, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group adopted MFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 July 2018. Under this method, MFRS 15 can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date.

The adoption of MFRS 15 has no material financial impact other than the disclosures made in the financial statements.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

Impact arising from adoption of MFRS 9 and MFRS 15 on the Group's financial statements are as follows:

Statements of Financial Position

	As at 30.6.2018 RM	MFRS 15 adjustments RM	MFRS 9 adjustments RM	As at 1.7.2018 RM
Group				
Current Asset				
Trade receivables	9,226,240	-	(144,802)	9,081,438
Current Liabilities				
Other payables	17,005,495	(461,717)	-	16,543,778 *
Contract liabilities	-	461,717	-	461,717 *
Equity				
Retained earnings	22,488,030	-	(144,802)	22,343,228

Statements of Profit or Loss and Other Comprehensive Income

	As at 30.6.2018 RM	MFRS 9 adjustments RM	As at 1.7.2018 RM
Group			
Other income	406,595	(500)	406,095 *
Administrative expenses	13,612,997	(296,019)	13,316,978 *
Net loss on impairment of financial instruments	-	295,519	295,519 *

Statements of Cash Flows

	As at 30.6.2018 RM	MFRS 15 adjustments RM	As at 1.7.2018 RM
Group			
Cash flows from operating activities			
Changes in working capital			
Payables	6,262,386	(345,955)	5,916,431 *
Contract liabilities	-	345,955	345,955 *

* The comparatives have been reclassified to conform with current year presentation.

The adoption of MFRS 9 and MFRS 15 have no financial impact to the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
MFRS 16	Leases	1 January 2019
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
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	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
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2020
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the abovementioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statements of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new standards and amendments to standards on the financial statements of the Group and of the Company are currently being assessed by management.

2. Basis of Preparation (Cont'd)

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - the Group as lessor

The Group has entered into leases on its Electronic Data Capture ("EDC") terminals. The Group has determined that they retain all the significant risks and rewards of ownership of the equipment which are leased out as operating leases due to the lease term is not for the major part of the economic life of the asset.

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment

The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 7.

Fair value measurement of contingent consideration

Contingent consideration, resulting from business combination, is valued at fair value at the acquisition date as part of the business combination. It is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions taken into consideration include the probability of meeting each performance target and the discounted factor. The carrying amount of contingent consideration is disclosed in Note 20.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Impairment of receivables

The Group reviews the recoverability of its receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The customer's credit worthiness is evaluated by reviewing, amongst others, the Group's historical collection experience.

The carrying amounts at the reporting date for trade receivables is disclosed in Note 9.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 30 June 2019, the Group has tax recoverable of RM1,015,799 (2018: RM290,421) and tax payable of RM683,157 (2018: RM1,017,107) respectively. The Company has tax payable of RM1,116 (2018: RMNil).

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 36(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiary companies are consolidated using the acquisition method of accounting except for the business combination with Revenue Harvest Sdn. Bhd., which was accounted for under the merger method of accounting as the business combination of this subsidiary company involved an entity under common control.

Under the merger method of accounting, the results of subsidiary companies are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other reserves.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Under the acquisition method of accounting, subsidiary companies are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceased. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(m)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(m)(i) on impairment of non-financial assets.

(b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statement of the associate is prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(b) Investment in associates (Cont'd)

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates is either stated at cost less accumulated impairment losses or equity method. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserves within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statement of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operations reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m)(i) on impairment on non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold building	2%
Leasehold building	Over the remaining lease period
Computer, software and testing equipment	25% - 50%
EDC terminals	20%
Motor vehicles	14% - 20%
Office equipment, furniture and fittings	10% - 25%
Renovation	10%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

<u>As lessee</u>

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

<u>As lessor</u>

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(f) Financial assets

Policy applicable from 1 July 2018

<u>Recognition and initial measurement</u>

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

3. Significant Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

Policy applicable from 1 July 2018 (Cont'd)

Financial instrument categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, fixed deposits with licensed banks and cash and bank balances. The Company's financial assets at amortised cost include other receivables, amount due from subsidiary companies and cash and bank balances.

(ii) Financial assets at fair value through other comprehensive income

The Group and the Company have not designated any financial assets at FVTOCI.

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity instruments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(m)(ii).

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

Policy applicable from 1 July 2018 (Cont'd)

Regular way purchase or sale of financial assets

Regular way purchases or sales are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase and sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Policy applicable before 1 July 2018

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify its financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial assets has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gains or losses that had been recognised in equity is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(g) Financial liabilities

Policy applicable from 1 July 2018

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

The Group's and the Company's financial liabilities include trade and other payables, amount due to Directors and loans and borrowings.

Financial instrument categories and subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

The Group's financial liability designated as FVTPL comprise of contingent consideration in a business combination.

(ii) Financial liabilities at amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to Directors and loans and borrowings.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(g) Financial liabilities (Cont'd)

Policy applicable before 1 July 2018

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, contingent consideration in a business combination or financial liabilities designated into this category upon initial recognition.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments that are not designated as effective hedging instruments. Separated embedded derivatives are also categorised as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in profit or loss.

(ii) Financial liabilities measured at amortised cost

The Group's financial liabilities comprise trade and other payables, amount due to Directors and loans and borrowings.

The Company's financial liabilities comprise of other payables and amount due to a subsidiary company.

Trade and other payables, amount due to Directors and amount due to a subsidiary company are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(h) Financial guarantee contracts

Policy applicable from 1 July 2018

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of:

- the best estimate of the expenditure required to settle the present obligation at the reporting date, and

- the amount initially recognised less cumulative amortisation.

Liabilities arising from financial guarantees are presented together with other provisions.

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to customers for which the Group has received the consideration or has billed to the customer. The contract liabilities of the Group comprise of deferred revenue where the Group has billed or has collected the payment before services are provided to the customers.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(m) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

Policy applicable from 1 July 2018

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. Significant Accounting Policies (Cont'd)

(m) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Policy applicable before 1 July 2018

All financial assets, other than those categorised as fair value through profit or loss and investment in subsidiary companies and an associate, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

(n) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the owners is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(o) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(p) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contribution to their respective countries' pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(q) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

(a) Sales of goods

The Group is involved in the trading of EDC terminals. Sales are recognised in the accounting period when control of the products has been transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the designated location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales of airtime

The Group, being a distributor in the sales of prepaid airtime top-ups, is in substance acting as an agent for the operators. The revenue associated with the sales of prepaid airtime top-ups to end-users is recognised on a net basis, which represents the margin earned. The revenue is recognised at a point in time when the sales of prepaid airtime top-ups has been transferred to the customer and coincides with the delivery of prepaid airtime top-ups and acceptance by customers.

(c) Rendering of services

Revenue from services are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

3. Significant Accounting Policies (Cont'd)

(q) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(d) Commission

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(e) Service maintenance fee

Service maintenance fee is accounted for on a straight-line basis over the services term of an ongoing services.

(ii) Rental of EDC terminals

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(s) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

3. Significant Accounting Policies (Cont'd)

(s) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(u) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. **Property, Plant and Equipment**

	Freehold land RM	Freehold and leasehold buildings RM	Computer, software and testing equipment RM	EDC terminals RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovation RM	Capital work-in-progress RM	Total RM
Group									
2019									
Cost									
At 1 July 2018	5,123,757	3,250,000	8,809,418	23,171,444	1,028,265	436,410	906,726	-	42,726,020
Acquisition through business combination	-	-	129,263	-	45,000	209,322	39,540	-	423,125
Additions	-	-	4,779,030	5,065,692	649,630	7,695	151,550	427,699	11,081,296
Disposals	-	-	(2,160)	(1,201,838)	-	-	-	-	(1,203,998)
Written off	-	-	-	(5,866,507)	-	-	-	-	(5,866,507)
At 30 June 2019	5,123,757	3,250,000	13,715,551	21,168,791	1,722,895	653,427	1,097,816	427,699	47,159,936
Accumulated depreciation									
At 1 July 2018	-	180,095	5,123,477	12,077,127	346,960	306,792	362,275	-	18,396,726
Acquisition through business combination	-	-	28,831	-	3,750	21,051	5,222	-	58,854
Charge for the financial year	-	48,166	2,608,118	3,538,741	198,317	75,984	87,139	-	6,556,465
Disposals	-	-	(60)	(135,675)	-	-	-	-	(135,735)
Written off	-	-	-	(5,866,506)	-	-	-	-	(5,866,506)
At 30 June 2019	-	228,261	7,760,366	9,613,687	549,027	403,827	454,636	-	19,009,804
Carrying amount									
At 30 June 2019	5,123,757	3,021,739	5,955,185	11,555,104	1,173,868	249,600	643,180	427,699	28,150,132

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

4. **Property, Plant and Equipment (Cont'd)**

	Freehold land RM	Freehold and leasehold buildings RM	Computer, software and testing equipmen RM	EDC terminals RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovation RM	Total RM
Group								
2018								
Cost								
At 1 July 2017	5,123,757	3,250,000	6,227,483	19,207,745	883,271	396,351	906,726	35,995,333
Additions	-	-	2,581,935	4,175,097	354,994	40,059	-	7,152,085
Disposals	-	-	-	(211,398)	(210,000)	-	-	(421,398)
At 30 June 2018	5,123,757	3,250,000	8,809,418	23,171,444	1,028,265	436,410	906,726	42,726,020
Accumulated depreciation								
At 1 July 2017	-	131,929	3,733,983	9,273,736	460,778	232,471	280,314	14,113,211
Charge for the financial year	-	48,166	1,389,494	2,875,915	96,182	74,321	81,961	4,566,039
Disposals	-	-	-	(72,524)	(210,000)	-	-	(282,524)
At 30 June 2018	-	180,095	5,123,477	12,077,127	346,960	306,792	362,275	18,396,726
Carrying amount								
At 30 June 2018	5,123,757	3,069,905	3,685,941	11,094,317	681,305	129,618	544,451	24,329,294

4. Property, Plant and Equipment (Cont'd)

(a) Assets pledged as securities to a licensed bank

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 16(a) are as follows:

	Group	
	2019 RM	2018 RM
Freehold land	5,123,757	5,123,757
Freehold and leasehold buildings	3,021,739	3,069,905
	8,145,496	8,193,662

(b) Assets held under finance leases

As at 30 June 2019, the net carrying amount of leased motor vehicles of the Group was RM955,645 (2018: RM421,769). Leased assets are pledged as security for the related finance lease liabilities.

