



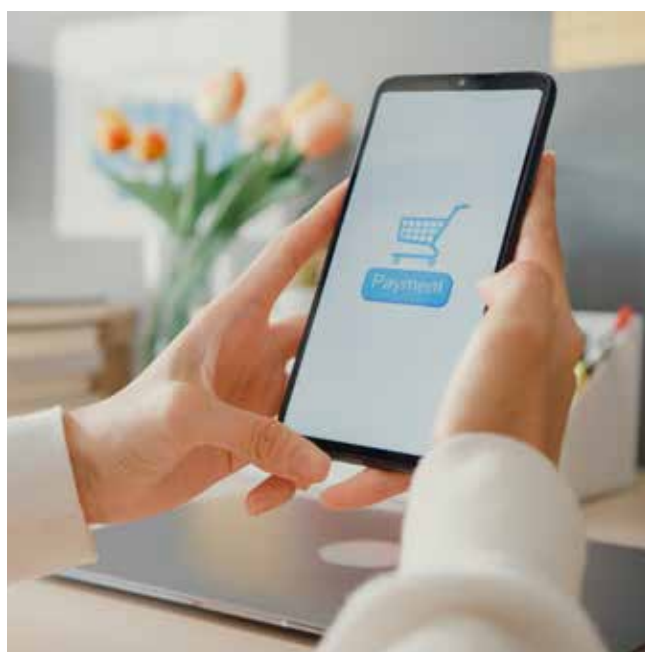
revenue
GROUP BERHAD
REVENUE GROUP BERHAD
(201701034150 (1248321-D))



rev **PAY**

ANNUAL REPORT
2021

CONTENTS



01

OVERVIEW

Corporate Profile	002
Corporate Structure	003
Corporate Information	004
Key Financial Highlights	005
Directors' Profile	007
Profiles of Key Senior Management	015

02

BUSINESS REVIEW

Chairman's Statement	020
Management Discussion & Analysis Statement	022
Corporate Sustainability Statement	033

03

CORPORATE GOVERNANCE
AND FINANCIAL STATEMENTS

Corporate Governance Overview Statement	037
Statement of Directors' Responsibility in Respect of the Audited Financial Statements	046
Audit and Risk Management Committee Report	047
Statement on Risk Management and Internal Control	049
Additional Compliance Information	053
Financial Statements	055

04

OTHERS

List of Properties	193
Analysis of Shareholdings	194
Analysis of Warrants Holdings	197
Notice of Fourth Annual General Meeting	200
Administrative Guide for the Fourth Annual General Meeting	206
Enclosed Proxy Form	-

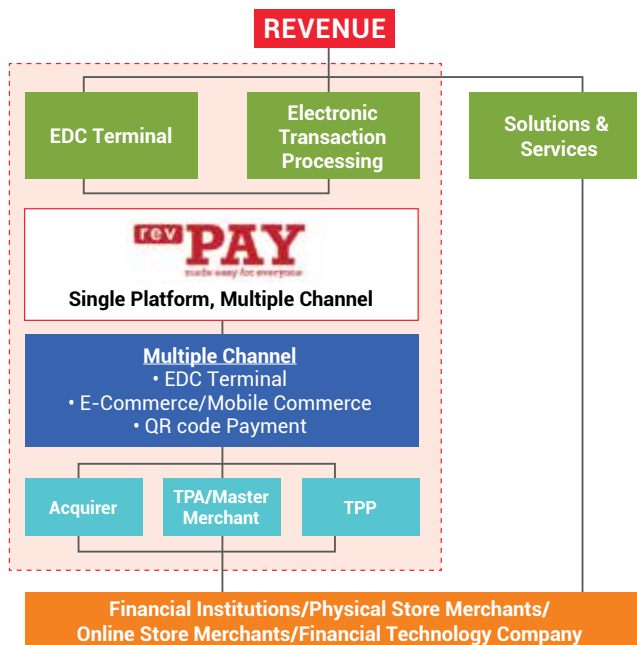
CORPORATE PROFILE

About REVENUE GROUP BERHAD

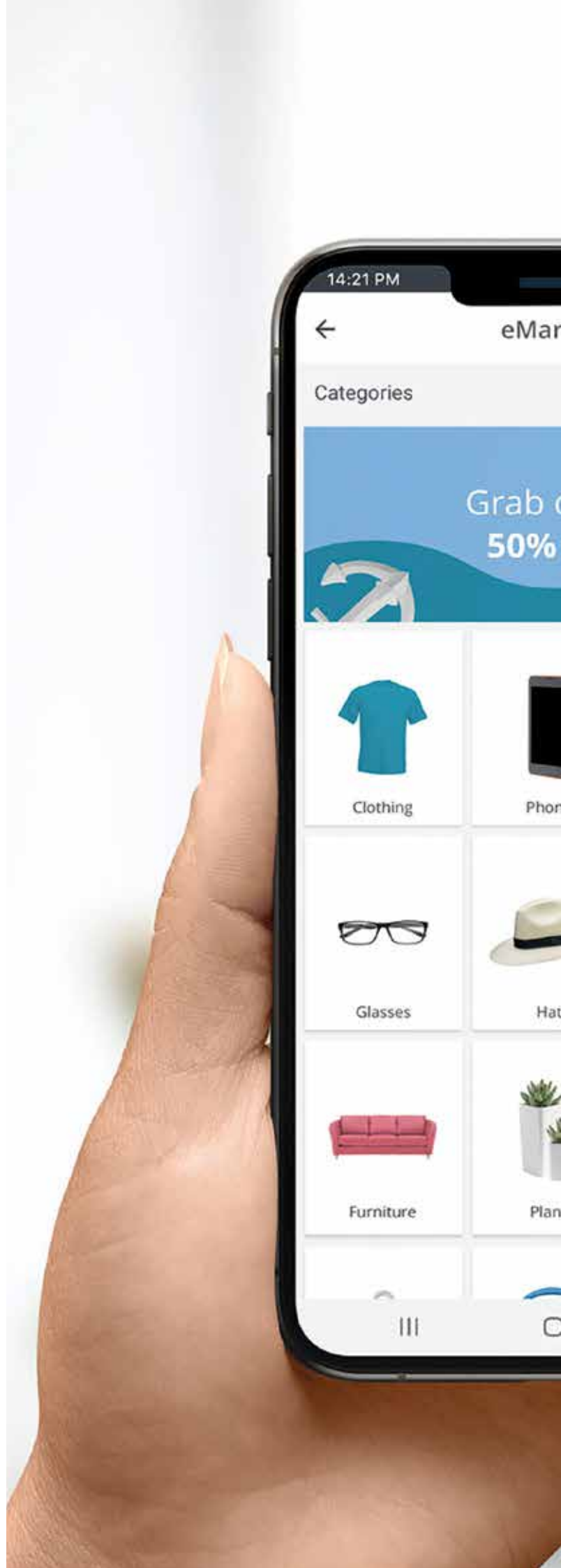
Established in 2003, with more than 15 years of operating history in the electronic payments industry in Malaysia, Revenue Group Berhad ("REVENUE" or "the Group") has been servicing different customers including banks, non-bank institutions, physical store merchants, online store merchants and e-money 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 customised applications based on what you need. Through internal Research and Development ("R&D") 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

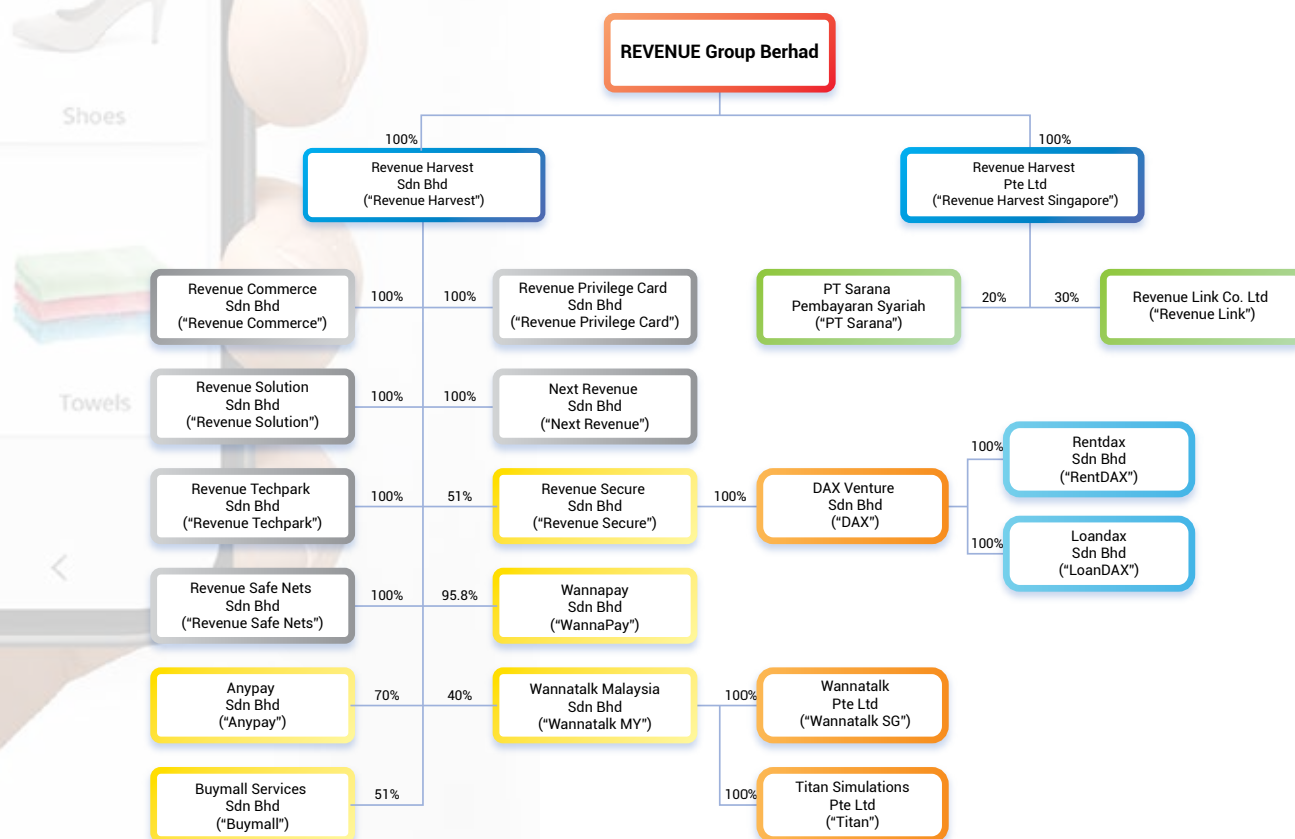
To be at the electronic payment frontier, providing world class e-payment facilities.

OUR MISSION

Pushing technology through R&D, because technology is at the forefront of the payment industry.

CORPORATE STRUCTURE

AS AT 27 OCTOBER 2021



CORPORATE INFORMATION

BOARD OF DIRECTORS

Nor Azzam Bin Abdul Jalil
Independent Non-Executive Chairman

Ooi Guan Hoe
Independent Non-Executive Director

Ng Chee Keong
Independent Non-Executive Director

Loo Jo Anne
Independent Non-Executive Director

Datuk Eddie 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

AUDIT AND RISK MANAGEMENT COMMITTEE

NOMINATION COMMITTEE

REMUNERATION COMMITTEE

CHAIRMAN / CHAIRPERSON

Ooi Guan Hoe
(Independent Non-Executive Director)

Loo Jo Anne
(Independent Non-Executive Director)

Ng Chee Keong
(Independent Non-Executive Director)

MEMBERS

Loo Jo Anne
(Independent Non-Executive Director)

Ooi Guan Hoe
(Independent Non-Executive Director)

Loo Jo Anne
(Independent Non-Executive Director)

Ng Chee Keong
(Independent Non-Executive Director)

Ng Chee Keong
(Independent Non-Executive Director)

Ooi Guan Hoe
(Independent Non-Executive Director)

REGISTERED OFFICE

Level 5, Block B,
Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor
Tel no.: 03-7890 0638
Fax no.: 03-7890 1032

HEAD OFFICE

Wisma Revenue
No. 12,
Jalan Udang Harimau 2,
Kepong Business Park,
51200 Kuala Lumpur
Tel no.: 03-9212 3388
Fax no.: 03-6242 8785

COMPANY SECRETARIES

Tan Tong Lang (MAICSA 7045482)
(SSM PC No. 201908002253)
Heng Chiang Pooh (MAICSA 7009923)
(SSM PC No. 201908001771)
Thien Lee Mee (LS0009760)
(SSM PC No. 201908002254)

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

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

PRINCIPAL BANKER

CIMB Bank Berhad

CORPORATE WEBSITE

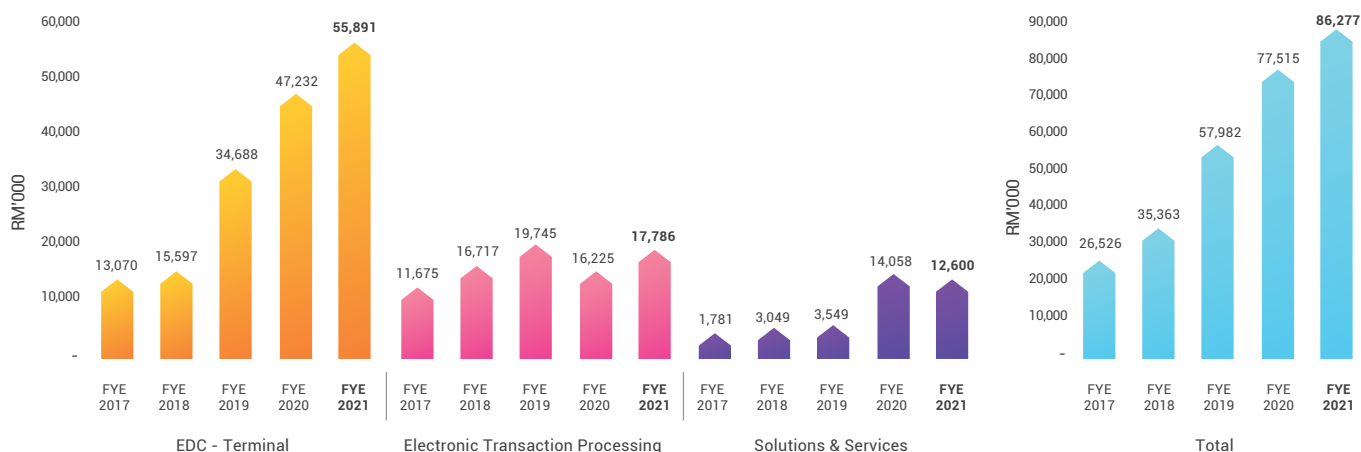
www.revenue.com.my

INVESTOR RELATIONS

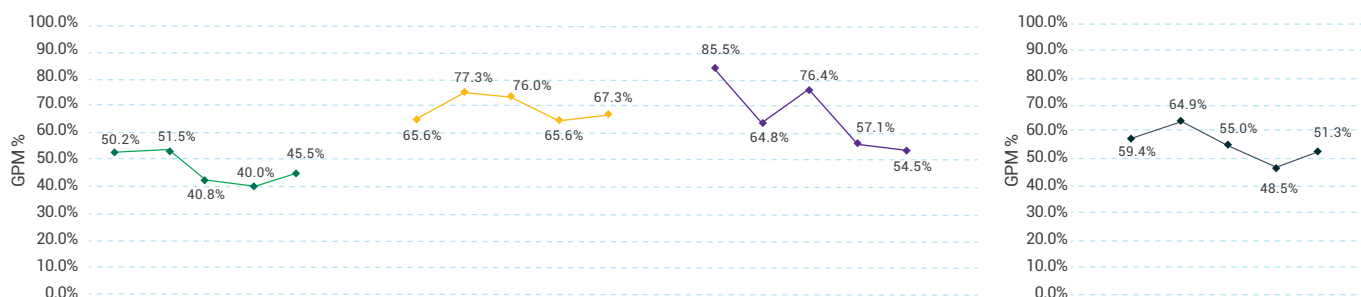
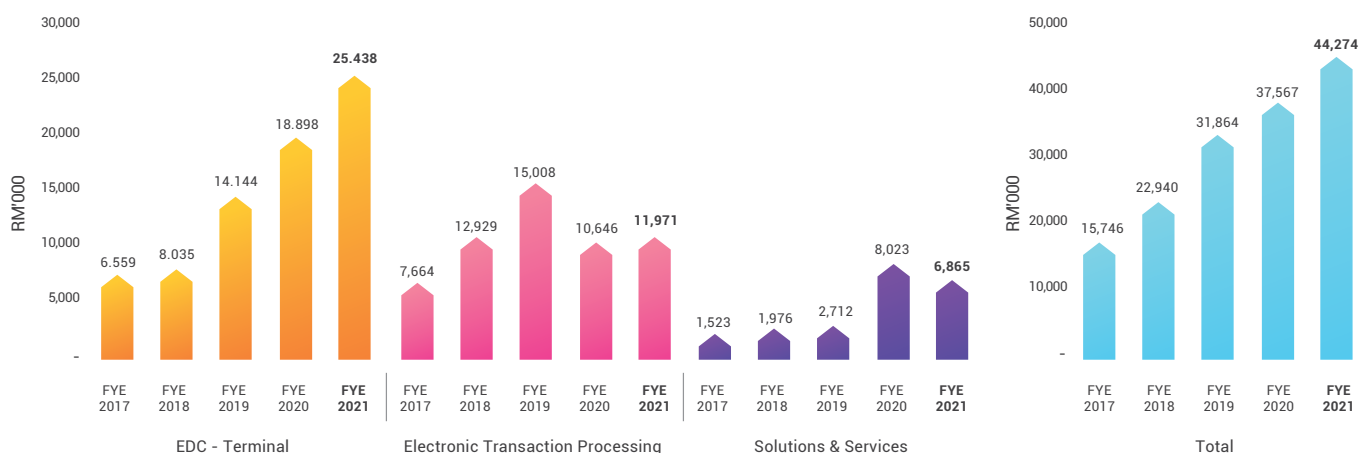
Email: ir@revenue.com.my

FINANCIAL HIGHLIGHTS

Revenue By Business Segments

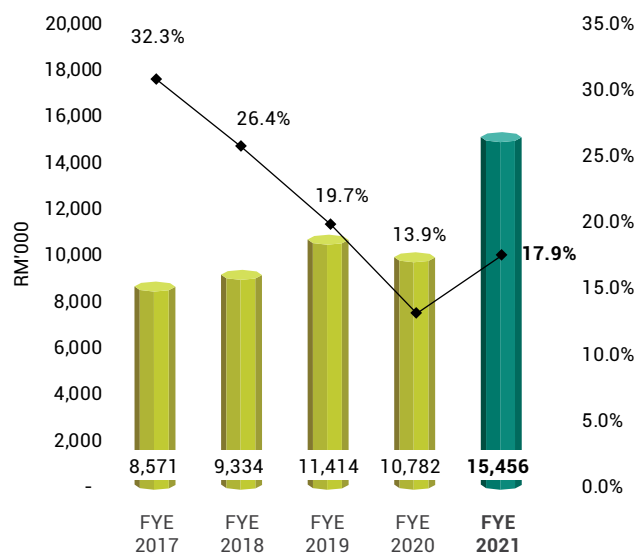


Gross Profit ("GP") & GP Margin By Business Segments

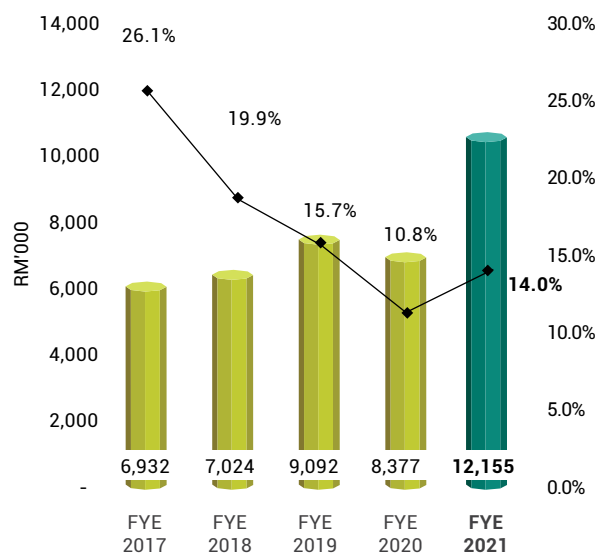


FINANCIAL HIGHLIGHTS

Profit Before Tax ("PBT") & PBT Margin



Profit After Tax ("PAT") & PAT Margin



Note:

REVENUE was only incorporated on 26 September 2017. The FYE 2017 was presented based on historical combined financial statements of Revenue Harvest and its subsidiary companies.



DIRECTORS' PROFILE

01



Nor Azzam Bin Abdul Jalil

Gender

Male

Age

56

Nationality

Malaysian

Position

Independent Non-Executive Chairman
Chairman of Nomination Committee (Ceased on 1 June 2021)
Member of Audit and Risk Management Committee
(Ceased on 1 June 2021)
Member of Remuneration Committee (Ceased on 1 June 2021)

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

He graduated with a Bachelor of Business Administration (Finance) from George Washington University, USA in 1987. Upon his graduation, he was employed as an Executive Trainee by Bank of Commerce (M) Berhad. In 1991, he was promoted as Assistant Vice President responsible for managing the bank's Nostro accounts. In 1993, he moved to the corporate banking department as a Credit Officer and was promoted to Head of Japanese Desk in 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, Japan branch of Bumiputra-Commerce Bank Berhad as General Manager to manage the day-to-day operations of the branch.

He returned to Malaysia in 2005 to be Chief Executive Officer of Commerce Tijari Bank Berhad and was transferred to CIMB Bank Berhad as Regional Director IV (responsible for the South Selangor and Negeri Sembilan branches) 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, responsible for driving retail banking and enterprise banking businesses. He joined Kuwait Finance House (Malaysia) Berhad in the same year as Deputy Chief Executive Officer, where he was responsible for assisting in 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 also sits on the board of Nestcon Berhad as Independent Non-executive Director since August 2020.

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 2021.

DIRECTORS' PROFILE

02

**Datuk Eddie Ng Chee Siong****Gender**

Male

Age

48

Nationality

Malaysian

PositionCo-Founder, Managing Director and
Group Chief Executive Officer

Datuk 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 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 Tricommas 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 Tricommas 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 2021.

DIRECTORS' PROFILE

03

**Mr Brian Ng Shih Chiow****Gender**

Male

Age

48

Nationality

Malaysian

PositionCo-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-to-day 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 Datuk 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 2021.

DIRECTORS' PROFILE

04

**Mr Dino Ng Shih Fang****Gender**

Male

Age

45

Nationality

Malaysian

PositionCo-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 15 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 Datuk 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 2021.

DIRECTORS' PROFILE

05

**Mr Lai Wei Keat****Gender**

Male

Age

49

Nationality

Malaysian

PositionExecutive 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 more than 20 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 2021.

DIRECTORS' PROFILE

06

**Mr Ooi Guan Hoe****Gender**

Male

Age

46

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 20 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. He is also the Chief Financial Officer of MOG Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited.

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 2021.

DIRECTORS' PROFILE

07

**Mr Ng Chee Keong****Gender**

Male

Age

50

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 over 20 years of experience in legal practice involving corporate and general litigations. He graduated with a Bachelor of Laws from Bond University, Australia in 1995.

