revenue
GROUP BERHAD

REVENUE GROUP BERHAD

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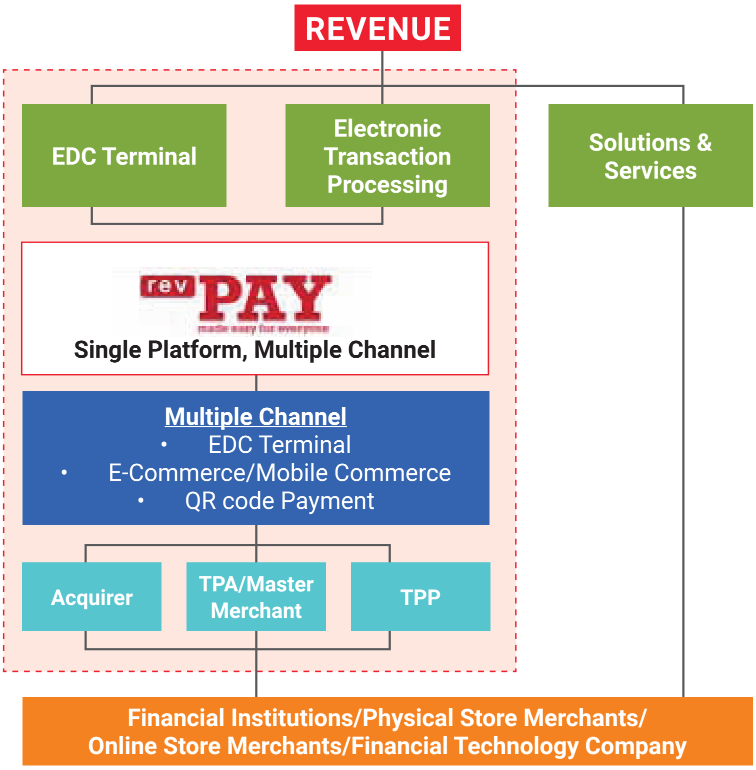
CORPORATE
PROFILE

ABOUT
REVENUE GROUP BERHAD

Established in 2003, with 15 years of operating history in the electronic payments industry in Malaysia, Revenue Group Berhad ("REVENUE", the "Group", the "Company") 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 Quick Response ("QR") Payment, thereby providing cost effective solutions to its customers.

OUR **VALUE**

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

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

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

OUR **VISION**

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

OUR **MISSION**

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

CORPORATE STRUCTURE

AS AT 23 OCTOBER 2018

REVENUE

100%

REVENUE HARVEST SDN BHD
("Revenue Harvest")

100%
REVENUE COMMERCE SDN BHD
("Revenue Commerce")

100%
REVENUE TECHPARK SDN BHD
("Revenue Techpark")

100%
REVENUE PRIVILEGE CARD SDN BHD
("Revenue Privilege Card")

100%
REVENUE SOLUTION SDN BHD
("Revenue Solution")

75%
REVENUE SAFE NETS SDN BHD
("Revenue Safe Nets")

100%
NEXT REVENUE SDN BHD
("Next Revenue")

CORPORATE INFORMATION

FOUNDERS

BRIAN NG SHIH CHIOW
Executive Director
Group Chief Operating Officer

Being the Group Chief Operating Officer and co-founder of REVENUE, Brian takes the lead for day-to-day operations of the Group and is responsible for establishing policies and overseeing administrative functions and finance.

EDDIE NG CHEE SIONG
Managing Director
Group Chief Executive Officer

Eddie is the Managing Director and Group Chief Executive Officer as well as the co-founder of the REVENUE Group, taking the lead since our inception in 2003.

DINO NG SHIH FANG
Executive Director
Group Chief Technology Officer

As a co-founder and the Group Chief Technology Officer, Dino takes charge on the technical direction, architecture and the design of REVENUE's products.

This includes spearheading and monitoring of our R&D and IT teams, pushing for advancement of new technologies to be used in our products and services, and designing business solution and integration of business applications.