(c) The aggregate additional cost for the property, plant and equipment of the Group under finance lease financing and cash payments are as follows:

	Group	
	2019 RM	2018 RM
Aggregate costs	11,081,296	7,152,085
Less: Finance lease financing	(568,000)	(317,000)
Cash payments	10,513,296	6,835,085

5. Investment in Subsidiary Companies

	Company	
	2019 RM	2018 RM
Unquoted shares, at cost		
In Malaysia	16,693,600	16,693,600
Outside Malaysia	30,800	-
	16,724,400	16,693,600

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

5. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2019	Effective interest (%) 2018	Principal activities
Direct holding				
Revenue Harvest Sdn. Bhd. ("RHSB")	Malaysia	100	100	Distribution and maintenance of EDC terminals, provision of merchant acquisition services, provision of electronic transaction processing services, investment holding company and provision of money lending services
Revenue Harvest Pte. Ltd. *	Singapore	100	-	Investment holding
Indirect holding				
Subsidiary companies of RHSB				
Revenue Commerce Sdn. Bhd.	Malaysia	100	100	Distribution and maintenance of EDC terminals, provision of merchant acquisition services, as well as the provision of electronic transaction processing services
Revenue Solution Sdn. Bhd.	Malaysia	100	100	Distribution and maintenance of EDC terminals, provision of merchant acquisition services, as well as the provision of electronic transaction processing services
Revenue Techpark Sdn. Bhd.	Malaysia	100	100	Engaged in research and development, sale and licensing of software, as well as the development, maintenance and provision of support services for the payment infrastructure and technology
Revenue Safe Nets Sdn. Bhd.	Malaysia	100	75	Sale and provision of maintenance services for information technology hardware and software, sale and maintenance of EDC terminals
Revenue Privilege Card Sdn. Bhd.	Malaysia	100	100	Business in selling of incentive reward points for gift redemption and e-commerce platform
Next Revenue Sdn. Bhd.	Malaysia	100	-	Dormant

5. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2019	2018	Principal activities
Indirect holding				
Subsidiary companies of RHSB				
Anypay Sdn. Bhd.	Malaysia	70	-	Engaged in e-commerce, software and mobile application development on digital payment
Buymall Services Sdn. Bhd.	Malaysia	51	-	Engaged in provision of procurement services of consumer goods from e-commerce websites

* Subsidiary company not audited by UHY

(a) Acquisition of subsidiary companies

(1) Next Revenue Sdn. Bhd. ("NRSB")

On 28 August 2018, RHSB, a wholly-owned subsidiary company of the Company, incorporated a wholly-owned subsidiary company, NRSB with cash subscription of RM5,000,000 comprising of 5,000,000 ordinary shares.

(2) Revenue Harvest Pte. Ltd. ("RHPL")

On 26 October 2018, the Company incorporated a wholly-owned subsidiary company, RHPL, under the Singapore Companies Act with paid up share capital of SGD 10,000 comprising of 10,000 ordinary shares.

(3) Anypay Sdn. Bhd. ("ASB")

On 26 March 2019, RHSB, a wholly-owned subsidiary company of the Company entered into a conditional share sale agreement ("SSA") with Tan Lip Han and Low Chung Ming ("the Vendors") for an acquisition of 70% of issued share capital in ASB, for a purchase consideration of RM4,900,000 to be satisfied via the issuance of 3,916,866 new ordinary shares in the Company ("Anypay Consideration Shares") at an issue price of RM1.251 per share.

The purchase consideration is to be satisfied in the following manners:

(i) Tranche 1

A sum of RM2,450,000 of the purchase consideration, being the first tranche purchase consideration, is payable to the Vendors no later than the completion date of ASB's SSA by way of issuance of 1,958,434 Anypay Consideration Shares.

(ii) Tranche 2

A sum of RM1,225,000 of the purchase consideration, being the second tranche purchase consideration, is payable to the Vendors by way of issuance of 979,216 Anypay Consideration Shares, within 14 days after 31 August 2019.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

5. Investment in Subsidiary Companies (Cont'd)

(a) Acquisition of subsidiary companies (Cont'd)

(3) Anypay Sdn. Bhd. ("ASB") (Cont'd)

The purchase consideration is to be satisfied in the following manners: (Cont'd)

(iii) Tranche 3

A sum of RM1,225,000 of the purchase consideration, being the third tranche purchase consideration, is payable to the Vendors within fourteen (14) days after the issue date of the Audited Profit After Tax ("PAT") by way of issuance of 979,216 Anypay Consideration Shares, subject to an adjustment in case that PAT guarantee of ASB for the financial year ending 31 August 2020 of RM1,250,000, could not be met.

The acquisition had been completed during the financial year. Consequently, ASB became 70% owned indirect subsidiary company of the Company.

(4) Buymall Services Sdn. Bhd. ("BSSB")

On 26 March 2019, RHSB, a wholly-owned subsidiary company of the Company, entered into a conditional SSA with Fabian Kong Yu Kiong, Gan Swan Kiat and Chung Wai Fong ("the Vendors") for an acquisition of 51% of issued share capital in BSSB, for a purchase consideration of RM3,315,000 to be satisfied via the issuance of 2,649,880 new ordinary shares in the Company ("Buymall Consideration Shares") at an issue price of RM1.251 per share.

The purchase consideration is to be satisfied in the following manners:

(i) Tranche 1

A sum of RM1,657,500 of the purchase consideration, being the first tranche purchase consideration, is payable to the Vendors no later than the completion date of BSSB's SSA by way of issuance of 1,324,940 Buymall Consideration Shares.

(ii) Tranche 2

A sum of RM828,750 of the purchase consideration, being the second tranche purchase consideration, is payable to the Vendors by way of issuance of 662,470 Buymall Consideration Shares, within 14 days after 30 September 2019.

(iii) Tranche 3

A sum of RM828,750 of the purchase consideration, being the third tranche purchase consideration, is payable to the Vendors within fourteen (14) days after the issue date of the PAT by way of issuance of 662,470 Buymall Consideration Shares, subject to an adjustment in case that PAT guarantee of BSSB for the financial year ending 30 September 2020 of RM800,000, could not be met.

The acquisition had been completed during the financial year. Consequently, BSSB became 51% owned indirect subsidiary company of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2019 RM
Fair value of consideration transferred	
Equity instruments issued	4,107,500
Contingent consideration recognised as at acquisition date	4,060,545
Total consideration transferred	8,168,045

5. Investment in Subsidiary Companies (Cont'd)

(a) Acquisition of subsidiary companies (Cont'd)

Fair value of identifiable assets acquired and liabilities assumed

	2019 RM
Property, plant and equipment	364,271
Inventories	762,000
Trade receivables	175,141
Other receivables	58,669
Tax recoverable	713
Cash and bank balances	934,301
Trade payables	(243,489)
Other payables	(580,068)
Tax payable	(82,299)
Deferred tax	(10,000)
Total identifiable assets and liabilities	1,379,239

Net cash inflows arising from acquisition of subsidiary companies

	2019 RM
Purchase consideration settled in cash	-
Less: Cash and cash equivalents acquired	(934,301)
	(934,301)

Goodwill arising from business combination

	2019 RM
Fair value of consideration transferred	8,168,045
Fair value of identifiable assets acquired and liabilities assumed	(1,379,239)
	6,788,806
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	478,013
Goodwill arising from business combination	7,266,819

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

5. Investment in Subsidiary Companies (Cont'd)

(a) Acquisition of subsidiary companies (Cont'd)

Acquisition-related costs

The Group incurred acquisition-related costs of RM361,478 related to external legal fees and due diligence costs. The expenses have been included in administrative expenses in the profit or loss.

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary companies have contributed RM486,870 and RM40,241 to the Group's revenue and profit for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year would have been RM2,455,007 and RM267,142 respectively.