He was first 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 in 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 law firm, Messrs C.K. Ng & Co which specialises in civil claim, conveyancing and advisory works on corporate laws. In 2001, he merged with Ong & Tan to form Messrs Tan Ng & Ong which specialises in conveyancing of property or bank loans, civil claims for company matter, probate, family matter and execution of judgments. He left Messrs Tan Ng & Ong as a Consultant in June 2020.

He is currently the Deputy Chief Executive Officer of Khee San Berhad and is in charge of the legal compliance, internal controls and corporate governance of the company.

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 2021.

DIRECTORS' PROFILE

08

**Ms Loo Jo Anne****Gender**

Female

Age

38

Nationality

Singaporean

Position

Independent Non-Executive Director

Chairman of Nomination Committee (Appointed on 1 June 2021)

Member of Audit and Risk Management Committee

(Appointed on 1 June 2021)

Member of Remuneration Committee (Appointed on 1 June 2021)

Ms Loo Jo Anne, was appointed to the Board on 1 July 2020 as Independent Non-Executive Director. She has more than 15 years of working experience in the legal services.

She graduated with a Bachelor of Laws from University of the West of England Bristol in 2005. She is also a member of Singapore FinTech Association, Singapore Association of Women Lawyers and Society of Trust Estate Practitioner.

Ms Jo Anne started her career in 2006 as a Legal Executive with Rockwills Trustee Berhad under its Law/Legal Services, Private & Corporate Trusts division where she was responsible for performing all functions and transaction relating to estate administration and trust administration. In 2007, she left Rockwills Trustee Berhad to join Equity Trust (Malaysia) Berhad as a Senior Executive under its Law/Legal Services, Corporate & Private Trusts division and was responsible for reviewing and drafting corporate and private trusts legal documents. In 2010, she left to joined CIMB Investment Bank Berhad until 2012 as a Senior Executive under its Law/Legal Services, Corporate & Private Trusts division and was responsible for handling all estate administration matters, as well as reviewing trust instruments and preparing trust analysis.

In 2013, she moved to Singapore and joined Asiatic Trust Singapore Pte Ltd as Senior Trust & Corporate Officer for a year where she was responsible for reviewing and administering the corporate and private trust for Singapore companies and overseas companies. In 2014, she joined First Names (Singapore) Pte Ltd as Senior Manager/Resident Manager where she was responsible for administering and managing the overall trust administration for Singapore companies and offshore incorporations.

In January 2016, she left First Names (Singapore) Pte Ltd and joined Camelot Trustees Limited as a Resident Manager for a short stint. She left Camelot Trustees Limited and subsequently joined Marcuard Trust (Singapore) Pte Ltd in July 2016 as a Resident Manager and was promoted to Director in where she was responsible for managing the compliance, operation, internal control and administration of the Trust. She left the company in 2017 and joined Amicorp Trustees (Singapore) Limited as a Resident Manager and Director where she was responsible on overseeing the trust operations and administration, as well as provide advisory services on the formation of trust. She left Amicorp Trustees (Singapore) Limited in 2019 and subsequently joined Zico Trust (S) Ltd as Business Development Director and was promoted to Executive Director in January 2021 where she was responsible in overseeing the Trust operations and administration, as well as the business development on trust sales.

In February 2021, she left Zico Trust (S) Ltd to assist in the set-up of a licensed trust company, Singapore Global Trust Pte Ltd and is currently the Managing Director / Chief Operating Officer of the company, where she is responsible for the overall operational, risk, compliance and finance of the company.

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 2021.

PROFILES OF KEY SENIOR MANAGEMENT

NG KUAN HORNG

38 years of age, Malaysia, Male
Group CFO

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 more than 10 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 2021.

PROFILES OF KEY SENIOR MANAGEMENT

CHAN CHOO MENG

65 years of age, Malaysia, 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 2021.

NG CAI LEI

38 years of age, Malaysia, 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 2021.

PROFILES OF KEY SENIOR MANAGEMENT

LOO TAK KHEONG

45 years of age, Malaysia, 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 more than 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-Ideas Resources, a sole proprietorship business which supplies gifts and premiums to the banks. In 2008, he converted E-Ideas Resources to E-Ideas Sdn Bhd where he served as Director until 2010. In 2012, he was reappointed as a Director of E-Ideas 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 2021.

PROFILES OF KEY SENIOR MANAGEMENT

CHEAH CHEE CHOON

48 years of age, Malaysia, Male
Chief Operations Officer of Revenue Harvest

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

He has more than 20 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 2021.

WONG PEK CHIN

40 years of age, Malaysia, 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 15 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 2021.

PROFILES OF KEY SENIOR MANAGEMENT

HO EE LOCK

41 years of age, Malaysia, Male
Managing Director of Revenue Secure

Ho Ee Lock joined our Group in October 2019 and he is responsible for handling the development of software and solutions business portfolio of the Group.

He graduated with a Bachelor of Engineering (Honors) in Electronics majoring in Computer from Multimedia University, Cyberjaya. He has accumulated more than 15 years of combined working experience in Information and Communications Technology ("ICT"), Radio-frequency Identification ("RFID") and payments related technologies.

Throughout his career, he has been appointed into various industry working group such as Malaysia Internet Exchange (MyIX) – Committee Member (2008), ISO TC 104/SC4 – Malaysian Delegate (2010) and GS1 Malaysia, Supply Chain Excellence Working Group – Co-Chairman (2013).

Ee Lock has been invited as a speaker and expert panelist in numerous international technologies and fintech conferences.

- Visa HCE Summit – 2015 Mobile World Congress (Shanghai, China)
- Asia Pacific Smart Card Association – 7th Asia Payment Card Forum (Hanoi, Vietnam)
- Samsung Pay Workshop (Singapore, Singapore)

He started his career in 2003 as an IT engineer at NTT's data center. In 2005, he joined Optical Communication Engineering as Chief Technology Officer where he successfully deployed Malaysia' first metro ethernet networks connecting Penang and Selangor on gigabit fiber optics network.

In 2008, he joined Smartag Solution Berhad as Vice President of Technology & Business Development, where he was involved in the successful development and implementation of the tracking mechanism and solution of RFID-fitted containers using e-Seal between Port Klang, Malaysia and Shanghai International Port Group, China.

In 2013, he joined Giesecke & Devrient ("G+D"), a large chip card multinational corporation, as their Regional Director - FI Solutions (APAC) where he managed the entire FI business and technical solution portfolio in Asia Pacific specializing in NFC/HCE mobile payments, eCommerce payment technologies, Trusted Services Manager ("TSM") and mobile device security. He is an expert in tokenisation that is primarily used by Samsung Pay or Apple Pay to secure payment cards credentials.

In 2018, he joined Dialog Innovation Ventures as General Manager in charge of the MyKasih Project and their e-Wallet portfolio. In 2019, 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 2021.

CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

It is indeed an honour and a privilege to deliver this statement as the Independent Non-Executive Chairman of REVENUE.

A MIXED YEAR

In early 2020, we woke up to face the once-in-a-generation global emergency and crisis – the outbreak of the Coronavirus Disease 2019 ("COVID-19") pandemic which had brought the whole world to a standstill with a devastating disruption on the business environment, as well as a life-changing and long-lasting impact to our daily lives.

Fast forwarding to 2021, we are still battling the COVID-19 pandemic with all our might, whilst the vaccination rate is growing at tens of thousands of doses on a daily basis, there continue to be waves after waves of COVID-19 cases in different regions and countries and this is a clear sign that we have yet to win the battle against COVID-19 pandemic hence continuous mitigation efforts and cooperation are still required from everyone. Whilst we have no choice but to continue to live in the shadow of COVID-19 pandemic, it has continued to hasten the adoption and acceptance of digitalisation, through online marketplace and digital payment.

During the financial year under review, we had continued to expand our strategic and commercial partnership by onboarding a new local e-wallet player to facilitate the payment acceptance at our touchpoint, as well as the payment solution and gateway provider for one Multinational Company's online marketplace selling international branded products and one Business-to-Consumer ("B2C") online marketplace focusing on gift voucher.

Our Group undertook a few acquisitions during the financial year under review which would complement and enhance our value propositions to all our customers whilst enhancing our revenue in the future.

The Group completed the acquisition of 80% equity interest in Wannapay (formerly known as Scanpay Sdn Bhd), a license e-wallet issuer under Bank Negara Malaysia ("BNM"), on 18 September 2020, as well as the acquisition of 40% equity interest in Wannatalk MY on 1 October 2020. The Group had also undertaken the proposed acquisition and proposed subscription of the equity of Vsure Tech Sdn Bhd ("Vsure") ("Proposed Transactions"), an insurance technology company, for a total consideration of RM12 million which will result in the holding of approximately 25% of the total number of issued shares of Vsure. The Proposed Transactions have become unconditional on 22 October 2021, however, as at the date of this annual report, the Proposed Transactions has yet to be completed. These acquisitions will enable the Group to provide a more robust and dynamic Business-to-Business-to-Consumer ("B2B2C") eco-system.

Our Group had also undertaken a couple of corporate exercise during the financial year under review as part of our plans to grow our company.

CHAIRMAN'S STATEMENT

The first one being the special issue corporate exercise which was first announced in March 2020 in order to comply with the Bumiputra equity condition as part of the listing requirement which was completed in February 2021, with all the shares successfully placed out to third party and raising total proceeds of RM58.49 million for the Group's capital expenditure, a strong indication of the support rendered by the investment community.

Secondly, the Group had announced to undertake a transfer listing of the listing and quotation of the entire issued share capital of REVENUE from ACE Market to Main Market of Bursa Malaysia Securities Berhad ("Proposed Transfer") and the Group had submitted the application on 30 April 2021. As at the date of this annual report, the Proposed Transfer has yet to be completed.

FINANCIAL RESULTS

Our Group achieved a higher revenue of RM86.28 million in Financial Year Ended 30 June 2021 ("FYE 2021") compared to RM77.52 million recorded in FYE 2020, an increase of approximately RM8.76 million or 11.3% year-on-year. The increase in the revenue was mainly due to higher revenue generated from the rental and maintenance of EDC terminals segment and the improvement from the income generated from the electronic transaction processing (Please refer to Management Discussion & Analysis for further details).

The higher revenue has also resulted in higher gross profit ("GP") which increased by approximately RM6.71 million or 17.9% from RM37.56 million in FYE 2020 to RM44.27 million in FYE 2021. Our GP margin increased by approximately 2.8% from 48.5% in FYE 2020 to 51.3% in FYE 2021. The increase in GP margin was mainly attributed to a change in the margin contribution from the EDC terminals segment.

Our profit before tax ("PBT") increased by approximately RM4.68 million or 43.4% from RM10.78 million in FYE 2020 to RM15.46 million in FYE 2021 and our PBT margin had increased by 4.0% from 13.9% in FYE 2020 to 17.9% in FYE 2021. The higher PBT margin was due to higher other income recognised and a change in the gross profit margin contribution from the business segments. The Group would record a higher PBT and PBT margin if excluding one-off expenses arising from the special issue, Proposed Transfer listing, as well as the costs associated with the acquisition of Wannatalk MY and Vsure. For illustration purposes and comparison, the Group's PBT and PBT margin would be RM16.61 million and 19.3% respectively (Please refer to Management Discussion & Analysis for further details).

As at 30 June 2021, the Group's financial position remained healthy with net assets of RM151.30 million (or net assets per share of RM0.33). Our cash and cash equivalents had also increased to RM97.10 million as at FYE 2021 as compared to RM33.97 million as at FYE 2020.

MARKET OUTLOOK AND PROSPECT

The COVID-19 pandemic has and continue to affect the economic activities globally and locally. Whilst the Group had managed to navigate safely and soundly throughout this COVID-19 pandemic, the performance for the new financial year ending 2022 will remain a challenging one.

The Board will remain cautious on the potential impact from the lingering effects that the COVID-19 pandemic will bring to the business environment and will continue to manage and guide the businesses of our Group with vigilance.

ACKNOWLEDGEMENT

On behalf of the Board of Directors of REVENUE, I wish to express my sincere appreciation to all parties who have continued to render their undivided supports and helped us to strive and navigate through a challenging year. We are indebted to the senior management team and diligent staff for their hardwork and dedication rendered to the Company.

I wish to convey my utmost gratitude to our valued 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 during this trying times.

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. I call upon all our stakeholders to continue to support us steadfastly and together, and let's overcome the COVID-19 pandemic together. Please stay safe and do adhere to strict personal hygiene in order to protect your loved one and yourself!

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 and Analysis Report for the financial year ended 30 June 2021 ("FYE 2021").

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 of consumer goods from overseas 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: <ol style="list-style-type: none"> Successful digital payment on mobile top up, phone bill and utilities bill payment, game credits, entertainment and ticketing services; and Successful transaction on the services rendered pertaining to procurement and/or logistics services rendered to consumers.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

1. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

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, B-Infinite Pay, Boost, GrabPay, ShopeePay 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.

2. FINANCIAL PERFORMANCE REVIEW

	FYE 2021	FYE 2020	Variance	
	RM'000	RM'000	RM'000	%
Revenue	86,277	77,515	8,762	11.3%
GP	44,274	37,567	6,707	17.9%
PBT	15,456	10,782	4,674	43.4%
Profit After Tax ("PAT")	12,115	8,377	3,738	44.6%
Net profit attributable to owners of the Company	11,245	7,715	3,530	45.8%
<u>Key ratios</u>				
GP margin (%)	51.3%	48.5%	2.8%	5.8%
PBT margin (%)	17.9%	13.9%	4.0%	28.8%
PAT margin (%)	14.0%	10.8%	3.2%	29.6%
Earnings Per Share ("EPS") (sen)	2.72 sen ⁽¹⁾	2.45 sen ⁽³⁾	0.27 sen	11.0%
Diluted EPS (sen)	2.71 sen ⁽²⁾	2.44 sen ⁽⁴⁾	0.27 sen	11.1%

Notes:

- (1) EPS for FYE 2021 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 413,794,644 as at 30 June 2021.
- (2) Diluted EPS for FYE 2021 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 415,436,330 as at 30 June 2021, adjusted for contingently issuable ordinary shares. The number of shares under warrants is 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.
- (3) EPS for FYE 2020 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 314,597,563 as at 30 June 2020.
- (4) Diluted EPS for FYE 2020 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 316,239,249 as at 30 June 2020, 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.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

2. FINANCIAL PERFORMANCE REVIEW (CONT'D)

2.1 Revenue

Our Group's overall revenue increased by RM8.76 million or 11.3% from RM77.52 million in FYE 2020 to RM86.28 million in FYE 2021. For the FYE 2021, our EDC terminals segments was our largest revenue contributor with a revenue of RM55.89 million or 64.8% of our Group's total revenue, followed by our electronic transaction processing segment with a revenue of RM17.79 million or 20.6% of our Group's total revenue and solution & services segment with a revenue of RM12.60 million or 14.6% of our Group's total revenue.

The higher revenue recorded in FYE 2021 was mainly attributed to higher revenue from the rental and maintenance EDC terminals due to the increase in the number of EDC terminals managed by the Group and higher electronic transaction income due to the easing of the Movement Control Order ("MCO") as compared to the MCO that was first implemented in March 2020.

Please refer to section 3.1 Analysis of revenue by business segments for further details.

2.2 GP and GP margin ("GPM")

Our Group's overall GP increased by RM6.71 million or 17.9% from RM37.56 million in FYE 2020 to RM44.27 million in FYE 2021. For the FYE 2021, our EDC terminals segment was our largest GP contributor with a GP of RM25.44 million or 57.5% of our Group's total GP, followed by electronic transaction processing segment with a GP of RM11.97 million or 27.0% of our Group's total GP and solution & services with a GP of RM6.86 million or 15.5% of our Group's total GP.

Our Group's overall GPM increase by 2.8% from 48.5% in FYE 2020 to 51.3% in FYE 2021. The increase in the GPM was due to a change in the GPM contribution from the business segments arising from the higher revenue contribution from the rental and maintenance of EDC terminals which accounted for 37.0% of the total revenue in FYE 2021, as compared to 28.2% of revenue contribution in FYE 2020.

2.3 Other income

Our Group's overall other income increased by RM0.74 million or 80.4% from RM0.92 million in FYE 2020 to RM1.66 million in FYE 2021. The increase was mainly due to the increase in the gain on unrealised foreign exchange by approximately RM0.56 million and increase in the interest income by approximately RM0.12 million.

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

Our Group's overall administrative expenses increased by RM3.10 million or 11.4% from RM27.24 million in FYE 2020 to RM30.34 million in FYE 2021. The increase was mainly due to the increase in staff costs by approximately RM1.59 million arising from the expansion and increase in our headcount, increase in the depreciation/amortisation charges during the financial year by approximately RM2.24 million, increase in operating and connectivity expenses such as leaseline, data centre amounting to RM0.98 million, increase in one-off expenses arising from the special issue, proposed transfer listing as well as the costs associated with the acquisition of two (2) associate companies by approximately RM1.00 million in FYE 2021.

However, the increase was offset by lower unrealised loss of foreign exchange by approximately RM0.58 million, decrease in the net impairment losses of receivables by approximately RM0.19 million and decrease in the write-off of property, plant and equipment and goodwill by approximately RM0.37 million and decrease in sales and marketing expenses by approximately RM0.43 million.

2.5 Finance costs

Our finance costs decreased by RM0.13 million or 28.3% from RM0.46 million in FYE 2020 to RM0.33 million in FYE 2021. The decrease in the finance costs mainly due to the repayment of the bank overdraft facility during FYE 2021 which was utilised in FYE 2020 to make payment to our supplier.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

2. FINANCIAL PERFORMANCE REVIEW (CONT'D)

2.6 PBT and PBT margin

Our Group's PBT increased by RM4.68 million or 43.4% from RM10.78 million in FYE 2020 to RM15.46 million in FYE 2021. 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 increased by 4.0% from 13.9% in FYE 2020 to 17.9% in FYE 2021. The increase was mainly attributed to the higher GPM recorded during the FYE 2021 due to a change in the GPM contribution from the business segments and higher other income recognised.

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 2021	FYE 2020	Variance	
	RM'000	RM'000	RM'000	%
PBT	15,456	10,782	4,674	43.4%
Add: One-off expenses	1,154	150	1,004	669.3%
Adjusted PBT	16,610	10,932	5,678	51.9%
<i>Adjusted PBT margin (%)</i>	<i>19.3%</i>	<i>14.1%</i>	5.2%	36.9%

2.7 Taxation

Our Group's overall corporate taxation increased by RM0.94 million or 39.2% from RM2.40 million in FYE 2020 to RM3.34 million in FYE 2021. The Group's effective tax rate is 21.6% in FYE 2021 which was lower than 22.3% recorded in FYE 2020 mainly due to lower deferred tax by RM0.12 million during the financial year.

2.8 PAT and PAT margin

Our Group's overall PAT increased by RM3.74 million or 44.7% from RM8.37 million in FYE 2020 to RM12.11 million in FYE 2021.

Our Group's overall PAT margin increased by 3.2% from 10.8% in FYE 2020 to 14.0% in FYE 2021. The increase was mainly attributed to the higher GPM recorded during the FYE 2021 due to a change in the GPM contribution from the business segments and higher other income recognised.

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 2021	FYE 2020	Variance	
	RM'000	RM'000	RM'000	%
PAT	12,115	8,377	3,738	44.6%
Add: One-off expenses ⁽¹⁾	1,154	150	1,004	669.3%
Adjusted PAT	13,269	8,527	4,742	55.6%
<i>Adjusted PAT margin (%)</i>	<i>15.4%</i>	<i>11.0%</i>	4.4%	40.0%

Note:

(1) Excluded corporate tax effect.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

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 2021	FYE 2020	Variance	
	RM'000	RM'000	RM'000	%
EDC terminals:				
- Sales	23,962	25,348	(1,386)	(5.5)%
- Rental and maintenance	31,929	21,884	10,045	45.9%
	55,891	47,232	8,659	18.3%
Electronic transaction processing Solutions & Services:	17,786	16,225	1,561	9.6%
- IT solutions and services	1,495	3,942	(2,447)	(62.1)%
- Digital payment services	3,502	4,232	(730)	(17.2)%
- Procurement and logistic services	7,603	5,884	1,719	29.2%
	12,600	14,058	(1,458)	(10.4)%
Total revenue	86,277	77,515	8,762	11.3%

a) EDC terminals segment

Revenue from our EDC terminals segment increased by RM8.66 million or 18.3% from RM47.23 million in FYE 2020 to RM55.89 million in FYE 2021.

The increase was mainly attributed to the increase in the rental and maintenance income arising from the increase in the average number of EDC terminals rented and maintenance by approximately 26,000 from approximately 62,000 units during FYE 2020 to approximately 88,000 units during FYE 2021.

Despite the increase in the sales of number of terminals by approximately 2,000 units from approximately 33,000 units in FYE 2020 to 35,000 units FYE 2021, the revenue from the sales of EDC terminals dropped mainly due to the discount given for bulk purchase. The higher sales of EDC terminals were a continuation of the support from our partner banks in our highly successful smart all-in-one terminals.

b) Electronic transaction processing segment

Revenue from our electronic transaction processing segment increased by RM1.56 million or 9.6% from RM16.23 million in FYE 2020 to RM17.79 million in FYE 2021.

The increase was mainly attributed to the increase in the transaction value processed by approximately RM0.81 billion from approximately RM1.55 billion in FYE 2020 to approximately RM2.36 billion in FYE 2021.

The COVID-19 pandemic had resulted in the adoption of digital payment and cashless transaction, as well as the shifting consumers spending behaviour towards online marketplace, this has resulted in the increase in the transaction value processed for e-wallet and online marketplace by approximately RM0.93 billion.

However, the numerous MCOs that were imposed by the Government during FYE 2021 had continued and directly affected numerous inbound payment card schemes (such as Alipay's QR payment, Unionpay, NETS, Diners etc.) and local payment card scheme (such schemes MyDebit), resulting in the drop in the transaction processing value by approximately RM0.13 billion.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

3. REVIEW OF OPERATING ACTIVITIES (CONT'D)

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

c) Solutions & Services segment

Revenue from our solutions & services segment decreased by RM1.46 million or 10.4% from RM14.06 million in FYE 2020 to RM12.60 million in FYE 2021.

The decrease was mainly attributed to the drop in the revenue from IT solutions & services by approximately RM2.45 million due to the absence of the income from the Network Access Controller ("NAC") project which was completed in FYE 2020 but was mitigated by income from software development undertaken by the Group during FYE 2021. The revenue from the digital payment services also dropped by approximately RM0.73 million due to the reduction in the commission earned during the last quarter of the FYE 2021 as part of a marketing effort undertaken together with key customers.

However, the decrease was mitigated by the increase in the revenue from the Procurement & Logistic Services by approximately RM1.72 million arising from the change in the consumer spending behaviour towards online marketplace.