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Ooi Guan Hoe

Member
Nor Azzam Bin Abdul Jalil
Ng Chee Keong

NOMINATION COMMITTEE

Chairman
Nor Azzam Bin Abdul Jalil

Member
Ooi Guan Hoe
Ng Chee Keong

REMUNERATION COMMITTEE

Chairman
Ng Chee Keong

Member
Nor Azzam Bin Abdul Jalil
Ooi Guan Hoe

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482)

Heng Chiang Pooh
(MAICSA 7009923)

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

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

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

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

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

SHARE REGISTRAR

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

SPONSOR

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

STOCK EXCHANGE LISTING

ACE Market of
Bursa Malaysia
Securities Berhad
Stock name : REVENUE
Stock Code : 0200
Sector : Technology

PRINCIPAL BANKER

CIMB Bank Berhad

CORPORATE WEBSITE

www.revenue.com.my

INVESTOR RELATIONS

Email : ir@revenue.com.my

OUR
LISTING NEWS

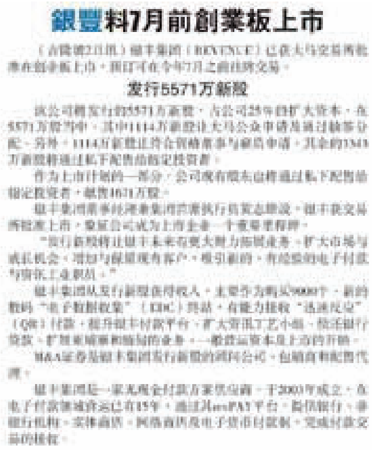
Revenue Group gets Bursa nod for IPO

Date: 3 May 2018
Media Title: The Edge Financial Daily
Page: 8

Revenue Group gets Bursa nod for IPO

Revenue Group expects to list on ACE market before July

Date: 3 May 2018
Media Title: Sin Chew Daily
Page: 2



銀豐料7月前創業板上市

发行5571万新股

Revenue Group inks IPO underwriting agreement with M&A Securities

Date: 8 May 2018
Media Title: The Edge Financial Daily
Page: 8

Revenue Group inks IPO underwriting agreement with M&A Securities

Revenue Group inks underwriting deal with M&A Securities

Date: 8 May 2018
Media Title: The Star
Page: 4

Revenue Group inks underwriting deal with M&A Securities

Revenue sasar IPO RM20.61 juta

Date: 12 June 2018
Media Title: Utusan Malaysia
Page: 13

Revenue sasar IPO RM20.61 juta

Revenue Group sees busy year ahead after ACE market listing

Date: 12 June 2018
Media Title: New Straits Times
Page: 5

PAYMENT SOLUTIONS PROVIDER

Revenue Group sees busy year ahead after ACE Market listing

Revenue group hope to raise 20.61m after lisitng with 37 cents each share

Date: 12 June 2018
Media Title: Nanyang Siang Pau
Page: 8

每股37仙 下月18日登场

银丰冀上市筹2061万

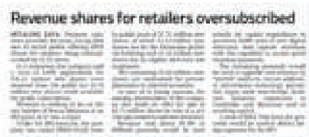
Revenue Group Berhad new stocks are over-purchased 11 times

Date: 11 July 2018
Media Title: Oriental Daily
Page: 4

银丰新股超额认购11倍

Revenue shares for retailers oversubscribed

Date: 11 July 2018
Media Title: The Star
Page: 5



Revenue shares for retailers oversubscribed

Revenue makes strong debut on Ace Market

Date: 19 July 2018
Media Title: The Star
Page: 2

Revenue makes strong debut on Ace Market

Revenue group up to 86.5% in first day listed

Date: 19 July 2018
Media Title: Nanyang Siang Pau
Page: 6

首日挂牌走势凌厉

银丰盘中飙涨 86.5%

OUR LISTING GALLERY

Date: 8 May 2018

REVENUE signed Underwriting Agreement with M&A Securities Sdn Bhd for IPO on 8 May 2018.