(b) Material partly owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of company	Proportion of ownership, interest and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2019	2018	2019	2018	2019	2018
	%	%	RM	RM	RM	RM
Anypay Sdn. Bhd.	30	-	338	-	312,676	-
Buymall Services Sdn. Bhd.	49	-	37,904	-	203,579	-
Revenue Safe Nets Sdn. Bhd.	-	25	484,880	248,681	-	229,597
Total non-controlling interests					516,255	229,597

The summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amount before inter-company elimination) are as follows:

(i) Summarised Statements of Financial Position

	Anypay Sdn. Bhd.		Buymall Services Sdn. Bhd.		Revenue Safe Nets Sdn. Bhd.	
	2019	2018	2019	2018	2019	2018
	RM	RM	RM	RM	RM	RM
Non-current assets	27,703	-	353,689	-	-	16,453
Current assets	1,674,436	-	941,160	-	-	4,463,966
Non-current liabilities	-	-	(18,611)	-	-	-
Current liabilities	(659,885)	-	(860,770)	-	-	(3,632,974)
Net assets	1,042,254	-	415,468	-	-	847,445

5. Investment in Subsidiary Companies (Cont'd)

(b) Material partly owned subsidiary companies (Cont'd)

The summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amount before inter-company elimination) are as follows: (Cont'd)

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	Anypay Sdn. Bhd.		Buymall Services Sdn. Bhd.		Revenue Safe Nets Sdn. Bhd.	
	2019 RM	2018 RM	2019 RM	2018 RM	2019 RM	2018 RM
Revenue	761,728	-	3,768,230	-	-	5,317,987
Total comprehensive income for the financial year	271,500	-	151,160	-	-	994,725

(iii) Summarised Statements of Cash Flows

	Anypay Sdn. Bhd.		Buymall Services Sdn. Bhd.		Revenue Safe Nets Sdn. Bhd.	
	2019 RM	2018 RM	2019 RM	2018 RM	2019 RM	2018 RM
Net cash from operating activities	85,208	-	307,218	-	-	763,856
Net cash (used in)/ from investing activities	(7,311)	-	(165,605)	-	-	242
Net cash from financing activities	75,000	-	-	-	-	-
Net increase in cash and cash equivalents	152,897	-	141,613	-	-	764,098

(c) Acquisition of non-controlling interests

On 15 April 2019, RHSB, a wholly-owned subsidiary company of the Company, acquired additional 25% equity interest in Revenue Safe Nets Sdn. Bhd. ("RSNSB") for RM7,000,000 by way of issuance of 5,867,560 new ordinary shares in the Company at an issue price of RM1.193 per share, increasing its ownership from 75% to 100%.

The effect of changes in the equity interest in RSNSB that is attributable to owners of the Company are as follows:

	2019 RM
Carrying amount of non-controlling interests acquired	714,477
Consideration paid to non-controlling interests	(7,000,000)
Decrease in parent's equity	(6,285,523)

There was no acquisition in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

6. Investment in an Associate

	Group 2019 RM	Group 2018 RM
Outside Malaysia		
Unquoted shares, at cost	1,167,475	-
Share of post acquisition reserve	(26)	-
	1,167,449	-

Details of the associate is as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2019	Effective interest (%) 2018	Principal activities
Direct holding				
Associate of Revenue Harvest Pte. Ltd.				
PT Sarana Pembayaran Syariah *#	Indonesia	20	-	Provision of computer facility management and service provider of payment solutions and system

* not audited by UHY
\# the financial information disclosed is based on management accounts

(a) Acquisition of PT Sarana Pembayaran Syariah ("PT Sarana")

Revenue Harvest Pte. Ltd. ("RHPL"), a wholly-owned subsidiary company of the Company, had on 16 November 2018 entered into an agreement to acquire 4,000 ordinary shares, representing 20% equity interest in PT Sarana for a total consideration of RM1,167,475 only. The acquisition was completed on 28 December 2018 and consequently, PT Sarana became an indirect associate of the Company.

(b) Summarised financial information of the Group's material associate is set out below:

<u>Summarised statement of financial position</u>

	PT Sarana 2019 RM
Non-current asset	9,250
Current assets	5,850,619
Net assets	5,859,869

<u>Summarised statement of profit or loss and other comprehensive income</u>

	PT Sarana 2019 RM
Loss for the financial year	(129)

7. Goodwill on Consolidation

	Group	
	2019	**2018**
	RM	**RM**
At 1 July	2,683,977	2,683,977
Addition through business combination [Note 5(a)]	7,266,819	-
At 30 June	9,950,796	2,683,977

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to the Group's cash-generating unit ("CGU") which is the Group's principal activities that is distribution and maintenance of Electronic Data Capture ("EDC") terminals, provision of merchant acquisition services, provision of electronic transaction processing services, provision of procurement services of consumer goods from e-commerce websites and provision of e-commerce, software and mobile application development on digital payment.

(b) Key assumptions used to determine recoverable amount

For the purpose of impairment testing, the recoverable amount of goodwill at the reporting date was determined based on a value-in-use calculation by discounting the future cash flows generated from the continuing use of the CGU and was based on the following assumptions:

(i) Pre-tax cash flow projection based on the most recent financial budgets covering a five years period;

(ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of the CGU is 4% (2018: 4%); and

(iii) Pre-tax discount rate of 8.5% (2018: 8.5%) per annum has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of capital.

The value assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amount.

(c) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

8. Inventories

	Group	
	2019	**2018**
	RM	**RM**
At cost		
EDC terminals	3,675,813	-
Prepaid airtime	742,299	-
	4,418,112	-

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

9. Trade Receivables

	Group	
	2019	**2018**
	RM	**RM**
Trade receivables	18,635,175	9,522,259
Less: Accumulated impairment losses	(573,508)	(296,019)
	18,061,667	9,226,240

Trade receivables are non-interest bearing and are generally on 30 days (2018: 30 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses are as follows:

	Lifetime allowance RM	**Credit impaired RM**	**Loss allowance RM**
Group			
At 1 July 2018	-	296,019	296,019
Effect of adopting MFRS 9 [Note 2(a)(i)(d)]	144,802	-	144,802
Impairment losses recognised	5,326	512,763	518,089
Impairment losses reversed	(89,243)	(296,159)	(385,402)
At 30 June 2019	60,885	512,623	573,508
At 1 July 2017	-	443,692	443,692
Impairment losses recognised	-	296,019	296,019
Impairment losses reversed	-	(500)	(500)
Written off	-	(443,192)	(443,192)
At 30 June 2018	-	296,019	296,019

9. Trade Receivables (Cont'd)

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The ageing analysis of trade receivables at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2019			
Not past due	13,834,625	(28,256)	13,806,369
Past due			
Less than 30 days	1,814,100	(8,026)	1,806,074
31 to 60 days	754,075	(6,338)	747,737
61 to 90 days	215,338	(808)	214,530
More than 90 days	1,504,414	(17,457)	1,486,957
	4,287,927	(32,629)	4,255,298
Credit impaired			
Individually impaired	512,623	(512,623)	-
	18,635,175	(573,508)	18,061,667
2018			
Not past due nor impaired	4,427,775	-	4,427,775
Past due but not impaired			
Less than 30 days	1,904,404	-	1,904,404
31 to 60 days	1,007,213	-	1,007,213
61 to 90 days	364,867	-	364,867
More than 90 days	1,521,981	-	1,521,981
	4,798,465	-	4,798,465
Credit impaired			
Individually impaired	296,019	(296,019)	-
	9,522,259	(296,019)	9,226,240

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2019, trade receivables of the Group of RM4,255,298 (2018: RM4,798,465) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that is individually assessed to be impaired amounting to RM512,623 (2018: RM296,019), relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

The Group's credit exposure is concentrated mainly on 3 debtors (2018: 1 debtor), which accounted for 69% (2018: 33%) of total trade receivables as at 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

10. Other Receivables

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Other receivables	235,256	117,839	-	-
Deposits	385,015	360,220	1,000	-
Prepayments	1,006,109	983,072	158,693	231,061
GST receivables	342,255	373,483	-	-
	1,968,635	1,834,614	159,693	231,061

11. Amount Due from/to Subsidiary Companies

These represent unsecured, non-interest bearing advances and repayable on demand.

12. Other Investment

	Group	
	2019	**2018**
	RM	**RM**
Financial asset at fair value through profit or loss		
Unit trust	505,213	-

The fair value of the unit trust was determined by reference to the quoted price in the share market.

13. Fixed Deposits with Licensed Banks

Fixed deposits of the Group with licensed banks amounting to RM480,000 (2018: RM200,000) are pledged as security for acting as the bank's Master Merchant.

The fixed deposits of the Group is subject to interest rate range from 3.15% to 3.20% (2018: 3.15%) per annum and has maturity period range from 30 days to 365 days (2018: 30 days).

14. Share Capital

		Group				Company			
		2019		2018		2019		2018	
	Note	Number of shares Units	Amount RM	Number of shares Units	Amount RM	Number of shares Units	Amount RM	Number of shares Units	Amount RM
Issued and fully paid ordinary shares									
At 1 July		167,136,000	16,713,600	1,000,000	1,000,000*	167,136,000	16,713,600	-	-
Issuance of ordinary shares at date of incorporation (26 September 2017)		-	-	200,000	20,000	-	-	200,000	20,000
Issuance of ordinary shares									
- acquisition of RHSB	(a)	-	-	166,936,000	16,693,600	-	-	166,936,000	16,693,600
- for initial public offering	(b)(i)	55,712,000	20,613,440	-	-	55,712,000	20,613,440	-	-
- acquisition of subsidiary companies	(b)(ii), (b)(iii)	9,150,934	11,107,500	-	-	9,150,934	11,107,500	-	-
Adjustment on acquisition of RHSB		-	-	(1,000,000)	(1,000,000)	-	-	-	-
Share issuance expenses		-	(1,746,505)	-	-	-	(1,746,505)	-	-
At 30 June		231,998,934	46,688,035	167,136,000	16,713,600	231,998,934	46,688,035	167,136,000	16,713,600

* The Company was incorporated on 26 September 2017. Accordingly, the share capital of the Group as at 1 July 2017 refers to the issued and paid up share capital of RHSB.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

14. Share Capital (Cont'd)

(a) In previous financial period, the Company increased its issued and paid up share capital from RM20,000 to RM16,713,600 by way of issuance of 166,936,000 new ordinary shares at an issue price of RM0.10 each for a total consideration of RM16,693,600 as full settlement for the acquisition of the entire issued and paid up share capital of RHSB.