4. FINANCIAL POSITION REVIEW

	30.06.2021	30.06.2020	Variance	
	RM'000	RM'000	RM'000	%
Assets				
Non-current Assets	59,074	47,626	11,448	24.0%
Current Assets	130,163	74,876	55,287	73.8%
Total Assets	189,237	122,502	66,735	54.5%
Liabilities				
Non-current Liabilities	(6,238)	(6,784)	(546)	(8.0)%
Current Liabilities	(31,700)	(48,413)	(16,713)	(34.5)%
Total Liabilities	(37,938)	(55,197)	(17,259)	(31.3)%
Net Assets ("NA")	151,299	67,305	83,994	124.8%
Key ratios				
Current ratio (times)	4.11x	1.55x	2.56x	165.2%
Trade receivables turnover (days) ⁽¹⁾	64.0	116.1	(52.1)	(44.9)%
Trade payables turnover (days) ⁽²⁾	144.5	322.3	(177.8)	(55.2)%
Gearing ratio (times)	0.04x	0.10x	(0.06)x	(60.0)%
NA per share (RM)	0.33 ⁽³⁾	0.17 ⁽⁴⁾	0.16	94.1%

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

4. FINANCIAL POSITION REVIEW (CONT'D)

Notes:

- (1) *Computed based on trade receivables 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 number of shares in issue of 452,971,361 as at 30 June 2021.*
- (4) *Calculated based on Equity attributable to the owners of the Company divided by the number of shares in issue of 389,842,162 as at 30 June 2020.*

4.1 Total assets

Our total assets increased by RM66.74 million from RM122.50 million as at FYE 2020 to RM189.24 million as at FYE 2021.

Non-current assets increased by RM11.45 million mainly due increase in property, plant and equipment by approximately RM3.55 million for the purchase of EDC and computer and software, increase in intangible assets by approximately RM2.16 million, increase in the investment of Wanatalk MY by approximately RM5.00 million and the recognition of goodwill on consolidation by approximately RM0.93 million arising from the acquisition of Wannapay.

Current assets increased by RM55.29 million mainly due to higher cash and bank balances of approximately RM 97.32 million (FYE 2020: RM35.25 million) due to the completion of the Special Issue and moneys received from the conversion of warrants, higher other receivables balances of approximately RM8.00 million (FYE 2020: RM3.12 million) due to the earnest payment of RM2.00 million on the proposed investment of Vsure Tech Sdn Bhd and deferred cost incurred on the development of software, lower inventory balance of RM8.00 million (FYE 2020: RM9.93 million) due to lower EDC terminals held and lower trade receivables balance of RM15.14 million (FYE 2020: RM24.66 million) due to the collection of balances on the sales of EDC terminals and software development projects.

4.2 Total liabilities

Our total liabilities decreased by RM17.26 million from RM55.20 million as at FYE 2020 to RM37.94 million as at FYE 2021.

Non-current liabilities decreased by RM0.55 million mainly due to reduction in long-term borrowings and lease liabilities.

Current liabilities decreased by RM16.71 million mainly due to lower trade payables balance of RM16.63 million (FYE 2020: RM35.28 million) due to repayment of suppliers' balance, lower bank overdraft facility of RM0.22 million (FYE 2020: RM1.27 million) due to repayment of bank overdraft and higher other payables balance of RM13.47 million (FYE 2020: RM8.89 million) due to advance payment received for the mobile reload.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

4. FINANCIAL POSITION REVIEW (CONT'D)

4.3 Cash flows

	FYE 2021	FYE 2020	Variance	
	RM'000	RM'000	RM'000	%
Net cash from operating activities	12,639	21,774	(9,135)	(42.0)%
Net cash used in investing activities	(20,261)	(13,302)	6,959	52.3%
Net cash from financing activities	71,090	2,327	68,763	2,955.0%
Net change in cash and cash equivalents ("CCE")	63,468	10,799	52,669	487.7%
CCE at the beginning of the financial year	33,974	23,185	10,789	46.5%
Effect of exchange translation differences on CCE	(337)	(10)	(327)	3,270%
CCE at the end of the financial year	97,105	33,974	63,131	185.8%

Overall, the Group generated a net cash of RM63.47 million as at FYE 2021. The higher net cash generated mainly due to:

- Net cash from operating activities amounting to RM12.64 million mainly attributed to the repayment of trade payable balances and higher tax paid during FYE 2021;
- Net cash used in investing activities amounting to RM20.26 million mainly attributed to the purchase of property, plant and equipment, such as EDC terminals and software system, amounting to RM10.72 million for our business expansion and investment in Wannatalk MY amounting to RM4.50 million; and
- Net cash from financing activities amounting to RM71.09 million mainly attributed to proceeds from the issuance of shares amounting to RM71.87 million, the repayment of term loans and lease liabilities amounting to RM0.78 million during FYE 2021.

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 facilities from financial institutions. Our credit facilities from financial institutions comprise of term loans, bank overdraft and finance lease facilities.

As at 30 June 2021, the Group was in a net cash position of RM91.96 million.

	FYE 2021	FYE 2020	Variance	
	RM'000	RM'000	RM'000	%
Cash and bank balances (exclude bank overdraft)	97,324	35,248	62,076	176.1%
Total loan and borrowings	(5,366)	(6,621)	(1,255)	(19.0)%
Net Cash	91,958	28,627	63,331	221.2%

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 and the Special Issue, our working capital will be sufficient for our existing and foreseeable requirements.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

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) Due to the COVID-19 pandemic, the Malaysian Government had imposed MCO which commenced on 18 March 2020 and had since extended numerous times. However, the Group's business is categorised under essential services (under Banking and Finance services) and was allowed to operate throughout the various MCO periods. Whilst the Group is able to operate and adhere to strict Standard and Operating Procedures ("SOPs") published by the Government, the COVID-19 pandemic and the implementation of the MCOs, directly affected numerous inbound Card Schemes and QR Payment Scheme (such as Alipay's QR Payment, Diners, NETS, Unionpay etc.) and local Card Schemes (such as MyDebit), which will result in a drop in the transaction value processed for the abovementioned Card Schemes.
- (b) 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;
- (c) 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;
- (d) 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
- (e) 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. Besides that, the Group is also working closely with different e-wallet issuers to bring the payment acceptance into digital payment terminals.

- (b) 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.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

6. FUTURE PLANS AND PROSPECTS (CONT'D)

6.1 Future plans (Cont'd)

(c) Value-added solutions and services

The acquisition of Wannapay and Wannatalk MY, as well as the Proposed Transactions with Vsure will enable the Group to provide additional value-added solutions and services to our customers which will complement the Group's existing business and provide a more robust Business-to-Business-Consumer ("B2B2C") solution.

(d) 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, purchase of on-demand insurance products via our new digital payment terminals and via WannaPay e-wallet. Our Group is also researching and developing issuing technology encompassing issuing payment security by leveraging on artificial intelligence to enhance the payment security features. With the acquisition of Wannatalk MY, the Group will be able to leverage on Wannatalk MY's facial recognition centered products and services to enhance the payment security features, as well as embark on new biometrics payment technology.

(e) Regional expansion

Our businesses are predominantly concentrated in Malaysia. As part of our future business expansion, the Group intend to expand to ASEAN market and we have identified two (2) potential countries for our regional expansion, namely Myanmar and Cambodia.

However, due to the outbreak of Covid-19, the intended business plan was halted due to the lockdown of borders which impede the Group from travelling to Myanmar and Cambodia to set up its infrastructure and operations team. The Group has decided to halt all regional business expansion until and upon the improvement of the pandemic. As such, the Board has decided to vary the utilisation of proceeds for business expansion to purchase approximately 1,500 units of new EDC Terminals. The Variations will allow the Company with readily cash-in-hand for the purchase of EDC terminals and expand our operations on our EDC terminals segment. Notwithstanding the outbreak of the pandemic, the Group still intends to expand to Myanmar and Cambodia in the future using internally generated funds.

6.2 Prospects and outlook of electronic payment industry in Malaysia

The outbreak of the COVID-19 virus in early January 2020 had disrupted the global operating environments and restricting global travelling and the outbreak had soften economic growth both in Malaysia and regionally. As a preventive measure to counter the spread of COVID-19 in Malaysia, the Malaysian Government had imposed MCO commencing on 18 March 2020 and has since extended numerous times.

The Government had gradually and progressively eased the restriction and businesses were allowed to operate under strict SOPs and the economy is showing a sign of recovery and the outlook seems brighter with the implementation of National Immunisation Programme which is aimed to bring the COVID-19 virus under control and Bank Negara Malaysia ("BNM") is projecting the Gross Domestic Output ("GDP") to expand between 3% to 4% in 2021.

The surge in the COVID-19 virus infections had led to the Malaysian Government to imposed a full lockdown from 1 June 2021 onwards, which was then gradually moved into various phases of the National Recovery Plan. Whilst the increasing level of vaccination rate will support the return to normal social behaviours and activities, however, the risk of COVID-19 virus infection still lurking around and will continue to threaten the lives and the economy, therefore a sustainable revival of the economy and business conditions will require a strict adherence to SOPs, continuous mitigation and prevention efforts from all stakeholders.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

6. FUTURE PLANS AND PROSPECTS (CONT'D)

6.2 Prospects and outlook of electronic payment industry in Malaysia (Cont'd)

The COVID-19 pandemic has given a boost to the digital adoption and cashless payment as there is a need to avoid close contact by both the merchants and consumers. The Malaysian Government has set a target to create cashless transactions for all government services by 2022 and had tasked BNM to take the lead to promote cashless and boost easy and secure digital transactions under the Malaysia Digital Economy Blueprint ("MyDigital") and electronic payment ("e-payments") is projected to increase to 400 e-payment transactions per capita by 2022.

The Group's business is categorised under essential services (under Banking and Finance services) and is allowed to operate throughout the various MCO period and thus far the Group have been able to navigate through the COVID-19 pandemic soundly and safely. Whilst the COVID-19 has hastened the digital adoption and cashless payment, however, with the global and local economy constantly lingering in uncertainty due to on-going battle to bring the COVID-19 pandemic under control, the performance of the Group for the financial year ending 2022 will remain challenging.

Premised on the above, the Group has embarked on a series of business strategies and future plans, however, the Board is cautious on the potential impact of the COVID-19 pandemic and will continue to manage the Group's business with vigilance during this uncertain period.

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 by our Board.

The Board do not recommend or paid any dividend in respect for FYE 2021.

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.

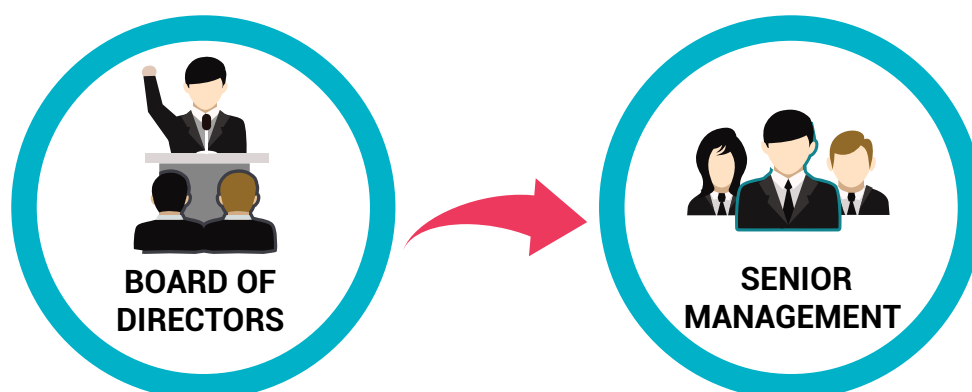
This Corporate Sustainability Statement ("CS Statement") covers the sustainability performance of the Group and its subsidiary companies in Malaysia for the financial year ended 30 June 2021. This CS Statement was prepared in line with the Bursa Securities' Sustainability Reporting Guidelines.

SUSTAINABILITY CORPORATE STRUCTURE

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, which are being conducted in accordance to the established and recommended guidelines and practices issued by the Government, are as follows:

Stakeholders	Engagement Aspects	Type pf Engagements
Customers 	<ul style="list-style-type: none"> Customer satisfactions Quality and performance of our products and services New and innovative product and solution offerings Strategic partnership 	<ul style="list-style-type: none"> Regular business meeting/updates Customer audit Product and services presentation Trainings for customers/merchants
Employees 	<ul style="list-style-type: none"> Remuneration policy Working condition and welfare Occupational Safety & Health Career development and talent development 	<ul style="list-style-type: none"> Staff performance appraisal and review Social events with employees Training and development Formal meeting and discussion
Government & Regulatory Bodies 	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Adhere to all regulatory requirements Attending seminars organised by the relevant authorities Timely submission of reports to the relevant authorities
Suppliers 	<ul style="list-style-type: none"> Quality and performance of the products and services Competitive pricing Strategic partnership 	<ul style="list-style-type: none"> Regular business meeting Supplier's events and forums Site visits
Shareholders/Investors 	<ul style="list-style-type: none"> Financial and operational performance Strategic plan Corporate information updates Interim results 	<ul style="list-style-type: none"> Quarterly report Bursa announcements Investors presentations Annual & Extraordinary General Meetings Press releases Annual report
Analyst/Media 	<ul style="list-style-type: none"> Financial and operational performance Strategic plan 	<ul style="list-style-type: none"> Quarterly report Bursa announcements Analyst presentations Press releases
Community 	<ul style="list-style-type: none"> Job opportunities Social contribution 	<ul style="list-style-type: none"> Internship Sponsorship

CORPORATE SUSTAINABILITY STATEMENT

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 financial position of the Group during yearly Annual General Meeting ("AGM").

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.

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.

CORPORATE SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Social Practices (Cont'd)

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 our 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.

Due to the outbreak of the COVID-19 pandemic, the Group has put in place a series of precautionary procedures and measures in accordance to recommended practices and guidelines issued by the Government, such as

- checking the body temperature of all staff and visitors to the premises;
- compulsory registration of all visitors and employees via Government approved application;
- providing face masks to employees;
- re-arranging the work place to adhere to strict social distancing;
- implemented a work-from-home policies except for those critical functions such as operations and IT, which required certain manpower to be on standby in the office to support the essential services. Such personnel will work in office on weekly rotation basis; and
- disinfected public and common areas on a regular basis.

The Community

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

In view of the outbreak of the COVID-19 pandemic, as a responsible corporate entity, the Group had donated a total cash and cash equivalent amount of RM20,000 with the cash and essential goods presented and delivered to one charitable organisation – Persatuan Insan Istimewa Cheras Selangor (home for orphanage and underprivileged person) on 30 June 2021.



Conclusion

The Group is committed and remain steadfast in conducting 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 2021.

The overview statement is to be read together with the CG Report 2021 ("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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 delegates 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 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 of the Board is not a member of the ARMC, NC and RC.

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 clear 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 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

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 procedural 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.

CORPORATE LIABILITY POLICY

In line with the Corporate Liability Provision under the new Section 17A MACC (Amendment) Act 2018, the Board adopted Corporate Liability Policy to show the Group's commitment in doing businesses ethically and lawfully. Any forms of bribery and corruption are unacceptable and will not be tolerated. It has always been the Group's corporate philosophy and our principle of placing integrity before profits.

The Corporate Liability 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 eight (8) members, comprising four (4) Executive Directors and four (4) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II – BOARD COMPOSITION (CONT'D)

TENURE OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Practice 4.2 of the MCGG states that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years' term, an Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director.

If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years' term, it should justify and seeks annual shareholders' approval while if the Board continues to retain the Independent Non-Executive Director beyond twelve (12) years' term, the Board should seek annual shareholders' approval through a two-tier voting process.

The Group has established a policy that the tenure of the Independent Non-Executive Directors shall not exceed a cumulative term of nine (9) years. Currently, none of our Independent Non-Executive Directors has served the Group for a cumulative term of nine (9) years.

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.

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. As of the date of this Statement, one (1) out of eight (8) of the Board members is female director. The Board intends to increase the female director representation in the board to 30% within 24 months after the amendment of the Constitution to increase the number of directors of the Company.

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 Board and Board Committees meetings for each calendar year are scheduled before the end of the calendar year, to allow the Directors and the members of the Committees to organise and plan their activities ahead to ensure that they are able to attend all meetings that have been scheduled for the following year.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**PART II – BOARD COMPOSITION (CONT'D)**DIRECTORS' COMMITMENT (CONT'D)

During the FYE 2021, five (5) Board Meetings were held and the attendance record of the Board members are set out below:-

Directors	No. of meetings attended
Nor Azzam Bin Abdul Jalil	5/5
Ooi Guan Hoe	5/5
Ng Chee Keong	5/5
Datuk Ng Chee Siong	5/5
Ng Shih Chiow	5/5
Ng Shih Fang	5/5
Lai Wei Keat	5/5
Loo Jo Anne	5/5

Based on the above, all the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in Listing Requirements. 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.

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 Ms. Loo Jo Anne.

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.

During FYE 2021, one (1) meeting was held and attended by all members and the activities carried out by the NC are as follows:

- reviewed and assessed the effectiveness and composition of the Board and Board Committees and contribution of each individual Director of the Company;
- reviewed and assessed the contribution and performance of the ARMC and each individual ARMC member;
- reviewed the Directors who were due for re-election at the Company's AGM to determine whether or not to recommend for their re-election; and
- reviewed the size of the Board and had concluded that it was appropriate.

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. During FYE 2021, some of the seminars, conferences, training attended by the Directors are as follows:-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II – BOARD COMPOSITION (CONT'D)

NOMINATION COMMITTEE (CONT'D)

No.	Seminars / Conferences / Training Programmes Attended	Attendee(s)
1.	Post-Listing Obligation under Listing Requirements of Bursa Malaysia Securities for ACE Market	Nor Azzam Bin Abdul Jalil
2.	CREATIVE ECONOMY 2021 FORUM in conjunction with Budget 2021 with Minister of Finance	
3.	Rebuilding the Economy Sustainably Post Covid-19 with Minister of Finance	
4.	MCCG Revision 2021 Changing the Game in Corporate Governance	
5.	Launch of the 2020 Malaysian Board Practices Review Report	
6.	National OGSE Sustainability Forum (Series 2) - Adopting Sustainability Agenda: Are OGSE Companies Doing Enough?	
7.	Structured Advocacy Session for Corporate Disclosure for Directors and Senior Management of ACE Market Listed Corporations	
8.	Vistage Chief Executive Program	Datuk Eddie Ng Chee Siong
9.	Fraud Risk Management Workshop	Ng Shih Chiow
10.	Tackling Practical Problems Faced by Taxpayers	
11.	AWSome Day (Online Conference)	Ng Shih Fang
12.	ACA Security	
13.	AWS Builders Online Series	
14.	The Benefits and Challenges of Migrating to React Native	
15.	Creating A Successful Data Fabric for your Enterprise	
16.	Advocacy Sessions for Directors & Senior Management of ACE Market Listed Corporation – Announcement	Lai Wei Keat
17.	Budget 2021	Ooi Guan Hoe
18.	Fraud Risk Management Workshop for Directors of listed companies	
19.	Corporate Liability and Corruption Offences by Commercial Organizations under Section 17A MACC Act 2009	
20.	Duties and responsibilities of Directors of a company listed on the Main Board of the Stock Exchange of Hong Kong Limited	
21.	Own Initiative Anti-Bribery course	Ng Chee Keong
22.	Advocacy Sessions for Directors & Senior Management of ACE Market Listed Corporation	
23.	Implementing Amendments in the MCCG	
24.	Future of Blockchain	Loo Jo Anne
25.	Global HNW families and their wealth structures: current topics and innovations	
26.	Trusts and Technology	
27.	Anti-money Laundering and Counter- terrorism Financing	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**PART II – BOARD COMPOSITION (CONT'D)**APPOINTMENT OF NEW DIRECTORS

In order to comply with good practice for the appointment of new Directors through a formal and transparent procedure, the NC, which comprises exclusively of Independent Non-Executive Directors, is responsible for making recommendation relating to any appointment to the Board. Any new nomination received is put to the full Board for assessment and approval.

For appointment of new Directors, the Nomination Committee assesses the suitability of the candidates, taking into consideration of the following:

- required mixed of skills, knowledge, expertise and experience;
- professionalism;
- integrity;
- competencies;
- time commitment; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee shall evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The proposed re-election of existing Directors who are seeking for re-election at the AGM are first considered and evaluated by the NC. Upon its evaluation, the NC will make recommendation on the proposal to the Board for approval. The Board makes the final decision on the proposed re-election to be presented to the shareholders for approval.

The Board is entitled to the services of the Company Secretaries who ensure that all appointments are properly made, that all necessary information are obtained from Directors, both for the internal records and for the purposes of meeting statutory obligations, as well as obligations arising from Listing Requirements or other regulatory requirements.

ANNUAL ASSESSMENT

The Board undertakes an annual assessment and the NC has reviewed the independence of the Independent Directors for the FYE 2021 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.

PART III – REMUNERATIONREMUNERATION 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART III – REMUNERATION (CONT'D)

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 opted 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 – ARMC

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. Further details on the work performed by ARMC in furtherance of its oversight role are set out in the ARMC Report of this Annual Report.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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 2021 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 I – 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 line with Practice 12.1 of the Code. 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 27 October 2021.

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 of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year ended then.

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

- (i) Adopting the appropriate accounting policies, which were applied consistently and prudently;
- (ii) Making judgements and estimations were reasonable and prudent; and
- (iii) Ensured applicable financial reporting standards in Malaysia were complied and assured that the financial statements were prepared on a going concern basis.

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 of the Company.

The Directors are collectively responsible to ensure that the financial statements comply with the Listing Requirements of Bursa Securities, the requirements 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 of the Company to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the FYE 2021, 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.

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 (Ceased on 1 June 2021)	Independent Non-Executive Director
Member	Ng Chee Keong	Independent Non-Executive Director
Member	Loo Jo Anne (Appointed on 1 June 2021)	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 2021, the ARMC held a total of five (5) meetings.

The details of the attendance of ARMC are as follows:

	No. of meetings attended
Ooi Guan Hoe	5/5
Nor Azzam Bin Abdul Jalil (Ceased on 1 June 2021)	5/5
Ng Chee Keong	5/5
Loo Jo Anne (Appointed on 1 June 2021)	N/A

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 reports 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 2021;
- (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 2021 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 on 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 result.

This Audit and Risk Management Committee Report is made in accordance with the resolution of the Board on 27 October 2021.

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.

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.