Date: 11 June 2018

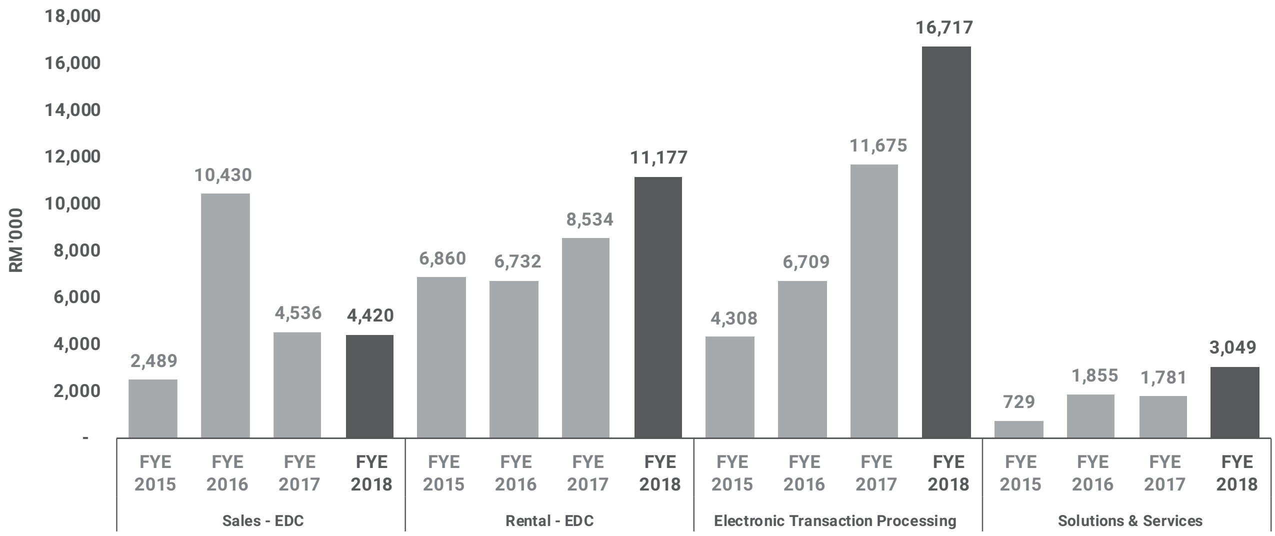
REVENUE launches its Prospectus to the public on 11 June 2018.

Date: 18 July 2018

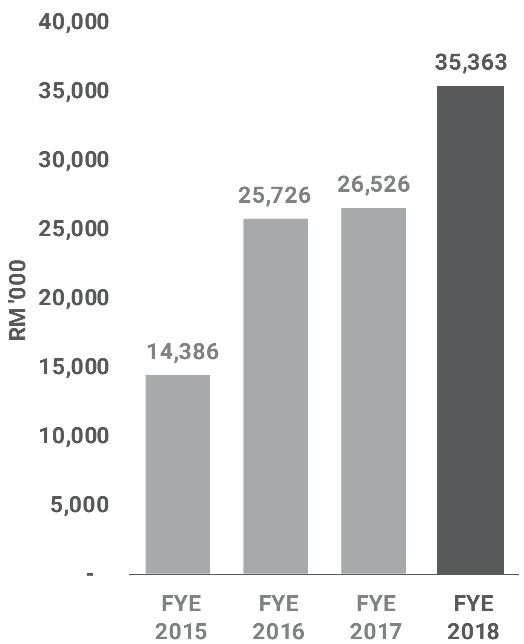
REVENUE makes its debut on the ACE Market of Bursa Malaysia Securities Berhad on 18 July 2018.