(b) During the financial year, the Company increased its issued and paid up share capital from RM16,713,600 to RM46,688,035 by way of issuance of 64,862,934 new ordinary shares as follows:

(i) 55,712,000 new ordinary shares at an issue price of RM0.37 each for a total cash consideration of RM20,613,440 pursuant to the initial public offering of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

(ii) 5,867,560 new ordinary shares at an issue price of RM1.193 each for a total consideration of RM7,000,000 for the acquisition of remaining non-controlling interests of an indirect subsidiary company as disclosed in Note 5(c).

(iii) 3,283,374 new ordinary shares at an issue price of RM1.251 each for a total consideration of RM4,107,500 for the acquisition of indirect subsidiary companies as disclosed in Note 5(a).

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

15. Reserves

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Merger reserve	(a)	(15,693,600)	(15,693,600)	-	-
Warrant reserve	(b)	61,283,200	-	61,283,200	-
Other reserves	(c)	(67,568,723)	-	(61,283,200)	-
Foreign currency translation reserves	(d)	(17,506)	-	-	-
		(21,996,629)	(15,693,600)	-	-

(a) Merger reserve

The merger reserve arises from the difference between the nominal value of shares issued by the Company and the nominal value of shares of the subsidiary company acquired under the merger method of accounting.

(b) Warrant reserve

This represents the fair value of the warrants issued and is non-distributable.

On 22 January 2019, the Company had issued 111,424,000 warrants pursuant to bonus issue of warrants to all the entitled shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company.

The warrants are constituted under a Deed Poll executed on 27 December 2018 and each warrant entitles the registered holder the right at any time during the exercise period from 15 January 2019 to 14 January 2024 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM1.25 each.

15. Reserves (Cont'd)

(b) Warrant reserve (Cont'd)

The new ordinary shares allotted and issued upon exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

As at 30 June 2019, the total number of warrants that remain unexercised were 111,424,000 units.

(c) Other reserves

Other reserves comprise of the followings:

(i) the difference between the Group's share of net assets before and after the acquisition of equity interest from its non-controlling interests, and any consideration paid; and

(ii) fair value of warrants issued.

(d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

16. Bank Borrowings

	Group	
	2019	**2018**
	RM	**RM**
Secured		
Term loans	5,359,975	6,987,800
Bank overdraft	-	983,380
	5,359,975	7,971,180
Analysed as:		
Non-Current		
Term loans	5,197,513	6,792,810
Current		
Term loans	162,462	194,990
Bank overdraft	-	983,380
	162,462	1,178,370
	5,359,975	7,971,180

The term loans and bank overdraft are secured by the followings:

(a) legal charge over freehold land and building and leasehold building as disclosed in Note 4(a); and

(b) joint and several guarantee by certain Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

16. Bank Borrowings (Cont'd)

The interest rates per annum at the reporting date are as follows:

	Group	
	2019	**2018**
	%	**%**
Term loans	4.42	4.42
Bank overdraft	-	8.17

Maturity of bank borrowings is as follows:

	Group	
	2019	**2018**
	RM	**RM**
Within one year	162,462	1,178,370
Between one and two years	170,095	204,151
Between two and three years	178,086	213,743
Between three and four years	186,453	223,785
Between four and five years	195,213	234,299
After five years	4,467,666	5,916,832
	5,359,975	7,971,180

17. Finance Lease Liabilities

	Group	
	2019	**2018**
	RM	**RM**
Minimum lease payments		
Within one year	188,436	62,676
Later than one year and not later than two years	188,436	62,676
Later than two years and not later than five years	489,727	179,837
Later than five years	129,202	173,301
	995,801	478,490
Less: Future finance charges	(113,585)	(80,269)
Present value of minimum lease payments	882,216	398,221
Present value of minimum lease payments		
Within one year	152,745	45,227
Later than one year and not later than two years	160,146	46,841
Later than two years and not later than five years	448,129	147,995
Later than five years	121,196	158,158
	882,216	398,221
Analysed as:		
Repayable within twelve months	152,745	45,227
Repayable after twelve months	729,471	352,994
	882,216	398,221

17. Finance Lease Liabilities (Cont'd)

The effective interest rate of finance lease liabilities of the Group as at reporting date range from 1.68% to 2.74% (2018: 4.43% to 6.34%) per annum.

The Group leases motor vehicles under finance lease [Note 4(b)]. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

18. Deferred Tax Liabilities

	Group	
	2019 RM	**2018 RM**
At 1 July	367,190	881,141
Acquisition through business combination	10,000	-
Recognised in profit or loss (Note 27)	281,968	(513,951)
At 30 June	659,158	367,190

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2019 RM	**2018 RM**
Deferred tax liabilities	668,558	367,190
Deferred tax assets	(9,400)	-
	659,158	367,190

The components and movements of deferred tax liabilities and assets are as follows:

	Accelerated capital allowances RM	**Others RM**	**Total RM**
Group			
Deferred tax liabilities			
At 1 July 2018	367,190	-	367,190
Acquisition through business combination	10,000	-	10,000
Recognised in profit or loss	(1,793)	87,995	86,202
Under/(Over) provision in prior year	233,056	(27,890)	205,166
At 30 June 2019	608,453	60,105	668,558

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

18. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets are as follows: (Cont'd)

	Accelerated capital allowances RM	Others RM	Total RM
Group			
Deferred tax liabilities			
At 1 July 2017	886,048	-	886,048
Recognised in profit or loss	(337,172)	-	(337,172)
Over provision in prior year	(181,686)	-	(181,686)
At 30 June 2018	367,190	-	367,190

	Unutilised capital allowances RM	Others RM	Total RM
Group			
Deferred tax assets			
At 1 July 2018	-	-	-
Recognised in profit or loss	-	(9,400)	(9,400)
At 30 June 2019	-	(9,400)	(9,400)
At 1 July 2017	(4,907)	-	(4,907)
Recognised in profit or loss	58	-	58
Over provision in prior year	4,849	-	4,849
At 30 June 2018	-	-	-

Deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability:

	Group	
	2019 RM	2018 RM
Unutilised tax losses	-	17,997
Decelerated capital allowances	163,746	2,382
Others	669,866	461,766
	833,612	482,145

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or it has arisen in subsidiary companies that have a recent history of losses.

19. Trade Payables

The normal trade credit terms granted to the Group is 30 days (2018: 30 days) depending on the terms of the contracts.

20. Other Payables

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Other payables	2,751,065	13,179,346	52,573	261,981
Accruals	1,364,326	1,062,626	41,000	128,000
Deposits	2,352,721	2,162,896	-	-
GST payables	126,921	137,405	-	-
Provision	-	1,505	-	-
Contingent consideration	4,060,545	-	-	-
	10,655,578	16,543,778	93,573	389,981

Contingent consideration relates to contingent consideration payable arising from acquisition of subsidiary companies as disclosed in Note 5(a). There have been no changes in the fair value of the contingent consideration since the acquisition date.

21. Contract Liabilities

	Group	
	2019 RM	2018 RM
Deferred revenue	640,131	461,717

Deferred revenue represents advance consideration received (or an amount of consideration is due) from the customer in respect of services which are yet to be provided. The deferred revenue will be recognised as revenue when the related services is rendered.

22. Amount Due to Directors

This represents unsecured, non-interest bearing advances and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

23. Derivative Financial Liability

	Group 2019 Contract/ Notional amount RMB	Group 2019 Financial liability RM	Group 2018 Contract/ Notional amount RMB	Group 2018 Financial liability RM
Non-hedging derivative:				
Current				
Forward currency contract	-	-	6,525,285	(18,923)

In previous financial year, the Group has a forward currency contract to manage some of the transaction exposure. This contract is not designated as cash flow or fair value hedge and is entered into for periods consistent with the currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contract is used to manage the foreign currency denominated in RMB arising from the Group's payables. The maturity of the forward currency contract has maturity of less than one year after the end of the reporting period.

In previous financial year, the Group recognised a loss of RM18,923 arising from fair value changes of derivative liability. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

24. Revenue

	Group 2019 RM	Group 2018 RM
Revenue from contracts with customers		
Gross receivables from electronic transactions	669,756,774	1,019,181,492
Less: Gross payables for electronic transactions	(654,779,110)	(1,004,477,110)
Net receivables from electronic transactions	14,977,664	14,704,382
Payment gateway	4,766,876	2,012,947
Sales of EDC terminals	21,493,000	4,419,926
Project revenue	430,831	408,458
Software development	608,978	682,120
Service rendered	755,929	-
Sale of prepaid airtime	144,781	-
Service maintenance fee	3,265,112	1,958,416
	46,443,171	24,186,249
Other revenue		
Rental of EDC terminals	11,538,665	11,177,206
	57,981,836	35,363,455

24. Revenue (Cont'd)

	Group 2019 RM	Group 2018 RM
Revenue from contracts with customers		
- Sales of goods and prepaid airtime	21,637,781	4,419,926
- Rendering of services	24,805,390	19,766,323
	46,443,171	24,186,249
Timing of revenue recognition		
At a point in time	43,178,059	22,227,833
Over time	3,265,112	1,958,416
Total revenue from contracts with customers	46,443,171	24,186,249

Set below is the disaggregation of the Group's revenue from contracts with customers:

	EDC terminals RM	Electronic transaction processing RM	Solutions and services RM	Total RM
Group				
2019				
Type of goods and services				
Sale of goods	21,493,000	-	144,781	21,637,781
Rendering of services	-	19,744,540	5,060,850	24,805,390
Total revenue from contracts with customers	21,493,000	19,744,540	5,205,631	46,443,171
Geographical market				
Malaysia	21,493,000	19,744,540	5,019,903	46,257,443
United States	-	-	185,728	185,728
	21,493,000	19,744,540	5,205,631	46,443,171
Timing of revenue recognition				
At a point in time	21,493,000	19,744,540	1,940,519	43,178,059
Over time	-	-	3,265,112	3,265,112
Total revenue from contracts with customers	21,493,000	19,744,540	5,205,631	46,443,171

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

24. Revenue (Cont'd)

Set below is the disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	EDC terminals RM	Electronic transaction processing RM	Solutions and services RM	Total RM
Group				
2018				
Type of goods and services				
Sale of goods	4,419,926	-	-	4,419,926
Rendering of services	-	16,717,329	3,048,994	19,766,323
Total revenue from contracts with customers	4,419,926	16,717,329	3,048,994	24,186,249
Geographical market				
Malaysia	3,939,632	16,717,329	2,489,374	23,146,335
Dubai	480,294	-	-	480,294
China	-	-	315,000	315,000
United States	-	-	244,620	244,620
	4,419,926	16,717,329	3,048,994	24,186,249
Timing of revenue recognition				
At a point in time	4,419,926	16,717,329	1,090,578	22,227,833
Over time	-	-	1,958,416	1,958,416
Total revenue from contracts with customers	4,419,926	16,717,329	3,048,994	24,186,249

25. Finance Costs

	Group 2019 RM	2018 RM
Interest expenses on:		
Bank overdraft	33,317	77,485
Finance lease	26,409	5,029
Term loans	278,341	317,674
	338,067	400,188

26. Profit/(Loss) before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Auditors' remuneration				
- statutory	104,300	77,500	35,000	30,000
- under provision in prior year	-	7,000	-	-
- non-statutory	5,000	5,000	5,000	5,000
Bad debts written off				
- trade receivables	105,133	186,853	-	-
- other receivables	9,902	25,000	-	-
Depreciation of property, plant and equipment	6,556,465	4,566,039	-	-
Fair value gain on financial asset at fair value through profit or loss	(1,729)	-	-	-
Non-executive Directors' remuneration				
- fees	132,000	84,000	132,000	84,000
- other emoluments	18,000	9,000	18,000	9,000
Impairment losses on trade receivables	518,089	296,019	-	-
Reversal of impairment losses on trade receivables	(385,402)	(500)	-	-
Loss/(Gain) on foreign exchange				
- realised	230,871	156,951	-	-
- unrealised	(246,579)	(38,065)	10,047	-
Unrealised loss on derivative financial liability	-	18,923	-	-
Rental expenses				
- office/space	392,516	171,356	-	-
- leased equipment	164,817	97,270	-	-
Deposits forfeited	-	(11,968)	-	-
Bad debts recovered	(3,960)	(6,377)	-	-
Gain on disposal of property, plant and equipment	(64,040)	(41,273)	-	-
Property, plant and equipment written off	1	-	-	-
Interest income	(129,399)	(122,528)	(6,526)	-
Reversal of over provision of point redemption in prior year	(1,505)	-	-	-
Rental income	-	(21,000)	-	-

27. Taxation

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Tax expenses recognised in profit or loss				
Malaysian income tax				
Current tax provision	2,113,228	2,646,270	1,116	-
(Over)/Under provision in prior years	(72,787)	177,507	-	-
	2,040,441	2,823,777	1,116	-

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

27. Taxation (Cont'd)

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Deferred tax (Note 18)				
Relating to origination and reversal of temporary differences	76,802	(337,114)	-	-
Under/(Over) provision in prior years	205,166	(176,837)	-	-
	281,968	(513,951)	-	-
	2,322,409	2,309,826	1,116	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 18% on the first RM500,000 and 24% on the balance of chargeable income) of the estimated assessable profits for the financial year/period. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company Financial Period From 26 Sept 2017 to 30 June 2018 RM
Profit/(Loss) before tax	11,414,214	9,333,834	(1,824,955)	(317,140)
At Malaysian statutory tax rate of 24% (2018: 24%)	2,739,411	2,240,120	(437,989)	(76,114)
Tax incentive obtained from differential tax rate of 18% (2018:18%)	(35,418)	(120,000)	(372)	-
Effect of different tax rate in other jurisdictions	9,449	-	-	-
Expenses not deductible for tax purposes	1,074,175	515,675	440,197	76,114
Income not subject to tax	(94,768)	(13,212)	(720)	-
Income exempted under pioneer status	(1,587,172)	(389,852)	-	-
Deferred tax assets not recognised	88,672	76,425	-	-
Utilisation of brought forward tax losses	(4,319)	-	-	-
(Over)/Under provision in prior years				
- income tax	(72,787)	177,507	-	-
- deferred tax	205,166	(176,837)	-	-
Tax expenses for the financial year/period	2,322,409	2,309,826	1,116	-

An indirect subsidiary company of the Company was granted pioneer status by Malaysian Investment Development Authority under the provisions of the Promotion of Investment Act, 1986 on 13 July 2016. By virtue of this pioneer status, the indirect subsidiary company's statutory income from pioneer activities during the pioneer period is exempted from income tax. Dividends declared out of such profits are also exempted from income tax in the hands of the shareholders. This status exempts 100% of the statutory income. The exemption expires on 12 July 2021.

27. Taxation (Cont'd)

The Group has the following estimated unutilised tax losses available for set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

	Group	
	2019	**2018**
	RM	**RM**
Unutilised tax losses	-	17,997

28. Basic Earnings Per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2019	**2018**
Profit for the financial year, attributable to owners of the parent (RM)	8,568,683	6,775,327
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 July	167,136,000	200,000
Effect of ordinary shares issued during the financial year	54,822,777	166,936,000
Weighted average number of ordinary shares as at 30 June	221,958,777	167,136,000
Basic earnings per ordinary share (sen)	3.86	4.05

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

28. Basic Earnings Per Share (Cont'd)

(b) Diluted earnings per share

Diluted earnings per share are calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2019	**2018**
Profit for the financial year, attributable to owners of the parent (RM)	8,568,683	6,775,327
Weighted average number of ordinary shares used in the calculation of basic earnings per share	221,958,777	167,136,000
Adjusted for:		
Effect of conversion of warrants	*	-
Contingently issuable ordinary shares for acquisition of subsidiary companies	3,283,372	-
Weighted average number of ordinary shares as at 30 June	225,242,149	167,136,000
Diluted earnings per ordinary share (sen)	3.80	4.05

* The number of shares under warrants was not taken into account in the computation of diluted earnings per share as the warrants do not have any dilutive effect on weighted average number of ordinary shares.

29. Staff Costs

	Group	
	2019	**2018**
	RM	**RM**
Fees	45,600	-
Salaries, wages and other emoluments	10,906,140	7,492,731
Defined contribution plans	1,228,399	927,155
Social security contributions	72,493	58,074
Others	527,959	417,993
Benefit-in-kind	197,073	153,180
	12,977,664	9,049,133

29. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group	
	2019 RM	**2018 RM**
Fees	45,600	-
Salaries and other emoluments	2,248,578	1,980,000
Defined contribution plans	268,820	237,600
Social security contributions	3,499	2,896
Others	400	188
Benefit-in-kind	197,073	153,180
	2,763,970	2,373,864

30. Financial Guarantees

	Group	
	2019 RM	**2018 RM**
Secured		
Performance guarantee given to Payment Network Malaysia Sdn. Bhd.	470,000	-
Bank guarantee given to third parties in favour of contracts entered into by Revenue Harvest Sdn. Bhd. and Revenue Solution Sdn. Bhd.	-	900,000
	470,000	900,000

31. Reconciliation of Liabilities Arising from Financing Activities

The table below show the detail changes in the liabilities of the Group arising from financing activities:

	Note	**At 1 July RM**	**Financing cash flows (i) RM**	**New finance lease [Note 4(c)] RM**	**At 30 June RM**
Group					
2019					
Bank overdraft	16	983,380	(983,380)	-	-
Term loans	16	6,987,800	(1,627,825)	-	5,359,975
Finance lease liabilities	17	398,221	(84,005)	568,000	882,216
		8,369,401	(2,695,210)	568,000	6,242,191

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

31. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below show the detail changes in the liabilities of the Group arising from financing activities: (Cont'd)

	Note	At 1 July RM	Financing cash flows (i) RM	New finance lease [Note 4(c)] RM	At 30 June RM
Group					
2018					
Bank overdraft	16	960,724	22,656	-	983,380
Term loans	16	7,187,784	(199,984)	-	6,987,800
Finance lease liabilities	17	437,779	(356,558)	317,000	398,221
		8,586,287	(533,886)	317,000	8,369,401

(i) The cash flows from bank overdraft, term loans and finance lease liabilities make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

32. Capital Commitment

	Group 2019 RM	2018 RM
Authorised and contracted for:		
Purchase of software	1,484,000	-

33. Operating Lease Commitment – As Lessee

The future minimum lease payments payable under non-cancellable operating lease are:

	Group 2019 RM	2018 RM
Within one year	241,987	142,112
Later than one year but not later than two years	35,160	112,387
Later than two years but not later than three years	3,600	13,560
	280,747	268,059

The Group leases a number of offices under non-cancellable operating lease agreements. The lease terms are between 1 to 3 years, and the majority of lease agreements are renewable at the end of the lease period at market rate. None of the leases includes contingent rentals.

34. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the Group and the Company do not have any transaction with related party during the financial year.

(c) Compensation of key management personnel

Remunerations of the Directors and other members of key management are as follows:

	Group		**Company**	
	2019 RM	**2018 RM**	**2019 RM**	**Financial Period From 26 Sept 2017 to 30 June 2018 RM**
Fees	177,600	84,000	132,000	84,000
Salaries and other emoluments	3,324,574	2,579,266	18,000	9,000
Defined contribution plans	386,399	308,500	-	-
Social security contributions	8,166	6,206	-	-
Others	866	39,979	-	-
Benefit-in-kind	197,073	153,180	-	-
	4,094,678	3,171,131	150,000	93,000

35. Segment Information

The main business segments of the Group comprise the followings:

EDC terminals	:	Distribution, deployment and maintenance of EDC terminals
Electronic transaction processing	:	Provision of electronic transaction processing services for credit/debit cards and electronic money payment scheme, where the Group acts as Acquirer, Master Merchant or Third-Party Payment Processor
Solutions and services	:	Provision of solutions and services in relation to payment gateway, payment network security and payment infrastructure
	:	Provision of digital payment solutions and services such as mobile top up, phone bill payment, utilities bill payment, game credits, entertainment and ticketing services
	:	Provision of procurement services of consumer goods from e-commerce websites, provision of cross border logistics and last mile delivery in Malaysia

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross profit of each segment and is measured consistently with gross profit in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

35. Segment Information (Cont'd)

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

	EDC terminals RM	Electronic transaction processing RM	Solutions and services RM	Total RM
2019				
Total revenue	52,448,485	19,744,540	15,735,463	87,928,488
Inter-segment revenue	(17,760,480)	-	(12,186,172)	(29,946,652)
Revenue from external customers	34,688,005	19,744,540	3,549,291	57,981,836
Cost of sales	(20,543,630)	(4,737,137)	(837,182)	(26,117,949)
Segment gross profit	14,144,375	15,007,403	2,712,109	31,863,887
Other income				524,736
Administrative expenses				(20,505,358)
Net loss on impairment of financial instruments				(130,958)
Finance costs				(338,067)
Share of results of an associate, net of tax				(26)
Profit before tax				11,414,214
Taxation				(2,322,409)
Profit for the financial year				9,091,805
2018				
Total revenue	20,805,160	16,717,329	7,506,464	45,028,953
Inter-segment revenue	(5,208,028)	-	(4,457,470)	(9,665,498)
Revenue from external customers	15,597,132	16,717,329	3,048,994	35,363,455
Cost of sales	(7,561,572)	(3,788,354)	(1,073,105)	(12,423,031)
Segment gross profit	8,035,560	12,928,975	1,975,889	22,940,424
Other income				406,095
Administrative expenses				(13,316,978)
Net loss on impairment of financial instruments				(295,519)
Finance costs				(400,188)
Profit before tax				9,333,834
Taxation				(2,309,826)
Profit for the financial year				7,024,008

35. Segment Information (Cont'd)

Adjustments and eliminations

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Interest income, finance costs, depreciation and amortisation and other non-cash items are not allocated to individual segments as the underlying instruments are managed on a group basis.

(iii) current taxes and deferred tax liabilities are not allocated to individual segments as the underlying instruments are managed on a group basis.

Geographic information

Revenue based on the geographical location of customers are as follows:

	2019 RM	2018 RM
Malaysia	57,796,108	34,323,541
Dubai	-	480,294
China	-	315,000
United States of America ("USA")	185,728	244,620
	57,981,836	35,363,455

Major customers

Revenue from major customers with revenue equal or more than 10% of the Group's revenue is as follows:

	Segment	Revenue 2019 RM	Revenue 2018 RM
Company A	Electronic transaction processing	10,845,200	8,547,629
Company B	EDC terminals and electronic transaction processing	3,485,638	4,214,751
Company C	EDC terminals and electronic transaction processing and solutions and services	14,278,828	3,004,500
Company D	EDC terminals and electronic transaction processing	9,292,205	-
		37,901,871	15,766,880

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

36. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets at amortised cost RM	Financial asset at FVTPL RM	Financial liabilities measured at amortised cost RM	Financial liability measured at FVTPL RM	Total carrying amount RM
Group					
2019					
Financial assets					
Trade receivables	18,061,667	-	-	-	18,061,667
Other receivables	620,271	-	-	-	620,271
Other investment	-	505,213	-	-	505,213
Fixed deposits with licensed banks	710,000	-	-	-	710,000
Cash and bank balances	22,954,583	-	-	-	22,954,583
	42,346,521	505,213	-	-	42,851,734
Financial liabilities					
Trade payables	-	-	13,778,743	-	13,778,743
Other payables	-	-	6,468,112	4,060,545	10,528,657
Amount due to Directors	-	-	123,856	-	123,856
Bank borrowings	-	-	5,359,975	-	5,359,975
Finance lease liabilities	-	-	882,216	-	882,216
	-	-	26,612,902	4,060,545	30,673,447

36. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At fair value through profit or loss RM	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
Group				
2018				
Financial assets				
Trade receivables	-	9,226,240	-	9,226,240
Other receivables	-	478,059	-	478,059
Fixed deposits with licensed banks	-	544,790	-	544,790
Cash and bank balances	-	14,715,037	-	14,715,037
	-	24,964,126	-	24,964,126
Financial liabilities				
Trade payables	-	-	3,030,618	3,030,618
Other payables	-	-	16,404,868	16,404,868
Amount due to Directors	-	-	78,012	78,012
Derivative financial liability	18,923	-	-	18,923
Bank borrowings	-	-	7,971,180	7,971,180
Finance lease liabilities	-	-	398,221	398,221
	18,923	-	27,882,899	27,901,822

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

36. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets at amortised cost RM	**Financial liabilities measured at amortised cost RM**	**Total carrying amount RM**
Company			
2019			
Financial assets			
Other receivables	1,000	-	1,000
Amount due from subsidiary companies	26,326,227	-	26,326,227
Cash and bank balances	1,429,193		1,429,193
	27,756,420	-	27,756,420
Financial liability			
Other payables	-	93,573	93,573

	Loans and receivables RM	**Financial liabilities measured at amortised cost RM**	**Total carrying amount RM**
2018			
Financial asset			
Cash and bank balances	50,072	-	50,072
Financial liabilities			
Other payables	-	389,981	389,981
Amount due to a subsidiary company	-	188,292	188,292
	-	578,273	578,273

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, deposits with banks and financial guarantees provided to a bank for bank guarantee facility granted to certain subsidiary companies. The Company's exposure to credit risk arises principally from amount due from subsidiary companies and deposits with banks. There are no significant changes as compared to prior periods.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group assesses whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk. The Group has no significant concentration of credit risk except as disclosed in Note 9. The Company has no significant concentration of credit risk except for advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2019						
Non-derivative financial liabilities						
Trade payables	13,778,743	-	-	-	13,778,743	13,778,743
Other payables	10,528,657	-	-	-	10,528,657	10,528,657
Amount due to Directors	123,856	-	-	-	123,856	123,856
Bank borrowings	405,624	405,624	1,216,872	6,253,370	8,281,490	5,359,975
Finance lease liabilities	188,436	188,436	489,727	129,202	995,801	882,216
Financial guarantee	470,000	-	-	-	470,000	-
	25,495,316	594,060	1,706,599	6,382,572	34,178,547	30,673,447
2018						
Non-derivative financial liabilities						
Trade payables	3,030,618	-	-	-	3,030,618	3,030,618
Other payables	16,404,868	-	-	-	16,404,868	16,404,868
Amount due to Directors	78,012	-	-	-	78,012	78,012
Bank borrowings	1,495,732	512,352	1,537,056	8,446,688	11,991,828	7,971,180
Finance lease liabilities	62,676	62,676	179,837	173,301	478,490	398,221
Financial guarantee	900,000	-	-	-	900,000	-
	21,971,906	575,028	1,716,893	8,619,989	32,883,816	27,882,899

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
2019						
Non-derivative financial liability						
Other payables	93,573	-	-	-	93,573	93,573
2018						
Non-derivative financial liabilities						
Other payables	389,981	-	-	-	389,981	389,981
Amount due to a subsidiary company	188,292	-	-	-	188,292	188,292
	578,273	-	-	-	578,273	578,273

The Group provides secured financial guarantee to a licensed bank in respect of bank guarantee facilities granted to subsidiary companies and monitors on an ongoing basis the performance of the subsidiary company. As at reporting date, there is no indication that the subsidiary companies would default.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD), Chinese Renminbi (RMB), Singapore Dollar (SGD) and Euro (Euro).

In order to mitigate the Group's foreign currency risk, the Group continues to monitor its exposure to foreign currency movements on a regular basis in order for the management to assess on the need to utilise financial instruments to hedge its currency exposure, taking into account factors such as the foreign currency involved, exposure periods and transaction costs.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in USD	
	2019	**2018**
	RM	**RM**
Group		
Trade receivables	289,345	285,705
Cash and bank balances	464,425	763,011
Trade payables	(12,888,253)	(2,832,996)
Other payables	(21,494)	(2,858,550)
	(12,155,977)	(4,642,830)

	Denominated in RMB	
	2019	**2018**
	RM	**RM**
Group		
Cash and bank balances	844,558	2,155,861

	Denominated in SGD	
	2019	**2018**
	RM	**RM**
Group		
Cash and bank balances	8,588	8,706

	Denominated in Euro	
	2019	**2018**
	RM	**RM**
Group		
Other payables	(280,144)	-

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, RMB, SGD and Euro exchange rates against RM, with all other variables held constant.