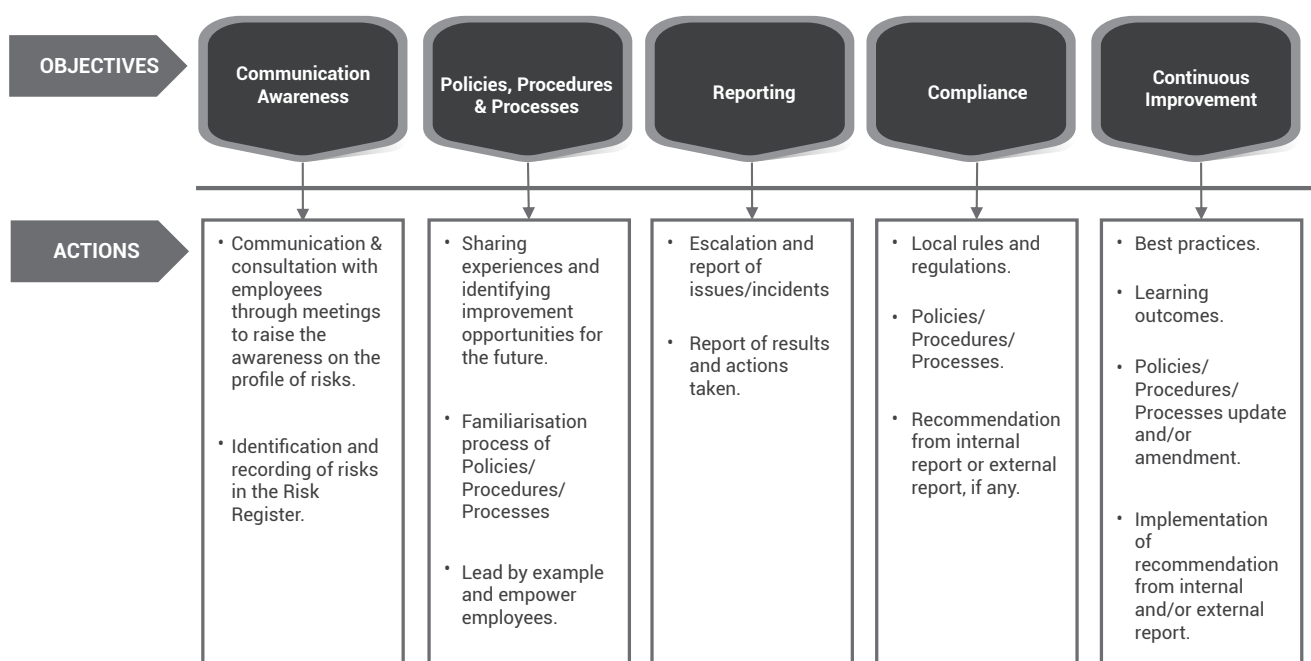
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

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: -

**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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (CONT'D)

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.

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 Auditors 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 2021, the Group had conducted review on the corporate governance and risk management systems of the Group on 26 November 2020 and 31 May 2021, focusing on the revisit of internal control matters arising from review of corporate governance and risk management systems report dated 21 December 2017 and conformance to Payments Network Malaysia Sdn Bhd ("PayNet") regulations respectively.

For the financial year under review, the total costs incurred by the Group for maintaining the Internal Audit Functions was RM33,000.

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 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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, the external auditor has reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is it 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 2021 and up to the date of this Statement on Risk Management and Internal Control.

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 2021.

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 on Risk Management and Internal Control is made in accordance with the resolution of the Board on 27 October 2021.

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD – ACE MARKET LISTING REQUIREMENTS

OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD – ACE MARKET LISTING REQUIREMENTS

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISES

A. Utilisation of proceeds from the IPO

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 ⁽¹⁾ RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Revised Utilisation RM'000	Estimated timeframe for utilisation upon listing	Revised timeframe for utilisation ⁽²⁾
Capital expenditure	8,100	8,100	-	1,029	24 months	12 months
Enhancement of revPAY and expansion of IT team	4,040	4,040	-	-	24 months	-
Repayment of bank borrowings	2,500	2,500	-	-	3 months	-
Business expansion	1,500	471	1,029	(1,029) ⁽³⁾	24 months	-
Working capital	1,773	1,773	-	-	24 months	-
Listing expenses	2,700	2,700	-	-	Immediately	-
	20,613	19,584	1,029	-		

Notes:

1. The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 11 June 2018.
2. From 7 July 2021.
3. The Company intends to utilise RM1.03 million of the proceeds to purchase approximately 1,500 new digital payment terminals with the capability to accept QR payments to increase the Company's deployment of EDC terminals over a 12 months period.

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD – ACE MARKET LISTING REQUIREMENTS

B. Utilisation of proceeds from the private placement (Special Issue)

The gross proceeds arising from the Special Issue amounting to RM58.49 million is intended 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	44,968	35,086	9,882	24 months
Enhancement of revPAY and expansion of IT team	8,670	3,727	4,943	24 months
Working capital	3,399	2,414	985	24 months
Expenses in relation to the Special Issue	1,450	618	832	Immediately
	58,487	41,845	16,642	

AUDIT AND NONT-AUDIT FEES

During FYE 2021, the amount of audit and non-audit fees paid and payable by the Company and the Group to its External Auditors are as follows:

	Company RM'000	Group RM'000
Audit fees	48	166
Non-audit fees		
- Review of Statement on Risk Management and Internal Control	5	5
- Others	-	8

MATERIAL CONTRACTS

During FYE 2021, there was no material contracts entered into by the Group and its subsidiaries involving Directors' and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

During FYE 2021, there was no Recurrent Related Party Transactions of a revenue or trading nature which requires shareholders' mandate.

FINANCIAL STATEMENTS



Directors' Report	056
Statement by Directors	063
Statutory Declaration	064
Independent Auditors' Report	065
Statements of Financial Position	072
Statements of Profit or Loss and Other Comprehensive Income	074
Statements of Changes In Equity	076
Statements of Cash Flows	082
Notes to the Financial Statements	086



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 2021.

Principal Activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 7 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	11,244,972	(3,479,222)
- Non-controlling interests	869,945	-
	<u>12,114,917</u>	<u>(3,479,222)</u>

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 year. The Directors do not recommend any dividend in respect of the current financial year.

DIRECTORS' REPORT

Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid-up share capital from RM49,268,599 to RM121,143,353 by way of issuance of 63,129,199 new ordinary shares as follows:

- (i) The issuance of 44,596,100 new ordinary shares for a total cash consideration of RM57,974,930 through Special Issue at an issue price of RM1.30 per ordinary share; and
- (ii) 18,533,099 new ordinary shares pursuant to the conversion of Warrants 2019/2024 at the exercise price of RM0.75 per ordinary share.

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.

Warrants

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

The exercise period of the warrants expired on 14 January 2024.

As at 30 June 2021, the total number of warrants that remained unexercised were 167,153,357 (2020: 185,686,456).

The salient terms of the warrants are disclosed in Note 16(b) to the financial statements.

Details of the warrants issued to Directors are disclosed in the section of Directors' Interests in this report.

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' REPORT

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

Datuk Ng Chee Siong*

Ng Shih Chiow*

Ng Shih Fang*

Ooi Guan Hoe

Ng Chee Keong

Lai Wei Keat*

Loo Jo Anne*

(Appointed on 01.07.2020)

** Director of the Company and of 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

Gan Swan Kiat

Chok Kennon Alexander

Low Chung Ming

Tan Lip Han

Teh Liang How

Yong Kim Fong

Ho Ee Lock

Keh Yih Tong

Yan Wai Seng

(Resigned on 01.07.2021)

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 in Shares

The interests and deemed interests in the shares and warrants 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 1.7.2020	Acquired Disposed	At 30.06.2021
Interests in the Company			
Direct Interests			
Nor Azzam bin Abdul Jalil	250,333	-	250,333
Datuk Ng Chee Siong	59,717,086	- 7,000,000	52,717,086
Ng Shih Chiow	55,381,723	-	55,381,723
Ng Shih Fang	55,881,722	- 3,000,000	52,881,722
Ooi Guan Hoe	116,666	-	116,666
Lai Wei Keat	4,700,100	- 500,100	4,200,000

	Number of Warrants 2019/2024		
	At 1.7.2020	Acquired Disposed	At 30.06.2021
Interests in the Company			
Direct Interests			
Datuk Ng Chee Siong	20,143,907	- 10,000,000	10,143,907
Ng Shih Chiow	28,274,195	- 5,000,000	23,274,195
Ng Shih Fang	28,274,195	- 5,000,000	23,274,195

By virtue of their interests in the shares of the Company, Datuk Ng Chee Siong, Ng Shih Fang, and Ng Shih Chiow 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' REPORT

Directors' Benefits

Since the end of the previous financial year, 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 Notes 27 and 30 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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; 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 it necessary to write off any 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

DIRECTORS' REPORT

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances: (Cont'd)
 - (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 7 to the financial statements.

DIRECTORS' REPORT

Significant Events

The significant events are disclosed in Note 38 to the financial statements.

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.

The details of auditors' remuneration are disclosed in Note 27 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 October 2021.

DATUK NG CHEE SIONG

NG SHIH CHIEW

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 72 to 192 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 2021 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 27 October 2021.

DATUK NG CHEE SIONG

NG SHIH CHIEW

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 72 to 192 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 27 October 2021)

NG SHIH CHIEW

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 2021 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 72 to 192.

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 2021, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVENUE GROUP BERHAD

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
<p>1. Impairment assessment on goodwill on consolidation and intangible assets</p> <p>The carrying amounts of goodwill on consolidation and intangible assets of the Group as at 30 June 2021 are RM10.83 million and RM11.13 million respectively.</p> <p>This was one of the key judgemental areas we focused in our opinion because the assessment of the carrying amounts of goodwill on consolidation and intangible assets required the Group to exercise significant judgement due to the inherent uncertainty involved in forecasting and discounting future cash flows which were used as the basis for assessment of recoverable amount.</p>	<p>Our procedures in relation to management's impairment assessment included, among others:</p> <ul style="list-style-type: none"> • In respect of the assessment of the cash-generating units ("CGUs"), we challenged the Directors' assessment of CGUs with reference to MFRS 136 <i>Impairment of Assets</i> and considered the operating and management structure changes with reference to our understanding of the business. • Assessment of the reliability of management's cash flows forecast through the review of past trends of actual financial performances against previous forecasted results. • Review of the reasonableness of key assumptions based on our knowledge of the business and industry. • Reconciliation of the input data to supporting evidence, such as approved cash flow projections and considering the reasonableness of these projections. • Evaluate the appropriateness of the discount rate used to determine the preset value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVENUE GROUP BERHAD

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
<p>2. Impairment of trade receivables</p> <p>The Group has material credit exposures in its portfolio of trade receivables amounting to RM15.14 million as at 30 June 2021. Given the nature of these assets, the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement.</p>	<p>Our procedures in relation to management's impairment assessment included, among others:</p> <ul style="list-style-type: none"> • Understanding on the procedures of the Group: <ul style="list-style-type: none"> • the Group's identification, monitoring and assessment on the impairment of receivables; and • the Group's basis and justification in making accounting estimates for impairment. • Understanding of significant credit exposures which were significantly overdue or deemed to be in default. • Review subsequent cash collections for major receivables and overdue amounts. • Review the ageing analysis of receivables and testing the reliability thereof. • Evaluate the reasonableness and adequacy of the allowance for impairment recognised for identified exposures.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVENUE GROUP BERHAD

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 the 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 scepticism 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVENUE GROUP BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 scepticism throughout the audit. We also: (Cont'd)

- 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, actions taken to eliminate threats or safeguards applied.

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.

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 7 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVENUE GROUP BERHAD

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

YEOH AIK CHUAN

Approved Number: 02239/07/2022 J

Chartered Accountant

KUALA LUMPUR

27 October 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	27,370,398	23,823,226	-	-
Intangible assets	5	11,134,550	8,972,525	-	-
Right-of-use assets	6	2,971,433	3,358,381	-	-
Investment in subsidiary companies	7	-	-	16,693,600	16,724,400
Investment in associates	8	6,767,904	1,575,877	-	-
Goodwill on consolidation	9	10,829,556	9,895,796	-	-
Total Non-Current Assets		<u>59,073,841</u>	<u>47,625,805</u>	<u>16,693,600</u>	<u>16,724,400</u>
Current Assets					
Inventories	10	7,998,843	9,933,007	-	-
Trade receivables	11	15,139,536	24,661,478	-	-
Other receivables	12	7,969,955	3,117,954	31,660	45,107
Amount due from subsidiary companies	13	-	-	44,574,449	27,594,319
Tax recoverable		1,476,414	1,663,631	-	-
Fixed deposits with licensed banks	14	254,526	250,839	-	-
Cash and bank balances		<u>97,323,560</u>	<u>35,248,607</u>	<u>53,478,547</u>	<u>1,424,556</u>
Total Current Assets		<u>130,162,834</u>	<u>74,875,516</u>	<u>98,084,656</u>	<u>29,063,982</u>
Total Assets		<u>189,236,675</u>	<u>122,501,321</u>	<u>114,778,256</u>	<u>45,788,382</u>
Equity and Liabilities					
Equity					
Share capital	15	121,143,353	49,268,599	121,143,353	49,268,599
Reserves	16	(22,218,214)	(22,006,357)	-	-
Retained earnings/ (Accumulated losses)		<u>49,862,711</u>	<u>38,617,739</u>	<u>(7,253,656)</u>	<u>(3,774,434)</u>
Equity attributable to the owners of the parent		148,787,850	65,879,981	113,889,697	45,494,165
Non-controlling interests		<u>2,511,301</u>	<u>1,423,843</u>	<u>-</u>	<u>-</u>
Total Equity		<u>151,299,151</u>	<u>67,303,824</u>	<u>113,889,697</u>	<u>45,494,165</u>

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Liabilities					
Non-Current Liabilities					
Bank borrowings	17	4,966,018	5,169,116	-	-
Lease liabilities	18	695,394	937,982	-	-
Deferred tax liabilities	19	576,454	677,121	-	-
Total Non-Current Liabilities		6,237,866	6,784,219	-	-
Current Liabilities					
Trade payables	20	16,625,569	35,276,260	-	-
Other payables	21	13,471,941	8,885,634	724,559	130,217
Contract liabilities	22	260,993	490,015	-	-
Amount due to a subsidiary company	13	-	-	164,000	164,000
Amount due to associates	23	-	413,909	-	-
Amount due to Directors	24	197,684	264,886	-	-
Bank borrowings	17	399,824	1,452,252	-	-
Lease liabilities	18	568,574	705,054	-	-
Tax payable		175,073	925,268	-	-
Total Current Liabilities		31,699,658	48,413,278	888,559	294,217
Total Liabilities		37,937,524	55,197,497	888,559	294,217
Total Equity and Liabilities		189,236,675	122,501,321	114,778,256	45,788,382

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	25	86,276,724	77,515,199	-	-
Cost of sales		<u>(42,002,539)</u>	<u>(39,948,685)</u>	<u>-</u>	<u>-</u>
Gross profit		44,274,185	37,566,514	-	-
Other income		1,658,501	915,573	247,988	24,017
Administrative expenses		(30,318,753)	(27,033,885)	(2,265,109)	(1,656,356)
Net loss on impairment of financial instruments		(19,812)	(209,256)	(1,462,101)	-
Finance costs	26	(330,223)	(456,026)	-	-
Share of results of associates, net of tax		<u>192,027</u>	<u>(773)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	27	15,455,925	10,782,147	(3,479,222)	(1,632,339)
Taxation	28	<u>(3,341,008)</u>	<u>(2,404,789)</u>	<u>-</u>	<u>1,116</u>
Profit/(Loss) for the financial year		<u>12,114,917</u>	<u>8,377,358</u>	<u>(3,479,222)</u>	<u>(1,631,223)</u>

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Other comprehensive loss for the financial year, net of tax					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences for foreign operations		(11,304)	(9,728)	-	-
Total comprehensive income/(loss) for the financial year		12,103,613	8,367,630	(3,479,222)	(1,631,223)
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		11,244,972	7,714,770	(3,479,222)	(1,631,223)
Non-controlling interests		869,945	662,588	-	-
		12,114,917	8,377,358	(3,479,222)	(1,631,223)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		11,233,668	7,705,042	(3,479,222)	(1,631,223)
Non-controlling interests		869,945	662,588	-	-
		12,103,613	8,367,630	(3,479,222)	(1,631,223)
Earnings per share					
Basic earnings per share (sen)	29(a)	2.72	2.45		
Diluted earnings per share (sen)	29(b)	2.71	2.44		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to owners of the parent						
	Non-distributable			Distributable			
	Share capital RM	Merger reserve RM	Warrant reserve RM	Other reserves RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
Group							
At 1 July 2019, as previously reported	46,688,035	(15,693,600)	61,283,200	(67,568,723)	(17,506)	30,911,911	56,119,572
Effect on adoption of MFRS 16	-	-	-	-	-	(8,942)	(8,942)
At 1 July 2019, as restated	46,688,035	(15,693,600)	61,283,200	(67,568,723)	(17,506)	30,902,969	56,110,630
Profit for the financial year	-	-	-	-	-	7,714,770	8,377,358
Other comprehensive loss for the financial year	-	-	-	-	(9,728)	-	(9,728)
Total comprehensive (loss)/income for the financial year	-	-	-	-	(9,728)	7,714,770	8,367,630

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to owners of the parent						
	Non-distributable			Distributable			
Note	Share capital RM	Merger reserve RM	Warrant reserve RM	Other reserves RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
Transactions with owners:							
Capital contribution from non-controlling interests	-	-	-	-	-	-	245,000
Issuance of ordinary shares pursuant to:							
Acquisition of subsidiary companies	2,053,750	-	-	-	-	-	2,053,750
Special Issue	512,314	-	-	-	-	-	512,314
Exercise of warrants	14,500	-	(14,500)	14,500	-	-	14,500
Total transactions with owners	2,580,564	-	(14,500)	14,500	-	-	2,580,564
At 30 June 2020	49,268,599	(15,693,600)	61,268,700	(67,554,223)	(27,234)	38,617,739	67,303,824

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to owners of the parent						
	Non-distributable			Distributable			
	Share capital RM	Merger reserve RM	Warrant reserve RM	Other reserves RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
Group							
At 1 July 2020	49,268,599	(15,693,600)	61,268,700	(67,554,223)	(27,234)	38,617,739	67,303,824
Profit for the financial year	-	-	-	-	-	11,244,972	12,114,917
Other comprehensive loss for the financial year	-	-	-	-	(11,304)	-	(11,304)
Total comprehensive (loss)/income for the financial year	-	-	-	-	(11,304)	11,244,972	12,103,613

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Attributable to owners of the parent								
		Non-distributable				Distributable				
		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
Transactions with owners:										
Net changes of non-controlling interests	7(a)	-	-	-	-	-	-	-	16,560	16,560
Changes of stakes in a subsidiary company	7(b)	-	-	-	(200,553)	-	-	(200,553)	200,953	400
Issuance of ordinary shares pursuant to:										
Special Issue	15(a)(i)	57,974,930	-	-	-	-	-	57,974,930	-	57,974,930
Exercise of warrants	15(a)(ii)	13,899,824	-	(6,107,832)	6,107,832	-	-	13,899,824	-	13,899,824
Total transactions with owners		71,874,754	-	(6,107,832)	5,907,279	-	-	71,674,201	217,513	71,891,714
At 30 June 2021		121,143,353	(15,693,600)	55,160,868	(61,646,944)	(38,538)	49,862,711	148,787,850	2,511,301	151,299,151

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to owners of the parent				
	Non-distributable				Total equity RM
	Share capital RM	Warrant reserve RM	Other reserves RM	Accumulated losses RM	
Company					
At 1 July 2019	46,688,035	61,283,200	(61,283,200)	(2,143,211)	44,544,824
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(1,631,223)	(1,631,223)
Transactions with owners:					
Issuance of ordinary shares pursuant to:					
Acquisition of subsidiary companies	2,053,750	-	-	-	2,053,750
Special Issue	512,314	-	-	-	512,314
Exercise of warrants	14,500	(14,500)	14,500	-	14,500
Total transactions with owners	2,580,564	(14,500)	14,500	-	2,580,564
At 30 June 2020	49,268,599	61,268,700	(61,268,700)	(3,774,434)	45,494,165

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Non-distributable			Total equity RM
		Share capital RM	Warrant reserve RM	Other reserves RM	
Company					
At 1 July 2020		49,268,599	61,268,700	(61,268,700)	45,494,165
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(3,479,222)
Transactions with owners:					
Issuance of ordinary shares pursuant to:					
Special Issue	15(a)(i)	57,974,930	-	-	57,974,930
Exercise of warrants	15(a)(ii)	13,899,824	(6,107,832)	6,107,832	13,899,824
Total transactions with owners		71,874,754	(6,107,832)	6,107,832	71,874,754
At 30 June 2021		121,143,353	55,160,868	(55,160,868)	113,889,697

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Operating Activities				
Profit/(Loss) before tax	15,455,925	10,782,147	(3,479,222)	(1,632,339)
Adjustments for:				
Amortisation of intangible assets	2,321,257	174,352	-	-
Depreciation of right-of-use assets	653,057	515,161	-	-
Bad debts written off				
- trade receivables	-	478,938	-	-
Depreciation of property, plant and equipment	6,510,738	6,209,382	-	-
Finance costs	330,223	456,026	-	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(460)	394	-	-
- other investment	-	(2,117)	-	-
Property, plant and equipment written off	4,280	256,233	-	-
Impairment losses on:				
- amount due from a subsidiary company	-	-	1,462,101	-
- goodwill on consolidation	-	116,165	-	-
- investment in a subsidiary company	-	-	30,800	-
- trade receivables	622,594	706,747	-	-
Reversal of impairment losses on trade receivables	(602,782)	(497,491)	-	-
Interest income	(291,298)	(169,575)	(238,706)	(19,268)
Income from rent concessions	(17,435)	-	-	-
Share of results of associates	(192,027)	773	-	-
Unrealised (gain)/loss on foreign exchange	(235,386)	905,096	(9,282)	-
Operating profit/(loss) before working capital changes				
carried down	24,558,686	19,932,231	(2,234,309)	(1,651,607)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Operating Activities (Cont'd)				
Operating profit/(loss) before working capital changes brought down	24,558,686	19,932,231	(2,234,309)	(1,651,607)
Changes in working capital:				
Inventories	2,418,618	(5,514,895)	-	-
Receivables	4,727,144	(8,435,724)	13,447	114,586
Payables	(14,287,434)	18,466,420	594,342	36,644
Contract liabilities	(229,022)	(150,116)	-	-
Amount due from subsidiary companies	-	-	(18,432,949)	(1,104,092)
Amount due to associates	(413,909)	413,909	-	-
Amount due to Directors	(91,318)	141,030	-	-
	(7,875,921)	4,920,624	(17,825,160)	(952,862)
Cash generated from/ (used in) operations	16,682,765	24,852,855	(20,059,469)	(2,604,469)
Interest received	291,298	169,575	238,706	19,268
Interest paid	(330,223)	(456,026)	-	-
Tax paid	(5,150,882)	(3,790,951)	-	-
Tax refunded	1,146,229	998,404	-	-
	(4,043,578)	(3,078,998)	238,706	19,268
Net cash from/(used in) operating activities	12,639,187	21,773,857	(19,820,763)	(2,585,201)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Investing Activities				
Proceeds from disposal of property, plant and equipment	2,790	193,815	-	-
Net cash inflows arising from incorporation of subsidiary company with non-controlling interests	-	245,000	-	-
Proceeds from disposal of other investment	-	507,330	-	-
Acquisition of:				
- an associate [Note 8(a)]	(4,500,000)	(409,201)	-	-
- intangible assets	(4,107,251)	(4,568,719)	-	-
- right-of-use assets [Note 6(a)]	(46,109)	-	-	-
Net cash (outflows)/inflows arising from acquisition of subsidiary companies [Note 7(a)]	(891,362)	10,541	-	-
Purchase of property, plant and equipment	(10,719,436)	(9,280,511)	-	-
Net cash used in investing activities	(20,261,368)	(13,301,745)	-	-
Financing Activities				
(Increase)/Decrease in fixed deposits pledged	(3,687)	229,161	-	-
Proceeds from issuance of shares (Note 15)	71,874,754	2,580,564	71,874,754	2,580,564
Payment of lease liabilities	(581,633)	(469,478)	-	-
Repayment of term loans	(199,663)	(13,373)	-	-
Net cash from financing activities	71,089,771	2,326,874	71,874,754	2,580,564

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Net increase/(decrease) in cash and cash equivalents	63,467,590	10,798,986	52,053,991	(4,637)
Cash and cash equivalents at the beginning of the financial year	33,973,841	23,184,583	1,424,556	1,429,193
Effect of exchange translation differences on cash and cash equivalents	<u>(336,774)</u>	<u>(9,728)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	<u>97,104,657</u>	<u>33,973,841</u>	<u>53,478,547</u>	<u>1,424,556</u>
Cash and cash equivalents at the end of the financial year comprises:				
Fixed deposits with licensed banks	254,526	250,839	-	-
Cash and bank balances	97,323,560	35,248,607	53,478,547	1,424,556
Bank overdraft	<u>(218,903)</u>	<u>(1,274,766)</u>	<u>-</u>	<u>-</u>
	97,359,183	34,224,680	53,478,547	1,424,556
Less: Fixed deposits pledged to licensed banks	<u>(254,526)</u>	<u>(250,839)</u>	<u>-</u>	<u>-</u>
	<u>97,104,657</u>	<u>33,973,841</u>	<u>53,478,547</u>	<u>1,424,556</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is 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. With effect from 27 January 2021, the Company's registered office has been relocated to Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7. There have 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 Standards ("MFRS"), 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

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:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendment to MFRS 16	Covid-19 - Related Rent Concessions

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.