FINANCIAL
HIGHLIGHTS

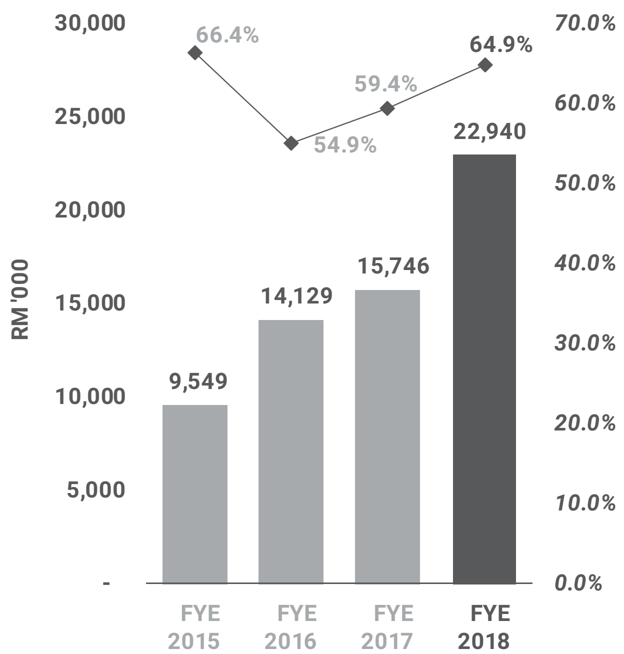
Revenue By Business Segments

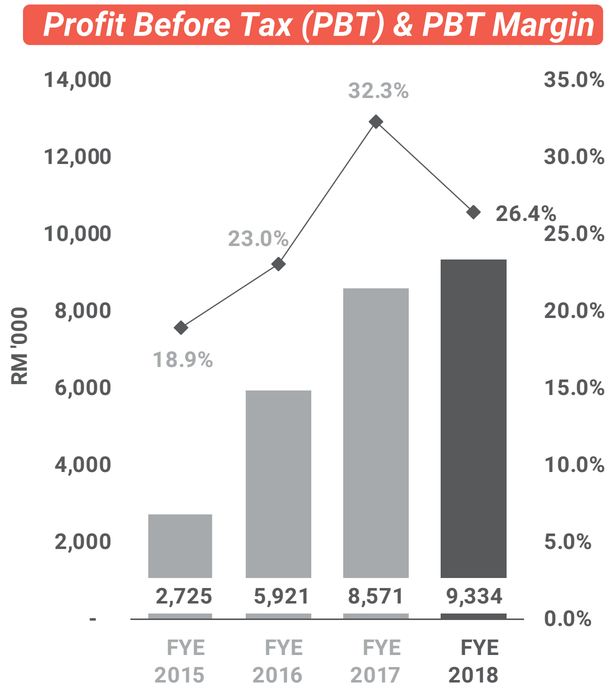


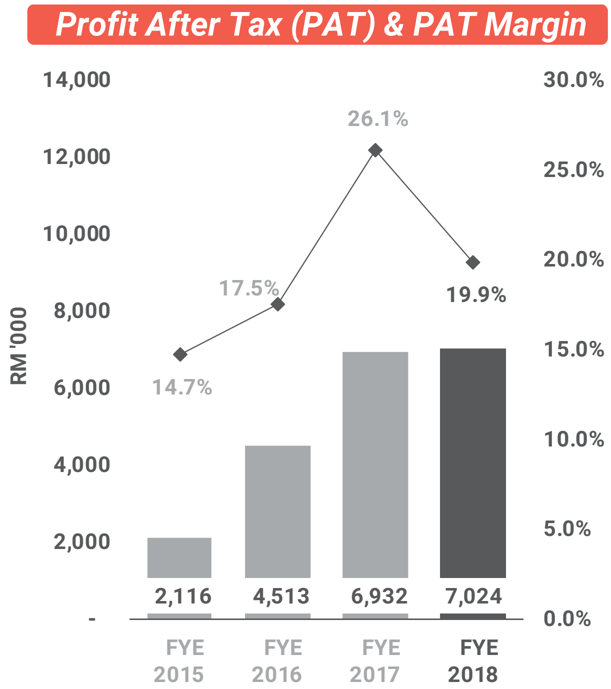
Revenue



Gross Profit (GP) & GP Margin







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

DIRECTOR'S PROFILE

ENCIK NOR AZZAM BIN ABDUL JALIL

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

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

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

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

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

He 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 30th June 2018.