	2019 Change in currency rate	2019 Effect on profit before tax RM	2018 Change in currency rate	2018 Effect on profit before tax RM
Group				
USD	Strengthened 1%	(121,560)	Strengthened 1%	(46,428)
	Weakened 1%	121,560	Weakened 1%	46,428
RMB	Strengthened 1%	8,446	Strengthened 1%	21,559
	Weakened 1%	(8,446)	Weakened 1%	(21,559)
SGD	Strengthened 1%	86	Strengthened 1%	87
	Weakened 1%	(86)	Weakened 1%	(87)
Euro	Strengthened 1%	(2,801)	Strengthened 1%	-
	Weakened 1%	2,801	Weakened 1%	-

(b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks and financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2019	**2018**
	RM	**RM**
Fixed rate instruments		
Fixed deposits with licensed banks	710,000	544,790
Finance lease liabilities	(882,216)	(398,221)
	(172,216)	146,569
Floating rate instruments		
Bank overdraft	-	(983,380)
Term loans	(5,359,975)	(6,987,800)
	(5,359,975)	(7,971,180)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM53,600 (2018: RM79,712), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(iv) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instrument. This investment is classified as financial assets at fair value through profit or loss.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The carrying amount of long-term floating rate loans and borrowings approximate their fair value as the loans will be re-priced to market interest rate on or near reporting date.

36. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value are disclosed, together with their fair value and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
Group										
2019										
Financial asset										
Other investment	505,213	-	-	505,213	-	-	-	-	505,213	505,213
Financial liability										
Finance lease liabilities (non-current)	-	-	-	-	-	669,350	-	669,350	669,350	729,471
2018										
Financial liability										
Finance lease liabilities (non-current)	-	-	-	-	-	348,534	-	348,534	348,534	352,994

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

36. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

37. Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Total loans and borrowings	6,242,191	8,369,401	-	-
Less: Cash and cash equivalents (exclude bank overdraft)	(23,184,583)	(15,059,827)	(1,429,193)	(50,072)
Total excess funds	(16,942,392)	(6,690,426)	(1,429,193)	(50,072)
Total equity	56,119,572	23,737,627	44,544,824	16,396,460
Gearing ratio (times)	*	*	*	*

* Gearing ratio is not applicable to the Group and to the Company as the cash and cash equivalents as at 30 June 2019 and 30 June 2018 was sufficient to cover the entire borrowings obligation.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

38. Comparative Figures

The following reclassifications were made to the financial statements of prior year to be consistent with current year presentation.

	As previously stated RM	Reclassification RM	As restated RM
Group			
Statements of Cash Flows			
Cash Flows From Operating Activities			
Amount due to Directors	-	(230,285)	(230,285)
Cash Flows From Investing Activities			
Net movement of amount due to Directors	(230,285)	230,285	-
Cash Flows From Financing Activities			
Decrease in fixed deposits pledged	75,108	230,000	305,108
Net increase in cash and cash equivalents	5,886,616	230,000	6,116,616
Cash and cash equivalents at the end of the financial year	13,846,447	230,000	14,076,447
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits pledged with licensed banks	430,000	(230,000)	200,000
Company			
Statements of Cash Flows			
Cash Flows from Operating Activities			
Changes in working capital			
Amount due to a subsidiary company	-	188,292	188,292
Cash Flows From Investing Activities			
Net movement of amount due to a subsidiary company	188,292	(188,292)	-

39. Subsequent Events

Subsequent to the financial year, the following subsequent events took place for the Company and its subsidiary company:

(a) The Company

(i) On 22 October 2019, the Company proposed to undertake a bonus issue of up to 230,043,080 bonus shares, on the basis of two bonus shares for every three existing REVENUE shares held by entitled shareholders.

(ii) Subsequent to the financial year, the Company increased its issued and paid up share capital from RM46,688,035 to RM48,741,785 by way of issuance of 1,641,686 new ordinary shares at an issue price of RM1.251 each for a total consideration of RM2,053,750, being second tranche purchase consideration to the vendors as disclosed in Note 5(a)(3)(ii) and 5(a)(4)(ii).

(b) Revenue Harvest Sdn. Bhd. ("RHSB")

Subsequent to the financial year, the Company's subsidiary company, RHSB had incorporated a 51% owned subsidiary company, namely Revenue Secure Sdn. Bhd., a company incorporated in Malaysia under the Companies Act, 2016 with an issue and paid-up share capital of 10,000 ordinary shares of RM1.00 each.

40. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 October 2019.

LIST OF PROPERTIES

Postal Address	Description of Property/ Existing Use	Registered Owner	Land Are a/ Built-up Area	Tenure	Date of Purchase	Age of Building (Years)	Carrying Amount as at 30 June 2019 (RM)
No. 12, Jalan Udang Harimau 2, Kepong Business Park, 51200 Kuala Lumpur	2 ½-storey detached commercial building/ Head Office	Revenue Harvest Sdn Bhd	13,380/ 12,076 square feet	Freehold	15 September 2014	7	6,478,757
No. 25, Jalan Pertama 4, Pusat Dagangan Danga Utama, 81200, Johor Bahru, Johor Darul Takzim	3-storey shop office with mezzanine floor/ Branch Office	Revenue Harvest Sdn Bhd	1,760/ 6,000 square feet	Leasehold expiring 13 April 2111	30 December 2014	6	1,666,739

ANALYSIS OF SHAREHOLDINGS
AS AT 3 OCTOBER 2019

SHARE CAPITAL

Total Number of Issued Shares	:	232,978,650
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 3 OCTOBER 2019

Size of Holding	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 – 99	17	0.43	337	0.00
100 – 1,000	1,070	26.94	680,043	0.30
1,001 – 10,000	2,075	52.24	9,879,500	4.24
10,001 – 100,000	675	16.99	21,350,883	9.16
100,001 to less than 5% of issued shares	131	3.30	74,362,731	31.92
5% and above of issued shares	4	0.10	126,705,156	54.38
Total	**3,972**	**100.00**	**232,978,650**	**100.00**

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows: -

		No. of shares held			
No.	**Name of Directors**	**Direct Interest**	**%**	**Indirect Interest**	**%**
1	Nor Azzam Bin Abdul Jalil	250,000	0.11	-	-
2	Ooi Guan Hoe	120,000	0.05	-	-
3	Ng Chee Keong	-	-	-	-
4	Ng Chee Siong	35,050,252	15.04	-	-
5	Ng Shih Chiow	37,929,034	16.28	-	-
6	Ng Shih Fang	47,929,034	20.57	-	-
7	Lai Wei Keat	3,000,060	1.29	-	-

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows: -

		No. of shares held			
No.	**Name of Substantial Shareholders**	**Direct Interest**	**%**	**Indirect Interest**	**%**
1	Ng Chee Siong	35,050,252	15.04	-	-
2	Ng Shih Chiow	37,929,034	16.28	-	-
3	Ng Shih Fang	47,929,034	20.57	-	-
4	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad – Kenanga Growth Fund	16,674,500	7.16		

ANALYSIS OF SHAREHOLDINGS AS AT 3 OCTOBER 2019

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 3 OCTOBER 2019)

No.	Name of Shareholders	No. of Shares	%
1	NG SHIH CHIOW	37,929,034	16.28
2	NG SHIH FANG	37,929,034	16.28
3	NG CHEE SIONG	34,172,588	14.67
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND	16,674,500	7.16
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG SHIH FANG (PB)	10,000,000	4.29
6	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	6,498,500	2.79
7	POH WEI LIANG	4,678,900	2.01
8	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG GROWTH FUND	3,500,000	1.50
9	LAI WEI KEAT	3,000,060	1.29
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB ISLAMIC SMALL CAP FUND	2,635,600	1.13
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	2,076,000	0.89
12	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KENANGA ISLAMIC FUND	1,472,700	0.63
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB-PRINCIPAL EQUITY FUND	1,340,400	0.58
14	PUBLIC NOMINEES (TEMPATAN) SND BHD PLEDGED SECURITIES ACCOUNT FOR LOW CHUNG MING (E-SS2)	1,238,390	0.53
15	AMANAHRAYA TRUSTEES BERHAD CIMB ISLAMIC EQUITY AGGRESSIVE FUND	1,222,800	0.52
16	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG ASIA- PACIFIC DIVIDEND FUND	1,000,000	0.43
17	AMANAHRAYA TRUSTEES BERHAD CIMB ISLAMIC AL-AZZAM EQUITY FUND	987,700	0.42
18	CARTABAN NOMINEES (TEMPATAN) SDN BHD CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	935,100	0.40
19	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG CHEE SIONG (PB)	877,664	0.38

ANALYSIS OF SHAREHOLDINGS
AS AT 3 OCTOBER 2019

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 3 OCTOBER 2019)

No.	Name of Shareholders	No. of Shares	%
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR MANULIFE INVESTMENT CM SHARIAH FLEXI FD (270785)	837,800	0.36
21	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR RBC INVESTOR SERVICES TRUST (CLIENTS ACCOUNT)	818,800	0.35
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB ISLAMIC BALANCED GROWTH FUND (230122)	812,000	0.35
23	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	810,200	0.35
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	774,800	0.33
25	AMANAHRAYA TRUSTEES BERHAD AFFIN HWANG AIIMAN EQUITY FUND	727,900	0.31
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA ONEPRS GROWTH FUND (420119)	720,500	0.31
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL EQUITY AGGRESSIVEFUND 3 (980050)	693,500	0.30
28	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR CIMB-PRINCIPAL MALAYSIA EQUITY FUND	682,700	0.29
29	AMANAHRAYA TRUSTEES BERHAD CIMB PRINCIPAL EQUITY AGGRESSIVE FUND 1	681,200	0.29
30	TAN LIP HAN	650,060	0.28
	TOTAL	**176,378,430**	**75.71**