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
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

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: (Cont'd)

	Effective dates for financial periods beginning on or after
Annual Improvements to MFRS Standards 2018 - 2020:	1 January 2022
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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 above-mentioned 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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 and of the Company'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 amounts of the assets or liabilities affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group'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.

Determining the lease term of contracts with renewal options - Group as lessee

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

2. Basis of Preparation (Cont'd)

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

Judgements (Cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation or 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, intangible assets and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment, intangible assets and ROU assets 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, intangible assets and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, intangible assets and ROU assets. The carrying amount of the property, plant and equipment, intangible assets and right-of-use assets is disclosed in Notes 4, 5 and 6 respectively.

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 7.

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 9.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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 10.

Determination of transactions 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.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade and other receivables and amount due from subsidiary companies. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss are disclosed in Note 11.

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 21.

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 2021, the Group has tax recoverable of RM1,476,414 (2020: RM1,663,631) and tax payable of RM175,073 (2020: RM925,268) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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 company 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 share premium, capital redemption reserve and 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 capital reserves.

Under the acquisition method of accounting, subsidiary companies are fully consolidated from the date on which control is transferred to the Group and deconsolidated 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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. Refer accounting policy Note 3(n)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

- (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.

- (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. Refer accounting policy Note 3(n)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021**3. Significant Accounting Policies (Cont'd)****(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 statements of the associate are 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 2021

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. 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. Refer accounting policy Note 3(n)(i) 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 statements 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(c) Foreign currency translation (Cont'd)

(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 of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is 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 that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(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(n)(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

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. Leased assets are depreciated over the shorter of the lease term and their useful lives. Capital work-in-progress are not depreciated until the assets are ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

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

Freehold building	50 years
Computer, software and testing equipment	2 to 5 years
EDC terminals	5 years
Motor vehicles	5 to 7 years
Office equipment, furniture and fittings	4 to 10 years
Renovation	10 years
IT equipment	3 years
Product development	5 years

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.

(e) Intangible assets

(i) Internally-generated intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(e) Intangible assets (Cont'd)

(i) Internally-generated intangible assets - research and development costs (Cont'd)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(f) Leases

As lessee

The Group recognises a ROU asset and a lease liability at the lease's commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets determined on the same basis as those of property, plant and equipment are as follows:

Leasehold building	Over the remaining lease period
Motor vehicles	Over the remaining lease period
Office	Over the remaining lease period

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(f) Leases (Cont'd)

As lessee (Cont'd)

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies *MFRS 15 Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(g) Financial assets

Recognition and initial measurement

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 fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset 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.

The Group and the Company classify their financial assets as follows:

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(i) Financial assets at amortised cost (Cont'd)

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 ("FVTOCI")

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

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

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

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(n)(ii) on impairment of financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

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.

(h) Financial liabilities

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.

Financial liability categories and subsequent measurement

The Group and the Company classify its financial liabilities as follows:

(i) Financial liabilities at amortised cost

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 a subsidiary company, amount due to associates, amount due to Directors, lease liabilities and bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(h) Financial liabilities (Cont'd)

Financial instrument categories and subsequent measurement (Cont'd)

The Group and the Company classify its financial liabilities as follows: (Cont'd)

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

The Group and the Company have not designated any financial liabilities at FVTPL.

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.

(i) Financial guarantee contracts

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 financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(j) Offsetting of financial instruments

Financial asset and financial liability 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(k) Inventories

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

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a 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.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term 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.

(m) Contract liabilities

Contract liabilities are the 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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

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

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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

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.

(o) 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 Company's shareholders 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.

(p) 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 2021

3. Significant Accounting Policies (Cont'd)

(q) 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.

(r) Revenue and other income

(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.

The Group recognises revenue from the following major sources:

(a) Sale 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(r) Revenue and other income (Cont'd)

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

The Group recognises revenue from the following major sources: (Cont'd)

(b) Sale of airtime

The Group, being a distributor in the sale of prepaid airtime top-ups, is in substance acting as an agent for the operators. The revenue associated with the sale 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 sale 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 rendering of 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of the assets, until such time as the assets are substantially 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(v) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to business combination or 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

3. Significant Accounting Policies (Cont'd)

(w) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

4. Property, Plant and Equipment

	At cost								
	Acquisition through business combination		At cost						
	At 1 July 2020 RM	RM	Additions RM	Disposal RM	Transfer to inventories RM	Transfer to intangible assets RM	Reclassification RM	Written off RM	At 30 June 2021 RM
Group 2021									
Freehold land	5,123,757	-	-	-	-	-	-	-	5,123,757
Freehold buildings	1,500,000	-	-	-	-	-	-	-	1,500,000
Computer, software and testing equipment	8,266,737	9,953	2,765,625	(4,422)	-	(237,806)	407,820	-	11,207,907
EDC terminals	24,120,089	-	3,084,011	(2,176)	(1,686,193)	-	-	-	25,515,731
Motor vehicles	567,439	-	-	-	-	-	-	-	567,439
Office equipment, furniture and fittings	907,552	7,064	53,150	-	-	-	-	-	967,766
Renovation	1,642,603	-	15,000	-	-	-	-	-	1,657,603
Capital work-in-progress	1,881,835	-	4,801,650	-	-	-	(407,820)	(4,280)	6,271,385
IT equipment	72,980	-	-	-	-	-	-	-	72,980
	44,082,992	17,017	10,719,436	(6,598)	(1,686,193)	(237,806)	-	(4,280)	52,884,568

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

	Accumulated depreciation					Carrying amount
	Acquisition through business combination		Charge for the financial year	Transfer to inventories	Transfer to intangible assets	
	At 1 July 2020	RM	RM	RM	RM	
Group 2021	RM				At 30 June 2021	At 30 June 2021
					RM	RM
Freehold land	-	-	-	-	-	5,123,757
Freehold buildings	175,000	-	30,000	-	-	1,295,000
Computer, software and testing equipment	4,802,955	9,374	1,708,600	(2,222)	(61,384)	4,750,584
EDC terminals	13,743,747	-	4,460,328	(2,046)	(1,201,739)	8,515,441
Motor vehicles	470,027	-	55,112	-	-	42,300
Office equipment, furniture and fittings	470,690	1,683	82,165	-	-	413,228
Renovation	555,289	-	150,206	-	-	952,108
Capital work-in-progress	-	-	-	-	-	6,271,385
IT equipment	42,058	-	24,327	-	-	6,595
	20,259,766	11,057	6,510,738	(4,268)	(1,201,739)	27,370,398
					25,514,170	

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

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

	At cost							
	At 1 July 2019, as previously reported RM	Effect on of adoption MFRS 16 RM	At 1 July 2019, as restated RM	Acquisition through business combination RM	Additions RM	Disposal RM	Written off RM	At 30 June 2020 RM
Group 2020								
Freehold land	5,123,757	-	5,123,757	-	-	-	-	5,123,757
Freehold and leasehold buildings	3,250,000	(1,750,000)	1,500,000	-	-	-	-	1,500,000
Computer, software and testing equipment	4,392,257	-	4,392,257	8,702	4,054,896	(158,220)	(30,898)	8,266,737
EDC terminals	21,168,791	-	21,168,791	-	2,962,851	(11,553)	-	24,120,089
Motor vehicles	1,722,895	(1,110,456)	612,439	-	-	(45,000)	-	567,439
Office equipment, furniture and fittings	653,427	-	653,427	19,006	235,119	-	-	907,552
Renovation	1,097,816	-	1,097,816	-	544,787	-	-	1,642,603
Capital work-in-progress	427,699	-	427,699	-	1,482,858	-	(28,722)	1,881,835
IT equipment	-	-	-	72,980	-	-	-	72,980
Product development	-	-	-	196,613	-	-	(196,613)	-
	37,836,642	(2,860,456)	34,976,186	297,301	9,280,511	(214,773)	(256,233)	44,082,992

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

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

	Accumulated depreciation						Carrying amount	
	Acquisition							
	At 1 July 2019, as previously reported RM	Effect on MFRS 16 RM	At 1 July 2019, as restated RM	through business combination RM	Charge for the financial year RM	Disposal RM	At 30 June 2020 RM	At 30 June 2020 RM
Group 2020								
Freehold land	-	-	-	-	-	-	-	5,123,757
Freehold and leasehold buildings	228,261	(83,261)	145,000	-	30,000	-	175,000	1,325,000
Computer, software and testing equipment	2,994,161	-	2,994,161	4,203	1,804,591	-	4,802,955	3,463,782
EDC terminals	9,634,756	-	9,634,756	-	4,116,055	(7,064)	13,743,747	10,376,342
Motor vehicles	549,027	(154,812)	394,215	-	89,312	(13,500)	470,027	97,412
Office equipment, furniture and fittings	403,827	-	403,827	4,174	62,689	-	470,690	436,862
Renovation	454,636	-	454,636	-	100,653	-	555,289	1,087,314
Capital work-in-progress	-	-	-	-	-	-	-	1,881,835
IT equipment	-	-	-	35,976	6,082	-	42,058	30,922
Product development	-	-	-	-	-	-	-	-
	14,264,668	(238,073)	14,026,595	44,353	6,209,382	(20,564)	20,259,766	23,823,226

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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 17(a) are as follows:

	Group	
	2021	2020
	RM	RM
Freehold land	5,123,757	5,123,757
Freehold building	1,295,000	1,325,000
	6,418,757	6,448,757

(b) Change in estimate

In the previous financial year, the Group conducted a review of the useful live of software. In view of the operating efficiency, change in the business environment and the update and enhancement of the software, hence, the remaining useful life of the software are expected to extend from 2 to 3 years as at 1 July 2019 to 5 years as at 30 June 2020.

The effect of above change on depreciation expense, recognised in administrative expenses, in the current period is as follows:

	2020	2021
	RM	RM
Increase/(Decrease) in depreciation expense	1,539,342	(1,539,342)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

5. Intangible Assets

	Software RM	Capital work- in-progress RM	Total RM
Group			
2021			
At cost			
At 1 July 2020	13,103,817	788,196	13,892,013
Transfer from property, plant and equipment	237,806	-	237,806
Acquisition through business combination	213,867	-	213,867
Additions	3,072,690	1,034,561	4,107,251
At 30 June 2021	<u>16,628,180</u>	<u>1,822,757</u>	<u>18,450,937</u>
Accumulated amortisation			
At 1 July 2020	4,919,488	-	4,919,488
Charge for the financial year	2,321,257	-	2,321,257
Transfer from property, plant and equipment	61,384	-	61,384
Acquisition through business combination	14,258	-	14,258
At 30 June 2021	<u>7,316,387</u>	<u>-</u>	<u>7,316,387</u>
Carrying amount			
At 30 June 2021	<u>9,311,793</u>	<u>1,822,757</u>	<u>11,134,550</u>
2020			
At cost			
At 1 July 2019	9,323,294	-	9,323,294
Additions	3,780,523	788,196	4,568,719
At 30 June 2020	<u>13,103,817</u>	<u>788,196</u>	<u>13,892,013</u>
Accumulated amortisation			
At 1 July 2019	4,745,136	-	4,745,136
Charge for the financial year	174,352	-	174,352
At 30 June 2020	<u>4,919,488</u>	<u>-</u>	<u>4,919,488</u>
Carrying amount			
At 30 June 2020	<u>8,184,329</u>	<u>788,196</u>	<u>8,972,525</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

5. Intangible Assets (Cont'd)

Software

Software mainly represents the costs incurred in respect of the completed development costs and development in progress on payment gateway for both online and offline.

(a) Recoverable amount on value in use

For the purpose of impairment testing, the recoverable amount of development expenditures at the end of the financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash generated unit ("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 5% (2020: 5%); and
- (iii) Pre-tax discount rate of 8.6% (2020: 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.

- (b) Intangible assets comprise salaries of personnel involved in the development and design of software.
- (c) Change in estimate

In the previous financial year, the Group conducted a review of the useful live of software. In view of the operating efficiency, change in the business environment and the update and enhancement of the software, hence, the remaining useful life of the software are expected to extend from 2 to 3 years as at 1 July 2019 to 5 years as at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

5. Intangible Assets (Cont'd)

(c) Change in estimate (Cont'd)

The effect of above change on amortisation expense, recognised in administrative expenses, in the current and future period is as follows:

	2020	2021	2022	2023	2024 and After
	RM	RM	RM	RM	RM
Increase/(Decrease) in amortisation expense	174,352	174,352	174,352	174,352	(697,408)

6. Right-of-use Assets

	Leasehold building RM	Motor vehicles RM	Office RM	Total RM
Group				
2021				
At cost				
At 1 July 2020	1,750,000	1,368,716	1,361,552	4,480,268
Additions	-	266,109	-	266,109
Expiration of contracts	-	-	(535,822)	(535,822)
At 30 June 2021	1,750,000	1,634,825	825,730	4,210,555
Accumulated amortisation				
At 1 July 2020	101,427	346,078	674,382	1,121,887
Charge for the financial year	18,166	250,204	384,687	653,057
Expiration of contracts	-	-	(535,822)	(535,822)
At 30 June 2021	119,593	596,282	523,247	1,239,122
Carrying amount				
At 30 June 2021	1,630,407	1,038,543	302,483	2,971,433

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

6. **Right-of-use Assets (Cont'd)**

	Leasehold building RM	Motor vehicles RM	Office RM	Total RM
Group 2020				
At cost				
At 1 July 2019, as previously reported	-	-	-	-
Effect on adoption of MFRS 16	1,750,000	1,110,456	642,620	3,503,076
At 1 July 2019, as restated	1,750,000	1,110,456	642,620	3,503,076
Additions	-	258,260	718,932	977,192
At 30 June 2020	1,750,000	1,368,716	1,361,552	4,480,268
Accumulated amortisation				
At 1 July 2019, as previously reported	-	-	-	-
Effect on adoption of MFRS 16	83,261	154,812	368,653	606,726
At 1 July 2019, as restated	83,261	154,812	368,653	606,726
Charge for the financial year	18,166	191,266	305,729	515,161
At 30 June 2020	101,427	346,078	674,382	1,121,887
Carrying amount				
At 30 June 2020	1,648,573	1,022,638	687,170	3,358,381

- (a) The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under lease financing and cash payments are as follows:

	Group 2021 RM	2020 RM
Aggregate costs	266,109	977,192
Less: Lease financing	(220,000)	(947,389)
Less: Offset with other payables	-	(29,803)
Cash payments	46,109	-

- (b) Included in the right-of-use assets of the Group are motor vehicles with carrying amount of RM1,038,543 (2020: RM1,022,638) which are pledged as securities for the related lease liabilities as disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies

	Company	
	2021	2020
	RM	RM
Unquoted shares, at cost		
In Malaysia	16,693,600	16,693,600
Outside Malaysia	30,800	30,800
	<u>16,724,400</u>	<u>16,724,400</u>
Less: Accumulated impairment losses	(30,800)	-
	<u>16,693,600</u>	<u>16,724,400</u>

Movements in the allowance for impairment losses of investment in subsidiary company is as follows:

	Company	
	2021	2020
	RM	RM
At 1 July	-	-
Impairment losses recognised	30,800	-
At 30 June	<u>30,800</u>	<u>-</u>

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2021	2020	
<i>Direct holding</i>				
Revenue Harvest Sdn. Bhd. ("Revenue Harvest")	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

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

7. **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 (%)		Principal activities
		2021	2020	
Direct holding (Cont'd)				
Revenue Harvest Pte. Ltd.*	Singapore	100	100	Investment holding
Indirect holding				
Subsidiary companies of Revenue Harvest				
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

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

7. **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 (%)		Principal activities
		2021	2020	
Indirect holding (Cont'd)				
<i>Subsidiary companies of Revenue Harvest</i>				
Revenue Safe Nets Sdn. Bhd.	Malaysia	100	100	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	100	Dormant
Anypay Sdn. Bhd. ("Anypay")	Malaysia	70	70	Engaged in e-commerce, software and mobile application development on digital payment
Buymall Services Sdn. Bhd.* ("Buymall")	Malaysia	51	51	Engaged in provision of procurement services of consumer goods from e-commerce websites

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. 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 (%)		Principal activities
		2021	2020	
<i>Indirect holding (Cont'd)</i>				
<i>Subsidiary companies of Revenue Harvest</i>				
Revenue Secure Sdn. Bhd. ("Revenue Secure")	Malaysia	51	51	Engage in research, development, deployment of secured card issuing technology, provision of consultancy services on card programming and computer technology with encryption and high end security features for all kinds of application
Wannapay Sdn. Bhd. (formerly known as Scanpay Sdn. Bhd.) ("WannaPay")	Malaysia	95.8	-	Provision of electronic commerce services which include online and electronic payment service provider
<i>Subsidiary company of Revenue Secure</i>				
Dax Venture Sdn. Bhd. ("DAX")	Malaysia	51	51	Engage in the business of digital platform and e-services
<i>Subsidiary companies of DAX</i>				
Rentdax Sdn. Bhd.#	Malaysia	51	51	Dormant
Loandax Sdn. Bhd.#	Malaysia	51	51	Dormant

* Subsidiary company not audited by UHY

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NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies (Cont'd)

(a) Acquisition of subsidiary companies

During the financial year

On 12 August 2020, Revenue Harvest, a wholly-owned subsidiary company of the Company, entered into a Shareholders Agreement with the shareholders of WannaPay to acquire 838,400 ordinary shares, representing 80% of equity interest in WannaPay for a total cash consideration of RM1,000,000. Consequently, WannaPay become a 80% owned subsidiary company of Revenue Harvest.

In the previous financial year

On 1 April 2020, Revenue Secure, a 51% owned subsidiary company of the Company, entered into a conditional share sale agreement with Unity One Venture Sdn. Bhd., Chang Chew Soon and Hor Shoon Chan to acquire 5,000,000 ordinary shares in DAX for a total consideration of RM1. Consequently, DAX become a wholly-owned subsidiary company of Revenue Secure.

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

	Group	
	2021	2020
	RM	RM
<u>Fair value of consideration transferred</u>		
Purchase consideration settled in cash	1,000,000	1
Total consideration transferred	<u>1,000,000</u>	<u>1</u>

Fair value of identifiable assets acquired and liabilities assumed

	Group	
	2021	2020
	RM	RM
Property, plant and equipment	5,960	252,948
Intangible assets	199,609	-
Other receivables	4,300	1,600
Cash and bank balances	108,638	10,542
Trade payables	(55,273)	-
Other payables	(156,318)	(326,254)
Amount due to Directors	(24,116)	-
Total identifiable assets and liabilities	<u>82,800</u>	<u>(61,164)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies (Cont'd)

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

Net cash outflows/(inflows) arising from acquisition of subsidiary companies

	Group	
	2021	2020
	RM	RM
Purchase consideration settled in cash	1,000,000	1
Less: Cash and cash equivalents acquired	(108,638)	(10,542)
	891,362	(10,541)

Goodwill arising from business combination

	Group	
	2021	2020
	RM	RM
Fair value of consideration transferred	1,000,000	1
Fair value of identifiable assets acquired and liabilities assumed	(82,800)	61,164
	917,200	61,165
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	16,560	20,000
Goodwill arising from business combination	933,760	81,165

Acquisition-related costs

The Group incurred acquisition-related costs of RM18,011 (2020: 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 RM889 and loss of RM317,022 (2020: RMNil and profit RM207,125) to the Group's revenue and profit for the financial year and other comprehensive income 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 RM86,276,747 and profit of RM12,012,186 (2020: RM75,362,712 and profit of RM7,655,553) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies (Cont'd)

(b) Changes in equity interests

- (i) On 19 January 2021, WannaPay increased its paid-up share capital from 1,048,000 to 1,500,000 ordinary shares. Revenue Harvest has subscribed for additional 451,600 ordinary shares in WannaPay for total cash consideration of RM451,600. Consequently, WannaPay become 86% owned subsidiary company of Revenue Harvest.
- (ii) On 1 April 2021, WannaPay increased its paid-up share capital from 1,500,000 to 5,000,000 ordinary shares. Revenue Harvest has subscribed for additional 3,500,000 ordinary shares in WannaPay for total cash consideration of RM3,500,000. Consequently, WannaPay become 95.8% owned subsidiary company of Revenue Harvest.

The effect of changes in the equity interest in WannaPay that is attributable to owners of the Company:

	Group	
	2021	2020
	RM	RM
Carrying amount of non-controlling interests acquired	(200,953)	-
Consideration received from non-controlling interests	400	-
Decrease in parent's equity	<u>(200,553)</u>	<u>-</u>

(c) Incorporation of a subsidiary company

On 16 August 2019, Revenue Harvest, a wholly-owned subsidiary company of the Company, incorporated a 51% owned subsidiary company, Revenue Secure with cash subscription of RM255,000 comprising of 255,000 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies (Cont'd)

(d) 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	
	2021	2020	2021	2020	2021	2020
	%	%	RM	RM	RM	RM
Anypay	30	30	144,542	418,989	876,207	731,665
Buymall	49	49	220,578	141,466	565,623	345,045
Revenue Secure	49	49	367,929	211,435	824,364	456,435
Individually immaterial subsidiary companies with non-controlling interests					245,107	(109,302)
Total non-controlling interests					2,511,301	1,423,843

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies (Cont'd)

(d) 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:

(i) Summarised Statements of Financial Position

	Anypay		Buymall		Revenue Secure		DAX	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM
Non-current assets	367,717	166,233	1,072,896	1,061,353	2,863,326	1,559,052	#	48,578
Current assets	10,827,878	5,123,238	1,890,911	1,324,731	1,281,817	809,729	#	4,928
Non-current liabilities	(262,515)	(132,383)	(48,746)	(223,114)	(27,677)	(2,025)	#	-
Current liabilities	(8,012,806)	(2,718,621)	(1,764,241)	(1,462,309)	(2,435,091)	(1,435,257)	#	(318,639)
Net assets/(liabilities)	2,920,274	2,438,467	1,150,820	700,661	1,682,375	931,499	#	(265,133)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies (Cont'd)

(d) 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		Buymall		Revenue Secure		DAX	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM
Revenue	1,415,492	2,379,991	7,603,059	5,884,035	1,565,799	693,000	#	-
Total comprehensive income/(loss) for the financial year	481,807	1,396,630	450,159	288,706	750,876	431,499	#	(945,312)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

7. Investment in Subsidiary Companies (Cont'd)

(d) 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)

(iii) Summarised Statements of Cash Flows

	Anypay		Buymall		Revenue Secure		DAX	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM
Net cash from/(used in) operating activities	3,895,726	2,401,695	935,643	1,031,819	1,435,815	90,432	#	(609,295)
Net cash used in investing activities	(79,795)	(10,721)	(444,650)	(408,551)	(1,372,041)	(1,559,293)	#	(181,724)
Net cash (used in)/from financing activities	(47,704)	(31,591)	(230,893)	(182,499)	-	1,595,114	#	400,000
Net increase/(decrease) in cash and cash equivalents	3,768,227	2,359,383	260,100	440,769	63,774	126,253	#	(391,019)

An immaterial subsidiary company with non-controlling interests

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

8. Investment in Associates

	Group	
	2021 RM	2020 RM
Unquoted shares, at cost		
- In Malaysia	5,000,000	-
- Outside Malaysia	1,576,650	1,576,650
	6,576,650	1,576,650
Share of post acquisition reserve	191,254	(773)
	6,767,904	1,575,877

Details of the associates is as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2021	2020	
Indirect holding				
<i>Associates of Revenue</i>				
<i>Harvest Pte. Ltd.</i>				
PT Sarana Pembayaran Syariah *# ("PT Sarana")	Indonesia	20	20	Provision of computer facility management and service provider of payment solutions and system
Revenue Link Company Limited *# ("Revenue Link")	Myanmar	30	30	Dormant
<i>Associate of Revenue</i>				
<i>Harvest Sdn. Bhd.</i>				
Wannataalk Malaysia Sdn. Bhd. * ("Wannataalk")	Malaysia	40	-	Engaged in the development of mobile applications, computer programming activities and research and development on information communication technology

* Not audited by UHY

The financial information is disclosed based on management accounts

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

8. Investment in Associates (Cont'd)

(a) Acquisition of associates

During the financial year

On 10 August 2020, Revenue Harvest, a wholly-owned subsidiary company of the Company, has acquired 6,000 ordinary shares, representing 40% equity interest of Wannatalk for a total consideration of RM5,000,000.

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

- (i) A sum of RM4,000,000 of the total consideration shall be paid to the Tan Sze Hoo ("Vendor") not later than 14 days after the completion date by way of cash;
- (ii) A sum of RM500,000 of the total consideration shall be paid to the vendor by way of cash upon Wannatalk's financial year end 31 December 2020; and
- (iii) A sum of RM500,000 being the balance of the total consideration shall be paid to the vendor upon Wannatalk achieving the combined minimum profit after tax of RM800,000 for the financial year ended 31 December 2020 and for the financial year ending 31 December 2021 or upon Wannatalk achieving combined minimum profit after tax shortfall by financial year ending 31 December 2022, whichever is earlier.

The acquisition had been completed during the financial year. Consequently, Wannatalk become a 40% owned associate of Revenue Harvest.

In the previous financial year

Revenue Harvest Pte. Ltd. ("Revenue Harvest Singapore"), a wholly-owned subsidiary company of the Company, had jointly incorporated an entity in Myanmar, Revenue Link Company Limited ("Revenue Link") with paid-up share capital of MMK150,000,000 (approximately RM409,201). Consequently, Revenue Link become a 30% owned associate of Revenue Harvest Singapore.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

8. **Investment in Associates (Cont'd)**

- (b) Summarised financial information of the Group's material associates are set out below:

Summarised statements of financial position

	Wannataalk		Revenue Link		PT Sarana	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Non-current assets	443,558	-	-	-	1,649,931	332,830
Current assets	741,217	-	1,264,500	1,571,000	4,069,783	5,663,092
Non-current liabilities	(1,100)	-	-	-	-	-
Current liabilities	(161,905)	-	-	-	-	-
Net assets	1,021,770	-	1,264,500	1,571,000	5,719,714	5,995,922

Summarised statements of profit or loss and other comprehensive income

	Wannataalk		Revenue Link		PT Sarana	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) for financial year	482,244	-	-	-	(4,352)	(3,864)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

9. Goodwill on Consolidation

	Group	
	2021 RM	2020 RM
Cost		
At 1 July	10,011,961	9,950,796
Addition through business combination [Note 7(a)]	933,760	61,165
At 30 June	<u>10,945,721</u>	<u>10,011,961</u>
Accumulated impairment losses		
At 1 July	116,165	-
Impairment losses recognised	-	116,165
At 30 June	<u>116,165</u>	<u>116,165</u>
Carrying amount		
At 30 June	<u>10,829,556</u>	<u>9,895,796</u>

Goodwill acquired through business combination has been allocated to the following CGUs as follows:

	2021 RM	2020 RM
EDC terminals	2,048,996	2,048,996
Solutions & services	8,780,560	7,846,800
	<u>10,829,556</u>	<u>9,895,796</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

9. Goodwill on Consolidation (Cont'd)

(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 as below:

EDC terminals

Distribution and maintenance of EDC terminals, provision of merchant acquisition services and provision of electronic transaction processing services.

Solutions & services

Provision of solutions and services in relation to:

- (i) payment gateway, payment network security, payment infrastructure;
- (ii) software solutions and development;
- (iii) digital payment solutions and services; and
- (iv) provision of e-commerce platform and transactions, procurement services of consumer goods from e-commerce websites, provision of cross border logistics and last mile delivery in Malaysia.

(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:

Pre-tax cash flow projection based on the most recent financial budgets covering a five years period (2020: five years period).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

9. Goodwill on Consolidation (Cont'd)

(b) Key assumptions used to determine recoverable amount (Cont'd)

	EDC terminal		Solutions & Services	
	2021	2020	2021	2020
Growth rate	5%	5%	5%	5%
Budgeted gross margins	26%	35%	35 to 50%	33 to 52%
Pre-tax discount rate	8.6%	8.5%	8.6%	8.5%

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.

(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.

(d) Impairment losses recognised during the financial year

Based on the impairment assessment, the management determined that the carrying amounts for Revenue Secure and Revenue Privilege Card are higher than the recoverable amounts of goodwill on acquisition of business assets. Hence, this led to the recognition of impairment losses of RMNil (2020: RM116,165), which was recognised as administrative expenses in the statements of profit or loss and other comprehensive income.

10. Inventories

	Group	
	2021	2020
	RM	RM
EDC terminals	4,479,809	7,735,492
Prepaid airline	3,519,034	2,197,515
	<u>7,998,843</u>	<u>9,933,007</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

11. Trade Receivables

	Group	
	2021	2020
	RM	RM
Trade receivables	15,942,112	25,444,242
Less: Accumulated impairment losses	<u>(802,576)</u>	<u>(782,764)</u>
	<u>15,139,536</u>	<u>24,661,478</u>

Trade receivables are non-interest bearing and are generally on 30 days (2020: 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 of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
2021			
At 1 July 2020	552,261	230,503	782,764
Impairment losses recognised	253,670	368,924	622,594
Impairment losses reversed	<u>(549,660)</u>	<u>(53,122)</u>	<u>(602,782)</u>
At 30 June 2021	<u>256,271</u>	<u>546,305</u>	<u>802,576</u>
2020			
At 1 July 2019	60,885	512,623	573,508
Impairment losses recognised	491,376	215,371	706,747
Impairment losses reversed	<u>-</u>	<u>(497,491)</u>	<u>(497,491)</u>
At 30 June 2020	<u>552,261</u>	<u>230,503</u>	<u>782,764</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

11. Trade Receivables (Cont'd)

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			
2021			
Not past due	10,965,220	(184,120)	10,781,100
Past due			
Less than 30 days	2,085,754	(32,576)	2,053,178
31 to 60 days	762,596	(8,891)	753,705
61 to 90 days	1,240,735	(9,091)	1,231,644
More than 90 days	341,502	(21,593)	319,909
	4,430,587	(72,151)	4,358,436
Credit impaired			
Individually impaired	546,305	(546,305)	-
	<u>15,942,112</u>	<u>(802,576)</u>	<u>15,139,536</u>
2020			
Not past due	17,134,509	(246,270)	16,888,239
Past due			
Less than 30 days	936,042	(9,378)	926,664
31 to 60 days	598,123	(11,364)	586,759
61 to 90 days	124,873	(2,374)	122,499
More than 90 days	6,420,192	(282,875)	6,137,317
	8,079,230	(305,991)	7,773,239
Credit impaired			
Individually impaired	230,503	(230,503)	-
	<u>25,444,242</u>	<u>(782,764)</u>	<u>24,661,478</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2021, gross trade receivables of the Group of RM4,430,587 (2020: RM8,079,230) were past due but not individually 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 RM546,305 (2020: RM230,503), 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 2 debtors (2020: 3 debtors), which accounted for 62% (2020: 57%) of total trade receivables as at 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

12. Other Receivables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	288,672	255,253	-	-
Deposits	3,533,060	645,806	17,350	1,000
Prepayments	1,692,922	1,905,854	14,310	44,107
GST receivable	162,544	311,041	-	-
Deferred costs	2,292,757	-	-	-
	<u>7,969,955</u>	<u>3,117,954</u>	<u>31,660</u>	<u>45,107</u>

Deferred costs comprise payment collection fees and shipping costs for undelivered goods, as well as salaries of personnel involved in the on-going development and design of software. The deferred costs are charged to cost of sales when the related revenue is recognised.

13. Amount Due from/(to) Subsidiary Companies

(a) Amount due from subsidiary companies

	Company	
	2021 RM	2020 RM
Amount due from subsidiary companies	46,036,550	27,594,319
Less: Accumulated impairment losses	<u>(1,462,101)</u>	<u>-</u>
	<u>44,574,449</u>	<u>27,594,319</u>

This represents unsecured, non-interest bearing advances and repayable on demand.

Movements in the allowance for impairment losses of amount from subsidiary companies are as follows:

	Company	
	2021 RM	2020 RM
At 1 July	-	-
Impairment losses recognised	<u>1,462,101</u>	<u>-</u>
At 30 June	<u>1,462,101</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

13. Amount Due from/(to) Subsidiary Companies (Cont'd)

- (b) Amount due to a subsidiary company

This represents unsecured, non-interest bearing advances and repayable on demand.

14. Fixed Deposits with Licensed Banks

Fixed deposits of the Group with licensed banks amounting to RM254,526 (2020: RM250,839) are pledged as security for acting as the bank's Master Merchant.

The fixed deposits of the Group are subject to interest at rates range from 3.15% to 3.20% (2020: 3.15% to 3.20%) per annum and have maturity period range from 30 days to 365 days (2020: 30 days to 365 days).

15. Share Capital

	Note	Group/Company			
		Number of shares		Amount	
		2021 Units	2020 Units	2021 RM	2020 RM
Issued and fully paid ordinary shares					
At 1 July		389,842,162	231,998,934	49,268,599	46,688,035
Issuance of ordinary shares					
- Special Issue	(a)(i), (b)(i)	44,596,100	423,400	57,974,930	512,314
- acquisition of subsidiary companies	(b)(ii)	-	1,641,686	-	2,053,750
Exercise of warrants	(a)(ii), (b)(iii)	18,533,099	11,600	13,899,824	14,500
Issuance of bonus share	(b)(iv)	-	155,766,542	-	-
At 30 June		<u>452,971,361</u>	<u>389,842,162</u>	<u>121,143,353</u>	<u>49,268,599</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

15. Share Capital (Cont'd)

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM49,268,599 to RM121,143,353 by way of issuance of 63,129,199 new ordinary shares as follows:
 - (i) The issuance of 44,596,100 new ordinary shares for a total cash consideration of RM57,974,930 through Special Issue at an issue price of RM1.30 per ordinary share; and
 - (ii) 18,533,099 new ordinary shares pursuant to the conversion of Warrants 2019/2024 at the exercise price of RM0.75 per ordinary share.
- (b) In the previous financial year, the Company increased its issued and paid-up share capital from RM46,688,035 to RM49,268,599 by way of issuance of 157,843,228 new ordinary shares as follows:
 - (i) The issuance of 423,400 new ordinary shares for a total cash consideration of RM512,314 through Special Issue at an issue price of RM1.21 per ordinary share;
 - (ii) 1,641,686 new ordinary shares at an issue price of RM1.251 each for a total consideration of RM2,053,750 for the settlement of contingent consideration arising from the acquisition of indirect subsidiary companies;
 - (iii) 11,600 new ordinary shares pursuant to the conversion of Warrants 2019/2024 at the exercise price of RM1.25 per ordinary share; and
 - (iv) 155,766,542 new ordinary shares were issued pursuant to bonus issue on the basis of two new ordinary shares for every three existing ordinary shares.

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 declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

16. Reserves

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Merger reserve	(a)	(15,693,600)	(15,693,600)	-	-
Warrant reserve	(b)	55,160,868	61,268,700	55,160,868	61,268,700
Other reserves	(c)	(61,646,944)	(67,554,223)	(55,160,868)	(61,268,700)
Foreign currency translation reserves	(d)	(38,538)	(27,234)	-	-
		<u>(22,218,214)</u>	<u>(22,006,357)</u>	<u>-</u>	<u>-</u>

(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

	Group/Company			
	2021 Units	2020 Units	2021 RM	2020 RM
At 1 January	185,686,456	111,424,000	61,268,700	61,283,200
Bonus issue	-	74,274,056	-	-
Realisation of warrants reserves	(18,533,099)	(11,600)	(6,107,832)	(14,500)
At 30 June	<u>167,153,357</u>	<u>185,686,456</u>	<u>55,160,868</u>	<u>61,268,700</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

16. Reserves (Cont'd)

(b) Warrant reserve (Cont'd)

On 24 December 2019, pursuant to the completion of corporate exercise in relation to bonus issue, the exercise price of the warrants was adjusted from RM1.25 to RM0.75 and 74,274,056 additional warrants were issued to the existing holders of Warrants 2019/2024 based on the ratio of two additional warrants for every three warrants held by the existing holders of Warrants.

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 2021, the total number of warrants that remain unexercised were 167,153,357 (2020: 185,686,456) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

17. Bank Borrowings

	Group	
	2021	2020
	RM	RM
Secured		
Term loans	5,146,939	5,346,602
Bank overdraft	218,903	1,274,766
	<u>5,365,842</u>	<u>6,621,368</u>
Analysed as:		
Non-Current		
Term loans	<u>4,966,018</u>	<u>5,169,116</u>
Current		
Term loans	180,921	177,486
Bank overdraft	218,903	1,274,766
	<u>399,824</u>	<u>1,452,252</u>
	<u>5,365,842</u>	<u>6,621,368</u>

The bank facilities of the Group obtained from licensed banks are secured by the followings:

- (a) legal charge over freehold land and building as disclosed in Note 4(a); and
- (b) corporate guarantees provided by the Company.

Maturities of bank borrowings are as follows:

	Group	
	2021	2020
	RM	RM
Within one year	399,824	1,452,252
Between one and two years	190,367	180,642
Between two and three years	200,306	190,073
Between three and four years	210,764	199,996
Between four and five years	221,768	210,438
After five years	4,142,813	4,387,967
	<u>5,365,842</u>	<u>6,621,368</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

17. Bank Borrowings (Cont'd)

The effective interest rates per annum of the Group at the reporting date are as follows:

	Group	
	2021	2020
	%	%
Term loans	3.60	5.10
Bank overdraft	10.75	10.75
	<hr/>	<hr/>

18. Lease Liabilities

	Group	
	2021	2020
	RM	RM
At 1 July, as previously reported	1,643,036	-
Effect on adoption of MFRS 16	-	1,165,125
At 1 July, as restated	1,643,036	1,165,125
Additions	220,000	947,389
Payments	(667,581)	(533,670)
Rent concessions related to COVID-19	(17,435)	-
Accretion of interest	85,948	64,192
At 30 June	1,263,968	1,643,036
	<hr/>	<hr/>
Presented as:		
Non-current	695,394	937,982
Current	568,574	705,054
	1,263,968	1,643,036
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

18. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	Group	
	2021	2020
	RM	RM
Within one year	618,277	653,616
Later than one year and not later than two years	282,590	569,520
Later than two years and not later than five years	426,941	433,301
Later than five years	43,018	155,642
	<u>1,370,826</u>	<u>1,812,079</u>
Less: Future finance charges	(106,858)	(169,043)
Present value of lease liabilities	<u>1,263,968</u>	<u>1,643,036</u>

The Group leases various offices and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group at reporting date are range from 1.68% to 8.50% (2020: 2.45% to 8.50%).

19. Deferred Tax Liabilities

	Group	
	2021	2020
	RM	RM
At 1 July	677,121	659,158
Recognised in profit or loss (Note 28)	(100,667)	17,963
At 30 June	<u>576,454</u>	<u>677,121</u>

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2021	2020
	RM	RM
Deferred tax liabilities	926,182	897,860
Deferred tax assets	(349,728)	(220,739)
	<u>576,454</u>	<u>677,121</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

19. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets are as follows:

Deferred tax liabilities

	Accelerated capital allowances RM	Others RM	Total RM	
Group 2021				
At 1 July 2020	907,697	(9,837)	897,860	
Recognised in profit or loss	84,092	9,837	93,929	
Over provision in prior year	(65,607)	-	(65,607)	
At 30 June 2021	<u>926,182</u>	<u>-</u>	<u>926,182</u>	
2020				
At 1 July 2019	608,453	60,105	668,558	
Recognised in profit or loss	278,090	(69,942)	208,148	
Under provision in prior year	21,154	-	21,154	
At 30 June 2020	<u>907,697</u>	<u>(9,837)</u>	<u>897,860</u>	
	Unutilised capital allowances RM	Unused tax losses RM	Others RM	Total RM
Group 2021				
At 1 July 2020	(213,467)	-	(7,272)	(220,739)
Recognised in profit or loss	(54,255)	3,610	(8,740)	(59,385)
Over/(Under) provision in prior year	104,699	(3,610)	(170,693)	(69,604)
At 30 June 2021	<u>(163,023)</u>	<u>-</u>	<u>(186,705)</u>	<u>(349,728)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

19. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets are as follows:
(Cont'd)

Deferred tax assets (Cont'd)

	Unutilised capital allowances RM	Unused tax losses RM	Others RM	Total RM
Group				
2020				
At 1 July 2019	-	-	(9,400)	(9,400)
Recognised in profit or loss	(114,936)	-	2,128	(112,808)
Under provision in prior year	(98,531)	-	-	(98,531)
At 30 June 2020	<u>(213,467)</u>	<u>-</u>	<u>(7,272)</u>	<u>(220,739)</u>

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group	
	2021 RM	2020 RM
Unutilised capital allowances	15,343	13,128
Unused tax losses	3,531,352	3,139,320
Others temporary differences	282,276	635,231
	<u>3,828,971</u>	<u>3,787,679</u>

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.

With effect from year of assessment 2019, the unused tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

20. Trade Payables

The normal trade credit terms granted to the Group is 30 days (2020: 30 days) depending on the terms of the contracts.

21. Other Payables

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Other payables		6,551,630	2,331,757	669,669	81,217
Accruals		2,321,749	1,793,225	54,890	49,000
Deposits		1,878,965	2,421,499	-	-
GST payable		240	148,737	-	-
Provision		6,670	6,535	-	-
SST payable		205,892	177,086	-	-
Contingent consideration	(a)	2,506,795	2,006,795	-	-
		<u>13,471,941</u>	<u>8,885,634</u>	<u>724,559</u>	<u>130,217</u>

(a) The contingent consideration of the Group comprise the followings:

- (i) An amount of RM1,200,255 (2020: RM1,200,255) for the acquisition of 70% equity interest in Anypay in the financial year ended 30 June 2019. The contingent consideration was settled subsequent to the financial year by way of issuance of 1,632,027 new ordinary shares in the Company.
- (ii) An amount of RM806,540 (2020: RM806,540) for the acquisition of 51% equity interest in Buymall in the financial year ended 30 June 2019. During the financial year, Revenue Harvest and the Vendors have mutually agreed to extend the Audited Profit After Tax guarantee of Buymall for the financial year ended 30 September 2020 for additional 3 months to 31 December 2020 ("Extension of Time"). The Extension of Time is subject to the approval from the shareholders of the Company at an extraordinary general meeting to be convened.
- (iii) An amount of RM500,000 (2020: RMNil) for the acquisition of 40% equity interest in Wannatalk as disclosed in Note 8(a)(iii).

There have been no changes in the fair value of the contingent consideration since the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

22. **Contract Liabilities**

	Group	
	2021	2020
	RM	RM
Deferred revenue	<u>260,993</u>	<u>490,015</u>

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.

23. **Amount Due to Associates**

This represents unsecured, non-interest bearing advances and repayable on demand.

24. **Amount Due to Directors**

This represents unsecured, non-interest bearing advances and repayable on demand.