ANALYSIS OF WARRANTS HOLDINGS
AS AT 3 OCTOBER 2019

Issued Size	:	111,423,500 Warrants 2019/2024 issued pursuant to the Bonus Issue of Warrants
Number of Warrants Holders	:	3,012

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 3 OCTOBER 2019

Size of Holding	No. of Warrants Holders	% of Warrants Holders	No. of Warrants Held	% of Warrants Held
1 – 99	356	11.82	17,186	0.02
100 – 1,000	617	20.48	363,102	0.33
1,001 – 10,000	1,198	39.77	6,198,442	5.56
10,001 – 100,000	736	24.44	23,953,441	21.50
100,001 to less than 5% of issued warrants	102	3.39	29,875,950	26.80
5,571,175 and above of issued warrants	3	0.10	51,015,379	45.79
Total	**3,012**	**100.000**	**111,423,500**	**100.000**

DIRECTORS' WARRANTS HOLDINGS

The Directors' Warrants holdings based on the Register of Directors' Warrants holdings of the Company are as follows: -

		No. of warrants Held			
No.	**Name of Directors**	**Direct Interest**	**%**	**Indirect Interest**	**%**
1	Nor Azzam Bin Abdul Jalil	50,000	0.04	-	-
2	Ooi Guan Hoe	-	-	-	-
3	Ng Chee Keong	-	-	-	-
4	Ng Chee Siong	17,086,345	15.33	-	-
5	Ng Shih Chiow	16,964,517	15.23	-	-
6	Ng Shih Fang	16,964,517	15.23	-	-
7	Lai Wei Keat	-	-	-	-

SUBSTANTIAL WARRANTS HOLDERS

The substantial warrants holders (holding 5% or more of the issued capital) based on the Register of Substantial Warrants holders of the Company and their warrants holdings are as follows: -

		No. of warrants Held			
No.	**Name of Substantial Warrants holders**	**Direct Interest**	**%**	**Indirect Interest**	**%**
1	Ng Chee Siong	17,086,345	15.33	-	-
2	Ng Shih Chiow	16,964,517	15.23	-	-
3	Ng Shih Fang	16,964,517	15.23	-	-

ANALYSIS OF WARRANTS HOLDINGS AS AT 3 OCTOBER 2019

LIST OF TOP 30 LARGEST WARRANTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 3 OCTOBER 2019)

No.	Name of Warrants holders	No. of Warrants	%
1	NG CHEE SIONG	17,086,345	15.33
2	NG SHIH CHIOW	16,964,517	15.23
3	NG SHIH FANG	16,964,517	15.23
4	AMANAHRAYA TRUSTEES BERHAD CIMB PRINCIPAL EQUITY GROWTH & INCOME FUND	2,827,800	2.54
5	YOONG NGUM YIN	1,020,000	0.92
6	TEO PUI MENG	1,000,000	0.90
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB-PRINCIPAL EQUITY INCOME FUND	889,800	0.80
8	TAN CHONG BOON	850,600	0.76
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW WEI NGEE (7002796)	830,000	0.74
10	WONG TUCK LEE	830,000	0.74
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO PUI MENG (7004172)	760,000	0.68
12	GEH CHA LONG	652,900	0.59
13	YOONG NGUM YIN	605,000	0.54
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG WEE KHIANG	600,000	0.54
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOO KWEE LAN (E-SKC)	582,000	0.52
16	TAN HOUW HOUN	550,000	0.49
17	CHUA TECK KIM	506,000	0.45
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK WENG (MY2166)	500,000	0.45
19	CHEAH LAI PENG	450,000	0.40
20	AFFIN HWANG INVESTMENT BANK BERHAD IVT (SKM)	400,000	0.36

ANALYSIS OF WARRANTS HOLDINGS AS AT 3 OCTOBER 2019

LIST OF TOP 30 LARGEST WARRANTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 3 OCTOBER 2019)

No.	Name of Warrants holders	No. of Warrants	%
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHEA WEI (PENANG-CL)	400,000	0.36
22	OOI CHEE YEN	396,000	0.36
23	ANG ZHI YI	391,200	0.35
24	JOHNNY PHUN CHYE JIN	380,000	0.34
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE SHENG KUANG (7004827)	360,000	0.32
26	LEW PAI LAN	355,000	0.32
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (MY3164)	348,000	0.31
28	YEOH BOON SE0NG	325,000	0.29
29	BONG YEW LEE	320,000	0.29
30	LIM YENG NEE	302,500	0.27
	TOTAL	**68,447,179**	**61.43**

NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second ("2nd") Annual General Meeting ("AGM") of Revenue Group Berhad ("REVENUE" or "the Company") will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 2 December 2019 at 10.00 a.m. or at any adjournment thereof to transact the following business:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of the Directors and Auditors thereon. ***(Please refer to Explanatory Note 1)***

2. To approve the payment of Directors' fees and other benefits of up to RM210,000 payable to Independent Non-Executive Directors of the Company for the period commencing from 3 December 2019 until the conclusion of the next Annual General Meeting of the Company. ***Ordinary Resolution 1***

3. To re-elect Lai Wei Keat who is retire in accordance with Article 107 of the Constitution of the Company. ***Ordinary Resolution 2***

4. To re-elect the following Directors who are retire in accordance with Article 101 of the Constitution of the Company:-
   (i) Nor Azzam Bin Abdul Jalil ***Ordinary Resolution 3***
   (ii) Ng Chee Siong ***Ordinary Resolution 4***

5. To re-appoint Messrs. UHY as the Company's Auditors and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

As Special Business:

To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolution:-

6. **Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." ***Ordinary Resolution 6***

7. To transact any other business of which due notices shall have been given in accordance with the Companies Act, 2016.

By order of the Board,

Tan Tong Lang (MAICSA 7045482)
Heng Chiang Pooh (MAICSA 7009923)
Thien Lee Mee (LS0009760)
Company Secretaries

Kuala Lumpur
31 October 2019

NOTICE OF SECOND ANNUAL GENERAL MEETING

Notes:

1. *This Agenda item is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 and the Company's Constitution provide that the audited financial statements are to be laid in the general meeting. Hence, it is not put forward for voting.*

2. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.*

3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An "exempt authorized nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.*

5. *The instrument appointing a proxy must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Share Registrar office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia at least forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.*

6. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 25 November 2019. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.*

7. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of 2nd AGM will be put to vote by way of poll.*

8. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.*

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

1. **Audited Financial Statements for the financial year ended 30 June 2019**

   The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. **Special Business - Ordinary Resolution 6**
   Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

   The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

   With this General Mandate, the Company will able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
Further details of the Directors standing for re-election are set out in the Directors' Profile Section of the Annual Report.

This page is intentionally left blank

REVENUE GROUP BERHAD
(1248321-D)
(Incorporated in Malaysia)

Number of shares held:-	
CDS account no.:-	

PROXY FORM

I/We, ____

NRIC No ____
(Full name in capital letters)

of ____

____

____
(Full address)

being a *Member/Members of **REVENUE GROUP BERHAD** (1248321-D) hereby appoint (Proxy 1) ____________________ (*NRIC No./Passport No. ____________________) of ____________________ and* failing him/her * (Proxy 2) ____________________ (*NRIC No./Passport No. ____________________) of ____________________ and* failing him/her *, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Second ("2nd") Annual General Meeting ("AGM") to be held Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 2 December 2019 at 10.00 a.m. or at any adjournment thereof to vote as indicated below:-

The proportions of my/our holdings to be represented by our proxy(ies) as follows:-

Proxy 1 - ________________%

Proxy 2 - ________________%

** strike out whichever is inapplicable*

(Please indicate with an "X" in the space provided below on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

No.	Agenda	Resolution	FOR	AGAINST
1.	To approve the payment of Directors' fees and other benefits of up to RM210,000 payable to Independent Non-Executive Directors of the Company for the period commencing from 3 December 2019 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 1		
2.	To re-elect Lai Wei Keat as Director	Ordinary Resolution 2		
3.	To re-elect Nor Azzam Bin Abdul Jalil as Director	Ordinary Resolution 3		
4.	To re-elect Ng Chee Siong as Director	Ordinary Resolution 4		
5.	To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 5		
6.	**As Special Business :** Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016	Ordinary Resolution 6		

Signed on this ______________ day of __________________ 2019.

____
Signature of Shareholder or Common Seal

Notes:

1. *This Agenda item is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 and the Company's Constitution provide that the audited financial statements are to be laid in the general meeting. Hence, it is not put forward for voting.*
2. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An "exempt authorized nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Share Registrar office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia at least forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.*
6. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 25 November 2019. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.*
7. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of 2nd AGM will be put to vote by way of poll.*
8. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.*

Fold this flap for sealing

Then fold here

AFFIX
POSTAGE
STAMP

Share Registrar of
REVENUE GROUP BERHAD (1248321-D)
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

1st fold here

revenue
GROUP BERHAD
Wisma Revenue, No.12, Jalan Udang Harimau 2,
Kepong Business Park, 51200 Kuala Lumpur.
T: +603 9212 0505 F: +603 6242 8785

www.revenue.com.my