25. **Revenue**

	Group	
	2021	2020
	RM	RM
Revenue from contracts with customers		
Gross receivables from electronic transactions	1,048,583,486	778,322,540
Less: Gross payables for electronic transactions	<u>(1,031,958,792)</u>	<u>(767,567,620)</u>
Net receivables from electronic transactions	16,624,694	10,754,920
Payment gateway	1,161,204	5,469,705
Sale of EDC terminals	23,961,542	25,348,128
Project revenue	-	105,556
Software development	722,000	167,787
Service rendered	7,603,059	5,884,036
Sale of prepaid airtime	3,502,242	4,232,478
Service maintenance fee	<u>772,605</u>	<u>3,668,476</u>
	<u>54,347,346</u>	<u>55,631,086</u>
Other revenue		
Rental of EDC terminals	<u>31,929,378</u>	<u>21,884,113</u>
	<u>86,276,724</u>	<u>77,515,199</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

25. Revenue (Cont'd)

	Group	
	2021 RM	2020 RM
Revenue from contracts with customers		
- Sale of goods and prepaid airtime	27,463,784	29,580,606
- Rendering of services	26,883,562	26,050,480
	<u>54,347,346</u>	<u>55,631,086</u>
Timing of revenue recognition		
At a point in time	53,574,741	51,962,610
Over time	772,605	3,668,476
Total revenue from contracts with customers	<u>54,347,346</u>	<u>55,631,086</u>

The following table is disaggregation of the Group's revenue from contracts with customers:

	EDC terminals RM	Electronic transaction processing RM	Solutions & services RM	Total RM
Group				
2021				
Type of goods and services				
Sale of goods	23,961,542	-	3,502,242	27,463,784
Rendering of services	-	17,785,898	9,097,664	26,883,562
Total revenue from contracts with customers	<u>23,961,542</u>	<u>17,785,898</u>	<u>12,599,906</u>	<u>54,347,346</u>
Geographical market				
Malaysia	23,961,542	17,785,898	12,599,906	54,347,346
	<u>23,961,542</u>	<u>17,785,898</u>	<u>12,599,906</u>	<u>54,347,346</u>
Timing of revenue recognition				
At a point in time	23,961,542	17,785,898	11,827,301	53,574,741
Over time	-	-	772,605	772,605
Total revenue from contracts with customers	<u>23,961,542</u>	<u>17,785,898</u>	<u>12,599,906</u>	<u>54,347,346</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

25. Revenue (Cont'd)

The following table is disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	EDC terminals RM	Electronic transaction processing RM	Solutions & services RM	Total RM
Group				
2020				
Type of goods and services				
Sale of goods	25,348,128	-	4,232,478	29,580,606
Rendering of services	-	16,224,625	9,825,855	26,050,480
Total revenue from contracts with customers	25,348,128	16,224,625	14,058,333	55,631,086
Geographical market				
Malaysia	25,348,128	16,224,625	14,058,333	55,631,086
	25,348,128	16,224,625	14,058,333	55,631,086
Timing of revenue recognition				
At a point in time	25,348,128	16,224,625	10,389,857	51,962,610
Over time	-	-	3,668,476	3,668,476
Total revenue from contracts with customers	25,348,128	16,224,625	14,058,333	55,631,086

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

26. Finance Costs

	Group	
	2021	2020
	RM	RM
Interest expenses on:		
- Bank overdraft	56,021	80,663
- Banker acceptance	-	69,681
- Lease liabilities	85,948	64,192
- Term loans	188,254	241,490
	330,223	456,026

27. Profit/(Loss) before Tax

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

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Amortisation of intangible assets	2,321,257	174,352	-	-
Auditors' remuneration				
- Statutory	165,787	161,414	48,000	43,000
- Under provision in prior year	1,200	13,720	-	-
- Non-statutory	13,000	5,000	5,000	5,000
Depreciation of:				
- Property, plant and equipment	6,510,738	6,209,382	-	-
- Right-of-use assets	653,057	515,161	-	-
Bad debts written off				
- Trade receivables	-	478,938	-	-
Property, plant and equipment written off	4,280	256,233	-	-
<u>Non-executive Directors' remuneration:</u>				
- Fees	219,000	194,700	219,000	189,368
- Other emoluments	46,500	33,000	46,500	33,000

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

27. **Profit/(Loss) before Tax (Cont'd)**

Profit/(Loss) before tax is arrived at after charging/(crediting): (Cont'd)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Impairment losses on:				
- Amount due from a subsidiary company	-	-	1,462,101	-
- Goodwill on consolidation	-	116,165	-	-
- Investment in a subsidiary company	-	-	30,800	-
- Trade receivables	622,594	706,747	-	-
Reversal of impairment losses on trade receivables	(602,782)	(497,491)	-	-
(Gain)/Loss on foreign exchange:				
- Realised	(13,396)	(60,035)	1,257	(3,749)
- Unrealised	(235,386)	905,096	(9,282)	-
Lease expenses relating to:				
- Low-value asset	1,176	15,171	-	-
- Short-term leases	1,505,796	865,233	-	-
Bad debts recovered	(18,026)	(19,982)	-	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(460)	394	-	-
- other investment	-	(2,117)	-	-
Income from rent concessions	(17,435)	-	-	-
Interest income	(291,298)	(169,575)	(238,706)	(19,268)
Rental income	(33,000)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

28. **Taxation**

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Malaysian income tax				
Current tax provision	2,889,881	2,150,027	-	-
Under/(Over) provision in prior years	551,794	236,799	-	(1,116)
	<u>3,441,675</u>	<u>2,386,826</u>	<u>-</u>	<u>(1,116)</u>
Deferred tax (Note 19)				
Relating to origination and reversal of temporary differences	34,544	95,340	-	-
Over provision in prior years	(135,211)	(77,377)	-	-
	<u>(100,667)</u>	<u>17,963</u>	<u>-</u>	<u>-</u>
	<u>3,341,008</u>	<u>2,404,789</u>	<u>-</u>	<u>(1,116)</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

28. Taxation (Cont'd)

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		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit/(Loss) before tax	<u>15,455,925</u>	<u>10,782,147</u>	<u>(3,479,222)</u>	<u>(1,632,339)</u>
At Malaysian statutory tax rate of 24% (2020: 24%)	3,709,422	2,587,715	(835,013)	(391,761)
Tax incentive arising from differential tax rate of 17% (2020: 18%)	-	(78,366)	-	-
Expenses not deductible for tax purposes	1,108,305	1,289,038	894,530	397,521
Effect on income not subject to tax	(514,659)	(41,220)	(59,517)	(5,760)
Effect on income exempted under pioneer status	(1,388,553)	(1,720,661)	-	-
Deferred tax assets not recognised	19,202	208,861	-	-
Utilisation of brought forward tax losses	(9,292)	-	-	-
Under/(Over) provision in prior years				
- income tax	551,794	236,799	-	(1,116)
- deferred tax	<u>(135,211)</u>	<u>(77,377)</u>	<u>-</u>	<u>-</u>
Tax expenses for the financial year	<u>3,341,008</u>	<u>2,404,789</u>	<u>-</u>	<u>(1,116)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

28. Taxation (Cont'd)

The Group has unused tax losses and unutilised capital allowances amounting to RM3,531,352 and RM694,607 (2020: RM3,154,362 and RM466,328) respectively, available for carry forward to set-off against future taxable profits. The said amount is subject to approval by the tax authorities.

29. 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	
	2021	2020
Profit for the financial year, attributable to owners of the parent (RM)	<u>11,244,972</u>	<u>7,714,770</u>
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 July	389,842,162	231,998,934
Effect of ordinary shares issued during the financial year	<u>23,952,482</u>	<u>82,598,629</u>
Weighted average number of ordinary shares as at 30 June	<u>413,794,644</u>	<u>314,597,563</u>
Basic earnings per ordinary share (sen)	<u>2.72</u>	<u>2.45</u>

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

29. **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 adjusted 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	
	2021	2020
Profit for the financial year, attributable to owners of the parent (RM)	<u>11,244,972</u>	<u>7,714,770</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	413,794,644	314,597,563
Adjusted for:		
Effect of conversion of warrants	*	*
Contingently issuable ordinary shares for acquisition of subsidiary companies	<u>1,641,686</u>	<u>1,641,686</u>
Adjusted weighted average number of ordinary shares as at 30 June	<u>415,436,330</u>	<u>316,239,249</u>
Diluted earnings per ordinary share (sen)	<u>2.71</u>	<u>2.44</u>

* 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

30. Staff Costs

	Group	
	2021	2020
	RM	RM
Fees	373,000	288,000
Salaries, wages and other emoluments	16,355,326	14,226,220
Defined contribution plans	1,877,819	1,640,621
Social security contributions	148,112	124,745
Others	389,905	301,214
Benefit-in-kind	208,430	211,580
	<u>19,352,592</u>	<u>16,792,380</u>

Included in staff costs is aggregate amount of remuneration received by the Executive Directors of the Company during the financial year as below:

	Group	
	2021	2020
	RM	RM
Fees	18,000	-
Salaries and other emoluments	2,320,502	2,487,999
Defined contribution plans	277,919	298,560
Social security contributions	3,315	3,315
Others	380	379
Benefit-in-kind	208,430	211,580
	<u>2,828,546</u>	<u>3,001,833</u>

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

31. **Financial Guarantees**

	Group	
	2021	2020
	RM	RM
Secured		
Performance guarantee given to Payment Network Malaysia Sdn. Bhd.	<u>560,000</u>	<u>490,000</u>
	Company	
	2021	2020
	RM	RM
Unsecured		
Corporate guarantees given for banking facilities granted to a subsidiary company	<u>5,365,842</u>	<u>6,621,368</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

32. 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 2020 RM	Financing cash flows (i) RM	New lease [Note 6(a)] RM	Other changes (ii) RM	At 30 June 2021 RM
Group 2021						
Term loans	17	5,346,602	(199,663)	-	-	5,146,939
Lease liabilities	18	1,643,036	(581,633)	220,000	(17,435)	1,263,968
		6,989,638	(781,296)	220,000	(17,435)	6,410,907

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

32. 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 2019, as previously reported RM	Effect on of adoption MFRS 16 RM	At 1 July 2019, as restated RM	Financing cash flows (i) RM	New lease [Note 6(a)] RM	At 30 June 2020 RM
Group 2020							
Term loans	17	5,359,975	-	5,359,975	(13,373)	-	5,346,602
Finance lease liabilities		882,216	(882,216)	-	-	-	-
Lease liabilities	18	-	1,165,125	1,165,125	(469,478)	947,389	1,643,036
		6,242,191	282,909	6,525,100	(482,851)	947,389	6,989,638

- (i) The financing cash flows include the repayments of term loans and payments of lease liabilities in the statements of cash flows.
- (ii) Other changes include income from rent concessions.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

33. Capital Commitment

	Group	
	2021	2020
	RM	RM
Authorised and contracted for:		
Purchase of software	<u>877,000</u>	<u>887,000</u>

34. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and/or the Company if the Group and/or 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 and/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 significant related party transaction of the Group are as follows:

	Group	
	2021	2020
	RM	RM
Transaction with a Director of the Company		
have substantial financial interest		
Lease payment	<u>120,655</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

34. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of the Directors and other members of key management are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Fees	592,000	194,700	219,000	189,368
Salaries and other emoluments	4,348,674	3,361,654	46,500	33,000
Defined contribution plans	502,296	393,108	-	-
Social security contributions	11,226	6,394	-	-
Others	1,218	663	-	-
Benefit-in-kind	208,430	211,580	-	-
	<u>5,663,844</u>	<u>4,168,099</u>	<u>265,500</u>	<u>222,368</u>

35. Segment Information

The Group has three major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's managing director reviews internal management reports at least on quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

35. Segment Information (Cont'd)

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 & 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

35. Segment Information (Cont'd)

	EDC terminals RM	Electronic transaction processing RM	Solutions & services RM	Total RM
2021				
Total revenue	79,057,143	17,785,898	22,812,004	119,655,045
Inter-segment revenue	(23,166,223)	-	(10,212,098)	(33,378,321)
Revenue from external customers	55,890,920	17,785,898	12,599,906	86,276,724
Cost of sales	(30,452,402)	(5,814,814)	(5,735,323)	(42,002,539)
Segment gross profit	25,438,518	11,971,084	6,864,583	44,274,185
Other income				1,367,203
Interest income				291,298
Administrative expenses				(30,318,753)
Net loss on impairment of financial instruments				(19,812)
Finance costs				(330,223)
Share of results of associates, net of tax				192,027
Profit before tax				15,455,925
Taxation				(3,341,008)
Profit for the financial year				12,114,917

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

35. Segment Information (Cont'd)

	EDC terminals RM	Electronic transaction processing RM	Solutions & services RM	Total RM
2020				
Total revenue	74,131,361	16,713,387	26,394,336	117,239,084
Inter-segment revenue	(26,899,120)	(488,762)	(12,336,003)	(39,723,885)
Revenue from				
external customers	47,232,241	16,224,625	14,058,333	77,515,199
Cost of sales	(28,334,533)	(5,578,465)	(6,035,687)	(39,948,685)
Segment gross profit	18,897,708	10,646,160	8,022,646	37,566,514
Other income				745,998
Interest income				169,575
Administrative expenses				(27,006,263)
Net loss on impairment of financial instruments				(236,878)
Finance costs				(456,026)
Share of results of associates, net of tax				(773)
Profit before tax				10,782,147
Taxation				(2,404,789)
Profit for the financial year				8,377,358

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:

	2021 RM	2020 RM
Malaysia	86,276,724	77,515,199

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

35. **Segment Information (Cont'd)**

Major customers

Revenue from major customers with revenue equal or more than 10% of the Group's revenue is as follows:

		Revenue	
	Segment	2021	2020
		RM	RM
Company A	Electronic transaction processing	9,868,189	6,226,419
Company B	EDC terminals and electronic transaction processing and solutions & services	17,874,051	16,765,421
Company C	EDC terminals and electronic transaction processing	17,046,828	16,959,539
Company D	EDC terminals and electronic transaction processing	8,752,237	8,116,690
		<u>53,541,305</u>	<u>48,068,069</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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 measured at amortised cost RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
Group			
2021			
Financial assets			
Trade receivables	15,139,536	-	15,139,536
Other receivables	3,821,732	-	3,821,732
Fixed deposits with licensed banks	254,526	-	254,526
Cash and bank balances	97,323,560	-	97,323,560
	<u>116,539,354</u>	<u>-</u>	<u>116,539,354</u>
Financial liabilities			
Trade payables	-	16,625,569	16,625,569
Other payables	-	13,259,139	13,259,139
Amount due to Directors	-	197,684	197,684
Bank borrowings	-	5,365,842	5,365,842
Lease liabilities	-	1,263,968	1,263,968
	<u>-</u>	<u>36,712,202</u>	<u>36,712,202</u>

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

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 measured at amortised cost RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
Group			
2020			
Financial assets			
Trade receivables	24,661,478	-	24,661,478
Other receivables	901,059	-	901,059
Fixed deposits with licensed banks	250,839	-	250,839
Cash and bank balances	35,248,607	-	35,248,607
	<u>61,061,983</u>	<u>-</u>	<u>61,061,983</u>
Financial liabilities			
Trade payables	-	35,276,260	35,276,260
Other payables	-	8,553,276	8,553,276
Amount due to Directors	-	264,886	264,886
Amount due to associates	-	413,909	413,909
Bank borrowings	-	6,621,368	6,621,368
Lease liabilities	-	1,643,036	1,643,036
	<u>-</u>	<u>52,772,735</u>	<u>52,772,735</u>

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

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 measured at amortised cost RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
Company			
2021			
Financial assets			
Other receivables	17,350	-	17,350
Amount due from subsidiary companies	44,574,449	-	44,574,449
Cash and bank balances	53,478,547	-	53,478,547
	<u>98,070,346</u>	<u>-</u>	<u>98,070,346</u>
Financial liabilities			
Other payables	-	724,559	724,559
Amount due to a subsidiary company	-	164,000	164,000
	<u>-</u>	<u>888,559</u>	<u>888,559</u>
2020			
Financial assets			
Other receivables	1,000	-	1,000
Amount due from subsidiary companies	27,594,319	-	27,594,319
Cash and bank balances	1,424,556	-	1,424,556
	<u>29,019,875</u>	<u>-</u>	<u>29,019,875</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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 measured at amortised cost RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
Company			
2020			
Financial liabilities			
Other payables	-	130,217	130,217
Amount due to a subsidiary company	-	164,000	164,000
	<u>-</u>	<u>294,217</u>	<u>294,217</u>

(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 year.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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 11. 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 2021

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						
2021						
Non-derivative financial liabilities						
Trade payables	16,625,569	-	-	-	16,625,569	16,625,569
Other payables	13,259,139	-	-	-	13,259,139	13,259,139
Amount due to Directors	197,684	-	-	-	197,684	197,684
Bank borrowings	658,128	439,225	1,317,675	5,658,067	8,073,095	5,365,842
Lease liabilities	618,277	282,590	426,941	43,018	1,370,826	1,263,968
Financial guarantee	560,000	-	-	-	560,000	-
	31,918,797	721,815	1,744,616	5,701,085	40,086,313	36,712,202

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

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. (Cont'd)

Group	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
2020						
Non-derivative financial liabilities						
Trade payables	35,276,260	-	-	-	35,276,260	35,276,260
Other payables	8,553,276	-	-	-	8,553,276	8,553,276
Amount due to Directors	264,886	-	-	-	264,886	264,886
Amount due to associates	413,909	-	-	-	413,909	413,909
Bank borrowings	1,713,991	439,225	1,317,645	6,165,969	9,636,830	6,621,368
Lease liabilities	653,616	569,520	433,301	155,642	1,812,079	1,643,036
Financial guarantee	490,000	-	-	-	490,000	-
	47,365,938	1,008,745	1,750,946	6,321,611	56,447,240	52,772,735

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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. (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2021			
Non-derivative financial liabilities			
Other payables	724,559	724,559	724,559
Amount due to subsidiary companies	164,000	164,000	164,000
Financial guarantee	5,365,842	5,365,842	-
	6,254,401	6,254,401	888,559

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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. (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2020			
Non-derivative financial liabilities			
Other payables	130,217	130,217	130,217
Amount due to subsidiary companies	164,000	164,000	164,000
Financial guarantee	6,621,368	6,621,368	-
	6,915,585	6,915,585	294,217

The Group provides secured financial guarantee given for banking facilities granted to a subsidiary company 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 2021

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 monetary assets and monetary liabilities at the end of the reporting period are as follows:

	USD RM	Denominated in			Euro RM	Total RM
		RMB RM	SGD RM			
2021						
Group						
Other receivables	47,285	-	-	-	-	47,285
Cash and bank balances	4,142,843	595,802	407,891	-	-	5,146,536
Trade payables	(8,671,637)	-	-	-	-	(8,671,637)
	(4,481,509)	595,802	407,891	-	-	(3,477,816)

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

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)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows: (Cont'd)

	USD RM	Denominated in			Euro RM	Total RM
		RMB RM	SGD RM			
2020						
Group						
Cash and bank balances	2,600,701	503,182	8,588	-	-	3,112,471
Trade payables	(26,866,760)	-	-	-	-	(26,866,760)
Other payables	-	-	-	173,181	173,181	173,181
	(24,266,059)	503,182	8,588	173,181	173,181	(23,581,108)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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 risk sensitivity

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.

		Effect		Effect
	Change in	on profit	Change in	on profit
	currency rate	before tax	currency rate	before tax
		RM		RM
Group				
USD	Strengthened by 1%	(44,815)	Strengthened by 1%	(242,661)
	Weakened by 1%	44,815	Weakened by 1%	242,661
RMB	Strengthened by 1%	5,958	Strengthened by 1%	5,032
	Weakened by 1%	(5,958)	Weakened by 1%	(5,032)
SGD	Strengthened by 1%	4,079	Strengthened by 1%	86
	Weakened by 1%	(4,079)	Weakened by 1%	(86)
Euro	Strengthened by 1%	-	Strengthened by 1%	1,732
	Weakened by 1%	-	Weakened by 1%	(1,732)

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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	
	2021	2020
	RM	RM
Fixed rate instruments		
Fixed deposits with licensed banks	254,526	250,839
Lease liabilities	(1,263,968)	(1,643,036)
	(1,009,442)	(1,392,197)
Floating rate instruments		
Bank overdraft	(218,903)	(1,274,766)
Term loans	(5,146,939)	(5,346,602)
	(5,365,842)	(6,621,368)

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 RM53,658 (2020: RM66,214), 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.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

36. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(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 investments 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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, which is the net debt divided by total equity. 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	
	2021	2020	2021	2020
	RM	RM	RM	RM
Bank borrowings (exclude bank overdraft)	5,146,939	5,346,602	-	-
Lease liabilities	1,263,968	1,643,036	-	-
Total debts	6,410,907	6,989,638	-	-
Less: Cash and cash equivalents	(97,104,657)	(33,973,841)	(53,478,547)	(1,424,556)
Total excess funds	(90,693,750)	(26,984,203)	(53,478,547)	(1,424,556)
Total equity	151,299,151	67,303,824	113,889,697	45,494,165
Gearing ratio (times)	*	*	#	#

* Gearing ratio is not applicable to the Group as the cash and cash equivalents as at 30 June 2021 and 30 June 2020 was sufficient to cover the entire borrowings obligation.

Gearing ratio is not applicable to the Company as the Company has no loans and borrowings as at 30 June 2021 and 30 June 2020.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

38. Significant Events

- (a) On 5 November 2020, the Company proposed to undertake a transfer listing of the listing and quotation of the entire issued share capital of REVENUE from ACE Market to Main Market of Bursa Securities (“Proposed Transfer”) and proposed to undertake an amendment to the Constitution of the Company to facilitate the implementation of the Proposed Transfer at the annual general meeting of the Company to be held on 7 December 2020 (“Proposed Amendment”).

On 7 December 2020, the shareholders of REVENUE approved the Proposed Amendment.

On 30 April 2021, the Directors announced that the application in relation to the Proposed Transfer had been submitted to Securities Commission Malaysia.

- (b) The outbreak of the Covid-19 virus in early January 2020 had disrupted the global operating environments and restricting global travelling and the outbreak had soften economic growth both in Malaysia and regionally. As a preventive measure to counter the spread of Covid-19 in Malaysia, the Malaysian Government had imposed Movement Control Order (“MCO”) commencing on 18 March 2020 and has since extended numerous times.

The Government had gradually and progressively eased the restriction and businesses were allowed to operate under strict Standard Operating Procedures. However, due to the recent surge in the Covid-19 infections, the Government had on 28 May 2021 announced a full lockdown from 1 June 2021 onwards, which then gradually moved into the various phases of the National Recovery Plan.

The Group’s business is categorised under essential services (under Banking and Finance services) and is allowed to operate throughout the various MCO period and thus far the Group have been able to navigate through the Covid-19 pandemic soundly and safely. The Group is cognisant of the challenges posed by these developing events and is actively monitoring and taking appropriate and timely measures, also works closely with the local authorities to support their efforts in containing the spread of Covid-19 to minimise the impact of Covid-19 on its business operations, if any that will be reflected in the 2022’s annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

39. Subsequent Events

- (a) On 16 August 2021, the Directors announced that Revenue Harvest, a wholly-owned subsidiary company of the Company had entered into the following agreements for the Proposed Transactions:
- (i) A Share Sale and Purchase Agreement (“SSPA”) with Wong Kok Hoe, Ho Kin Ming, Tan Kah Seong, Lee Chuey Wei, Lim Woei Jein, Jong Jar Shin, Sanjay Vivekanandan, Jonathan Leigh Joseph, Wee Hsien Paul, Koh Yang Mun, Kevin Eu Kee Yam, Donna Lim, Loh Tsuey Fah and Yong Kok Man (collectively, “Vendors”) for the acquisition of 2,550 ordinary shares of Vsure Tech Sdn. Bhd. (“Vsure”), representing approximately 2.5% of the entire current issued share capital of Vsure, for a cash consideration of RM1,200,000 (“Proposed Acquisition”); and
 - (ii) A Share Subscription Agreement (“SSA”) with Vsure relating to the subscription of 30,614 new ordinary shares of Vsure, representing approximately 23% of the enlarged issued share capital of Vsure, for a subscription sum of RM10,800,000 (“Proposed Subscription”).

On 22 October 2021, the Directors announced that all the conditions precedent as set out in the SSPA and SSA have been fulfilled as of 22 October 2021. As a result thereof, the SSPA and SSA have become unconditional. Consequently, upon completion of the Proposed Transactions, Vsure will become a 25% owned associate of Revenue Harvest and an indirect 25% owned associate of the Company.

- (b) On 16 August 2021, the Directors announced that Next Revenue Sdn. Bhd. (“Next Revenue”), a wholly-owned subsidiary company of Revenue Harvest and an indirect wholly-owned subsidiary company of the Company, had entered into 2 conditional sale and purchase agreements with Starplus Corporation Sdn. Bhd. for the:
- (i) Proposed acquisition of 2 plots of leasehold lands together with buildings erected thereon, held under Pajakan Negeri 38021 Lot 37629 and Pajakan Negeri 38022 Lot 37630, all in Mukim Batu, Kuala Lumpur for a total cash consideration of RM24.5 million; and
 - (ii) Proposed acquisition of 2 plots of leasehold lands together with buildings erected thereon, held under HSD 34672 Lot 37631 and HSD 34673 Lot 37632, all in Mukim Batu, Kuala Lumpur for a total cash consideration of RM19.5 million.

On 29 September 2021, the Directors announced that Bursa Securities had on 29 September 2021 approved the extension of time up to 16 December 2021 to submit the draft circular for the Proposed Acquisitions.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

40. Comparative Information

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
2020			
Group			
Statements of profit or loss and other comprehensive income			
Administrative expenses	(27,006,263)	(27,622)	(27,033,885)
Net loss on impairment of financial instruments	<u>(236,878)</u>	<u>27,622</u>	<u>(209,256)</u>

41. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 27 October 2021.

LIST OF PROPERTIES

Postal Address	Description of Property/ Existing Use	Registered Owner	Land Area/ Built-up Area	Tenure	Date of Purchase	Age of Building (Years)	Carrying Amount as at 30 June 2021 (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	9	6,418,757
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	8	1,630,406

ANALYSIS OF SHAREHOLDINGS

AS AT 24 SEPTEMBER 2021

SHARE CAPITAL

Total Number of Issued Shares	:	462,848,388
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 24 SEPTEMBER 2021

Size of Holding	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 – 99	865	4.891	41,223	0.008
100 – 1,000	4,847	27.408	3,167,703	0.684
1,001 – 10,000	9,509	53.771	40,655,005	8.783
10,001 – 100,000	2,204	12.463	62,860,889	13.581
100,001 to less than 5% of issued shares	255	1.441	226,393,461	48.913
5% and above of issued shares	4	0.022	129,730,107	28.028
Total	17,684	100.000	462,848,388	100.000

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 24 September 2021 are as follows: -

No.	Name of Directors	Direct Interest	No. of shares held % Indirect Interest	%
1	Nor Azzam Bin Abdul Jalil	250,333	0.054	-
2	Datuk Ng Chee Siong	51,157,086	11.053	-
3	Ng Shih Chiow	55,381,723	11.965	-
4	Ng Shih Fang	52,881,722	11.425	-
5	Lai Wei Keat	4,200,000	0.907	-
6	Ooi Guan Hoe	116,666	0.025	-
7	Ng Chee Keong	-	-	-
8	Loo Jo Anne	-	-	-

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company as at 24 September 2021 and their shareholdings are as follows: -

No.	Name of Substantial Shareholders	Direct Interest	No. of shares held % Indirect Interest	%
1	Datuk Ng Chee Siong	51,157,086	11.053	-
2	Ng Shih Chiow	55,381,723	11.965	-
3	Ng Shih Fang	52,881,722	11.425	-
4	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad – Kenanga Growth Fund	25,387,400	5.485	-

ANALYSIS OF SHAREHOLDINGS AS AT 24 SEPTEMBER 2021

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 24 SEPTEMBER 2021)

No.	Name of Shareholders	No. of Shares	%
1	NG SHIH FANG	40,215,056	8.688
2	NG SHIH CHIOU	34,718,108	7.500
3	DATUK NG CHEE SIONG	29,409,543	6.354
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND	25,387,400	5.485
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR DATUK NG CHEE SIONG (PB)	21,747,543	4.698
6	NG SHIH CHIOU	18,363,615	3.967
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	14,908,183	3.220
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG SHIH FANG (PB)	12,666,666	2.736
9	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	7,300,000	1.577
10	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	6,242,400	1.348
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	6,045,300	1.306
12	AMANAHRAYA TRUSTEES BERHAD PB GROWTH FUND	5,637,200	1.217
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (AFFIN 2)	5,515,300	1.191
14	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	5,500,000	1.188
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND	5,167,200	1.116
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	4,626,533	0.999
17	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	4,301,700	0.929
18	LAI WEI KEAT	4,000,000	0.864
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR MANULIFE INVESTMENT - HW FLEXI FUND (270519)	3,519,700	0.760

ANALYSIS OF SHAREHOLDINGS AS AT 24 SEPTEMBER 2021

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D) (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 24 SEPTEMBER 2021)

No.	Name of Shareholders	No. of Shares	%
20	CARTABAN NOMINEES (TEMPATAN) SDN BHD CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	3,451,800	0.745
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL DALI EQUITY FUND	2,932,100	0.633
22	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC GROWTH BALANCED FUND	2,900,000	0.626
23	AMANAHRAYA TRUSTEES BERHAD AC PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND	2,350,000	0.507
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PRINCIPAL SMALL CAP OPPORTUNITIES FUND (240218)	2,278,500	0.492
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	2,139,500	0.462
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG SHIH CHIEW (PB)	2,000,000	0.432
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN SEE MIN (E-KUG)	2,000,000	0.432
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND (N14011960240)	1,716,300	0.370
29	KOH YOKE CHAI	1,674,700	0.361
30	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (SEGAMAT-CL)	1,555,300	0.336

ANALYSIS OF WARRANTS HOLDINGS

AS AT 24 SEPTEMBER 2021

Issued Size : 158,908,357 Warrants 2019/2024 issued pursuant to the Bonus Issue of Warrants
 Number of Warrants Holders : 4,179

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 24 SEPTEMBER 2021

Size of Holding	No. of Warrants Holders	% of Warrants Holders	No. of Warrants Held	% of Warrants Held
1 – 99	738	17.659	44,497	0.028
100 – 1,000	510	12.203	335,182	0.210
1,001 – 10,000	1,749	41.852	8,946,357	5.629
10,001 – 100,000	996	23.833	32,789,662	20.634
100,001 to less than 5% of issued warrants	182	4.355	62,250,362	39.173
5% and above of issued warrants	4	0.095	54,542,297	34.323
Total	4,179	100.000	158,908,357	100.000

DIRECTORS' WARRANTS HOLDINGS

The Directors' Warrants holdings based on the Register of Directors' Warrants holdings of the Company as at 24 September 2021 are as follows: -

No.	Name of Directors	Direct Interest	No. of warrants Held % Indirect Interest	%
1	Nor Azzam Bin Abdul Jalil	-	-	-
2	Ooi Guan Hoe	-	-	-
3	Ng Chee Keong	-	-	-
4	Loo Jo Anne	-	-	-
5	Datuk Ng Chee Siong	8,143,907	5,147	-
6	Ng Shih Chiow	23,274,195	14.711	-
7	Ng Shih Fang	23,274,195	14.711	-
8	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 as at 24 September 2021 and their warrants holdings are as follows: -

No.	Name of Substantial Warrants holders	Direct Interest	No. of warrants Held % Indirect Interest	%
1	Datuk Ng Chee Siong	8,143,907	5,147	-
2	Ng Shih Chiow	23,274,195	14.711	-
3	Ng Shih Fang	23,274,195	14.711	-

ANALYSIS OF WARRANTS HOLDINGS AS AT 24 SEPTEMBER 2021

LIST OF TOP 30 LARGEST WARRANTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 24 SEPTEMBER 2021)

No.	Name of Warrants holders	No. of Warrants	%
1	NG SHIH FANG	23,274,195	14.646
2	NG SHIH CHIOU	13,942,387	8.773
3	NG SHIH CHIOU	9,181,808	5.778
4	DATUK NG CHEE SIONG	8,143,907	5.124
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MOHAMED NAZIM BIN ABDUL RAZAK (PW-M00363) (408782)	3,415,000	2.149
6	JERALD ALLEN A/L GOMEZ	2,770,000	1.743
7	LIM TONG YONG @ LIM TONG YAIM	2,083,000	1.310
8	PAOS INDUSTRIES SDN.BHD.	2,000,000	1.258
9	JOHNATHAN JAYA-SUDHIR	1,865,800	1.174
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD SIAW SOON LEE	1,627,700	1.024
11	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	1,600,000	1.006
12	TAN SIONG KEN	1,163,900	0.732
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THEE KIM YONG	1,100,000	0.692
14	CHAN JEE CHET	1,100,000	0.692
15	LIM YENG NEE	904,000	0.568
16	GAN KOK KENG	800,000	0.503
17	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANAD KRISHNAN A/L MUTHUSAMY	781,500	0.491
18	BOEY TZE NIN	778,000	0.489
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CONSOLIDATED CHAN REALTY SDN.BHD (E-KUG)	750,000	0.471
20	TAN LIP HAN	700,000	0.440

ANALYSIS OF WARRANTS HOLDINGS AS AT 24 SEPTEMBER 2021

LIST OF TOP 30 LARGEST WARRANTS HOLDERS (CONT'D) (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 24 SEPTEMBER 2021)

No.	Name of Warrants holders	No. of Warrants	%
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD SIAW LIM LOONG	674,000	0.424
22	MALACCA SECURITIES SDN BHD	667,900	0.420
23	KOH YOKE CHAI	660,000	0.415
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG KOK BOON	650,000	0.409
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOO FOOK THIAN	620,000	0.390
26	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (SEGAMAT-CL)	570,000	0.358
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOON THIAM YEW (AMPANG-CL)	550,000	0.346
28	THAM KAH FOOK	548,000	0.344
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG SUE KHE (E-BPT/EDU)	546,700	0.344
30	CHEN KOK BONG	507,000	0.319

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting ("4th AGM") of Revenue Group Berhad ("REVENUE" or "the Company") will be conducted virtually via live streaming and online remote voting at the Broadcast Venue at Conference Room, 32, Jalan 8/62A, Bandar Menjalara, Kepong 52200 Kuala Lumpur, Malaysia on Friday, 3 December 2021 at 10.00 a.m. or at any adjournment thereof for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 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 an amount of RM436,800 to Non-Executive Directors for the period commencing from 4 December 2021 until the conclusion of the next Annual General Meeting of the Company. *Ordinary Resolution 1*
3. To re-elect the following Directors who are retiring in accordance with Article 101 of the Company's Constitution: -
 - (i) Mr Ooi Guan Hoe *Ordinary Resolution 2*
 - (ii) Mr Ng Chee Keong *Ordinary Resolution 3*
 - (iii) Mr Lai Wei Keat *Ordinary Resolution 4*
4. To re-appoint Messrs. UHY as the Company's Auditors until the conclusion of the next Annual General Meeting 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 resolutions: -

5. **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 ("the Act") 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*
6. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

"THAT the Proposed Amendments to the Constitution of the Company as set out in the Appendix A which circulated together with the Notice of 4th AGM dated 29 October 2021, be and is hereby approved with immediate effect. *Special Resolution 1*

AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all steps as may be considered necessary to give full effect to the Proposed Amendments to the Constitution of the Company."
7. To transact any other business of which due notices shall have been given in accordance with the Act.

By order of the Board,

Heng Chiang Pooh (MAICSA 7009923/ SSM PC No. 201908001771)

Tan Tong Lang (MAICSA 7045482/ SSM PC No. 201908002253)

Thien Lee Mee (LS0009760/ SSM PC No. 201908002254)

Joint Company Secretaries

Selangor

Dated: 29 October 2021

NOTICE OF FOURTH ANNUAL GENERAL MEETING

Notes:

1. **IMPORTANT NOTICE**

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Members will not be allowed to attend this AGM in person at the Broadcast Venue on the date of the meeting.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for this AGM in order to participate remotely via RPV.

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 appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited with the Company's Share Registrar at 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, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means via TIIH Online
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for this AGM on the procedures for electronic submission of proxy form via TIIH Online.
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 2021. 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. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

NOTICE OF FOURTH ANNUAL GENERAL MEETING

8. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
9. Pursuant to Rule 8.31A of the AMLR of Bursa Securities, all resolutions set out in this Notice of 4th AGM will be put to vote by way of poll.
10. 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: -

1. Audited Financial Statements for the financial year ended 30 June 2021

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Act does not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1

Payment of Directors' Fees and other benefits to Non-Executive Directors

Section 230(1) of the Act provides that the fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

Pursuant thereto, the total estimated amount of Director's benefit payable is calculated based on the number of scheduled Board's and Board's Committee Meeting and other benefits from 4 December 2021 until the conclusion of the next AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged board composition size), approval will be sought at the next AGM of the Company for additional fees to meet the shortfall.

3. Ordinary Resolution 2 to 4

To re-elect Mr Ooi Guan Hoe, Mr Ng Chee Keong and Mr Lai Wei Keat who are retire in accordance with Article 101 of the Company's Constitution and being eligible, have offered themselves for re-election

Article 101 of the Company's Constitution provides that 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 PROVIDED ALWAYS that 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.

The Board has therefore recommended Mr Ooi Guan Hoe, Mr Ng Chee Keong and Mr Lai Wei Keat who are standing for re-election as Directors of the Company in accordance with Article 101 of the Company's Constitution and being eligible, have offered themselves for re-election at the 4th AGM of the Company. The profile of the retiring Directors are set out in the Directors' Profile of the Annual Report 2021.

NOTICE OF FOURTH ANNUAL GENERAL MEETING

4. Ordinary Resolution 5
Re-appointment of Auditors

The Board, through the Audit & Risk Management Committee had reviewed and was satisfied with the performance and independence of Messrs. UHY ("UHY") during the financial year under review. The Board has therefore recommended the re-appointment of UHY as external auditors of the Company for the financial year ending 30 June 2022.

5. 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.

As at the date of this Notice, the Company had issued total 1,632,027 ordinary shares at an issue price of RM0.7506 per share by way of Acquisition of Anypay Sdn Bhd pursuant to the general mandate obtained from the shareholders at the 3rd AGM held on 7 December 2020 ("Previous Mandate") and will lapse at the conclusion of the 4th AGM.

With this General Mandate, the Company will be 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.

6. Special Business – Special Resolution 1
Proposed Amendments to the Constitution of the Company

The Proposed Amendments to the Constitution of the Company is primarily to provide further clarify on certain terms of the Constitution and provide more flexibility for the Company and to ensure the compliance of the Act and ACE Market Listing Requirements of Bursa Securities. The Proposed Amendments to be made to the Constitution are set out in the Appendix A, which is enclosed together with the Notice of 4th AGM dated 29 October 2021.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are seeking re-election as Directors of the Company at the 4th AGM of the Company are:

- a) Mr Ooi Guan Hoe (Article 101);
- b) Mr Ng Chee Keong (Article 101); and
- c) Mr Lai Wei Keat (Article 101).

The profile of the retiring Directors is set out in the Directors' Profile of the Annual Report 2021.

2. Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market of Listing Requirements of Bursa Securities.

Details of the general mandate to allot shares in the Company pursuant to Sections 75 & 76 of the Act are set out in Explanatory Note of the Notice of the 4th AGM.

APPENDIX A

Proposed Amendments to the Constitution of the Company

The existing Constitution is to be amended by way of alterations, modifications, deletions and/or additions, where necessary, to reflect the proposed amendments thereto. The affected provisions of the existing Articles are reproduced below with the proposed amendments highlighted alongside the respective Articles:

Article No.	Existing Article	Article No.	Proposed Article
100.	All the Directors of the Company shall be natural persons and until otherwise determined by the general meeting the number of Directors (disregarding alternate Directors) shall not be less than five (5) nor more than nine (9) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company. The number of independent Directors shall be no less than two (2) or 1/3 of the total number of Directors, or such number of independent directors as may be required by the Exchange, authorities or other regulators.	100.	All the Directors of the Company shall be natural persons and until otherwise determined by the general meeting the number of Directors (disregarding alternate Directors) shall not be less than two (2) nor more than fifteen (15) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company.
147.	A resolution in writing signed and approved by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate.	147.	A resolution in writing signed and approved by letter, telegram, telex, telefax, electronic means or in such other manner by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate.
		73A.	The technology used to convene a General Meeting must allow the Members to participate in the physical and/or virtual General Meeting to communicate simultaneously with the chairperson, Directors, other Members and advisers (if any) taking part in the main venue of the General Meeting and such technology may include telephone, television, video conferencing, or any other telecommunication or digital methods which permits instantaneous communication.
		73B.	Subject to the Act, the Listing Requirements and other applicable laws and regulations, the physical and/or virtual General Meeting shall be deemed to constitute a General Meeting and all provisions of this Constitution relating to General Meetings shall apply to any physical and/or virtual General Meeting provided the following conditions are met: <ul style="list-style-type: none"> a. All the Members for the time being entitled to receive notice of the General Meeting shall be entitled to receive notice of the physical and/or virtual General Meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as determined by the Board of Directors and permitted by this Constitution; and b. The Members who attend the General Meeting remotely may participate, speak and vote at the physical and/or virtual General Meeting provided that the remote locations should leverage on technology to facilitate voting, including voting in absentia and remote shareholders' participation at the physical and/or virtual General Meeting.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

Date	:	Friday, 3 December 2021
Time	:	10.00 a.m.
Broadcast Venue	:	Conference Room 32, Jalan 8/62A, Bandar Menjalara, Kepong 52200 Kuala Lumpur
Online Meeting Platform	:	TIIH Online website at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn. Bhd.

MODE OF MEETING

In view of the COVID-19 outbreak and as part of the safety measures, the 4th AGM will be conducted on **a virtual basis through live streaming from the Broadcast Venue and online remote voting**. This is in line with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, including any amendment that may be made from time to time.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to attend the 4th AGM in person at the Broadcast Venue on the day of the meeting.

Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 4th AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 4th AGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 4th AGM using RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via its **TIIH Online** website at <https://tiih.online>.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this 4th AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at Tricor's TIIH Online website at <https://tiih.online>.

As the 4th AGM will be held as a fully virtual meeting, shareholders who are unable to participate in this 4th AGM may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.

PROCEDURES FOR RPV

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate in the 4th AGM remotely using the RPV facilities are to follow the requirements and procedures as indicated below: -

	Procedure	Action
BEFORE THE 4TH AGM DAY		
(a)	Register as an user with Tricor's TIIH Online website	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online and register as an user under the "e-Services" select "Create Account by Individual Holder". Kindly refer to the tutorial guide posted on the homepage for assistance. Registration as an user will be approved within one (1) working day and you will be notified via email. If you are already an user with Tricor's TIIH Online website, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at Tricor's TIIH Online website.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

	Procedure	Action
(b)	Submit your registration for RPV	<ul style="list-style-type: none"> Registration is open from 10.00 a.m. Friday, 29 October 2021 until the day of 4th AGM, Friday, 3 December 2021. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 4th AGM to ascertain their eligibility to participate in the 4th AGM using the RPV. Login with your user ID and password and select the corporate event: "(REGISTRATION) REVENUE 4TH AGM". Read and agree to the Terms & Conditions and confirm the Declaration. Select "Register for Remote Participation and Voting". Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the General Meeting Record of Depositors dated 25 November 2021, the system will send you an e-mail after 1 December 2021 to approve or reject your registration for remote participation. <p>(Note: Please allow sufficient time for approval of new user of TIH Online and register for the RPV).</p>
ON THE DAY OF THE 4TH AGM (FRIDAY, 3 DECEMBER 2021)		
(c)	Login to Tricor's TIH Online website	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 4th AGM at any time from 9.00 a.m. i.e. 1 hour before the commencement of the 4th AGM on Friday, 3 December 2021 at 10.00 a.m..
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAM MEETING) REVENUE 4TH AGM" to engage in the proceedings of the 4th AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavour to respond to questions submitted by you during the 4th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 10.00 a.m. on 3 December 2021 until a time when the Chairman announces the end of the voting session. Select the corporate event: "(REMOTE VOTING) REVENUE 4TH AGM" or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(f)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 4th AGM, the live streaming will end.

Note to users of the RPV facilities:-

- Should your registration for RPV be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to Tricor's TIH Online on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the 4th AGM via Tricor's **TIIH Online** website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Wednesday, 1 December 2021 at 10.00 a.m.** The Board will endeavour to answer the questions received at the 4th AGM.

ENTITLEMENT TO PARTICIPATE /GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

Only a depositor whose name appears on the ROD as at **25 November 2021** shall be entitled to attend, speak and vote at the 4th AGM or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend and/or vote on his/her behalf.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate via RPV at the 4th AGM must ensure that the duly executed Form of Proxy are deposited in a hard copy form or by electronic means to Tricor no later than **Wednesday, 1 December 2021 at 10:00 a.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner: -

(i) **In hard copy form**

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) **By electronic form**

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide on the conduct for the 4th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Wednesday, 1 December 2021 at 10.00 a.m.** to participate via RPV in the 4th AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Wednesday, 1 December 2021 at 10.00 a.m.** to participate via RPV in the 4th AGM. The certificate of appointment should be executed in the following manner:

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

	Procedure	Action
i. Steps for Individual Members		
(a)	Register as a User with Tricor's TIH Online website	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online Register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIH Online, you are not required to register again.
(b)	Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: "REVENUE 4TH AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(ies) appointment. Print Form of Proxy for your record.
	Procedure	Action
ii. Steps for Corporation or Institutional Members		
(a)	Register as an User with Tricor's TIH Online website	<ul style="list-style-type: none"> Access TIH online at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
(b)	Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> Login to Tricor's TIH Online website at https://tiih.online Select the corporate event: "REVENUE 4TH AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or corporate representative(s) or attorney(s) can proceed to vote on the resolutions at any time from **10.00 a.m. on Friday, 3 December 2021** but before the end of the voting session which will be announced by the Chairman of the Meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from Tricor's **TIH Online** website at <https://tiih.online>.

Upon completion of the voting session for 4th AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

DOOR GIFT/FOOD VOUCHER

There will be NO distribution of door gifts or food vouchers for the 4th AGM since the meeting is being conducted on a fully virtual basis.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 4th AGM of the Company.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays): -

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

Contact persons : Ms Christine Cheng : +603-2783 9265 / Email: Christine.Cheng@my.tricorglobal.com
Mr Ang Wai Meng : +603-2783 9281 / Email: Wai.Meng.Ang@my.tricorglobal.com

Number of shares held:-	
CDS account no.:-	

PROXY FORM

I/We, _____
(Full name in capital letters)

NRIC No _____

of _____

_____ (Full address)
being a *Member/Members of **REVENUE GROUP BERHAD** [Registration No. 201701034150 (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 Fourth Annual General Meeting ("4th AGM") will be conducted virtually via live streaming and online remote voting at the Broadcast Venue at Conference Room, 32, Jalan 8/62A, Bandar Menjalara, Kepong 52200 Kuala Lumpur, Malaysia on Friday, 3 December 2021 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 an amount of RM436,800 to Non-Executive Directors for the period commencing from 4 December 2021 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 1		
2.	To re-elect Mr Ooi Guan Hoe as Director	Ordinary Resolution 2		
3.	To re-elect Mr Ng Chee Keong as Director	Ordinary Resolution 3		
4.	To re-elect Mr Lai Wei Keat 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		
7.	Proposed Amendments to the Constitution of the Company	Special Resolution 1		

Signed on this _____ day of _____ 2021.

Signature of Shareholder or Common Seal

Notes:

1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Members will not be allowed to attend this AGM in person at the Broadcast Venue on the date of the meeting.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for this AGM in order to participate remotely via RPV.

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 appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, this proxy form must be deposited with the Company's Share Registrar at 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, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means via TIIH Online

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for this AGM on the procedures for electronic submission of proxy form via TIIH Online.

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 2021. 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. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

- at least two (2) authorised officers, of whom one shall be a director; or
- any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of 4th AGM will be put to vote by way of poll.
10. 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
Registration No. 201701034150 (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



Wisma Revenue, No.12, Jalan Udang Harimau 2,
Kepong Business Park, 51200 Kuala Lumpur.
T: +603 9212 3388 F: +603 6242 8785

www.revenue.com.my