01

Gender
Male

Age
53

Nationality
Malaysian

Position
Independent
Non-Executive Chairman

Board Committee
Chairman of Nomination Committee
Member of Audit and
Risk Management Committee
Member of Remuneration
Committee

02

Gender
Male

Age
45

Nationality
Malaysian

Position
Co-Founder
Managing Director and
Group Chief Executive Officer

MR. EDDIE NG CHEE SIONG

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

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

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

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

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

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

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30th June 2018.

MR. BRIAN NG SHIH CHIOW

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 Mr. Eddie Ng Chee Siong and Mr. Dino Ng Shih Fang.

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

He and Dino Ng Shih Fang are brothers and he is the cousin of Ng Cai Lei. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30th June 2018.

03

Gender
Male

Age
45

Nationality
Malaysian

Position
Co-Founder
Executive Director and
Group Chief Operations Officer

04

Gender
Male

Age
43

Nationality
Malaysian

Position
Co-Founder
Executive Director and
Group Chief Technology Officer

MR. DINO NG SHIH FANG

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

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

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

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

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

He and Brian Ng Shih Chiow are brothers and he is the cousin of Ng Cai Lei. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30th June 2018.

MR. OOI GUAN HOE

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

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

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

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

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 30th June 2018.

05

Gender
Male

Age
43

Nationality
Malaysian

Position
Independent Non-Executive Director

Board Committee
Chairman of Audit and
Risk Management Committee
Member of Nomination Committee
Member of Remuneration
Committee

06

Gender
Male

Age
47

Nationality
Malaysian

Position
Independent Non-Executive Director

Board Committee
Chairman of Remuneration Committee
Member of Audit and Risk Management Committee
Member of Nomination Committee

MR. NG CHEE KEONG

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

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

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

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

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

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

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30th June 2018.

PROFILES OF KEY SENIOR MANAGEMENT

MR. NG KUAN HORNG

35 years of age, Malaysian, Male
Group Chief Financial Officer

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 12 years 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 30th June 2018.

MR. CHAN CHOO MENG

62 years of age, Malaysian, Male
Risk & 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 40 years 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 30th June 2018.

MS. NG CAI LEI

35 years of age, Malaysian, Female
Finance Manager

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

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

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

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

She and Brian Ng Shih Chiow and Dino Ng Shih Fang are cousins. 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 30th June 2018.

MS. WONG PEK CHIN

37 years of age, Malaysian, Female
IT Operations Manager

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

She has 13 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 30th June 2018.

MR. LAI WEI KEAT

46 years of age, Malaysian, Male
Managing Director for Revenue Safe Nets

Lai Wei Keat joined our Group in 2016 and he is responsible for overseeing the overall management and daily operations of Revenue Safe Nets.

He has 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 30th June 2018.

MR. LOO TAK KHEONG

41 years of age, Malaysian, Male
Chief Executive Officer for Revenue Harvest

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

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

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

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

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

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

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

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30th June 2018.

MR. CHEAH CHEE CHOON

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

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

He is an industry veteran with 22 years 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 30th June 2018.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

It is an honour and a privilege to deliver this statement in my first year as the Independent Non-Executive Chairman of Revenue Group Berhad.

THE BEGINNING OF OUR JOURNEY

Our journey started from a humble beginning as a pure EDC terminal vendor. Throughout the years, we have grown from just serving one (1) financial institution, to currently serving more than 10 financial institutions. We have also grown our electronic transaction processing from one (1) Card Scheme to six (6) Card Schemes and three (3) e-money payment schemes. Through the collaboration with the financial institutions and various Card Schemes and e-money payment schemes, we continuously improve and develop our business knowledge and Information Technologies ("IT") capabilities, which led us to innovate and enhance our proprietary platform, revPAY. revPAY is a single platform that consolidates our multiple roles through multiple payment channels, catering to various electronic transaction payment.

SIGNIFICANT CORPORATE MILESTONE OF OUR GROUP

The year of 2018 marked a significant milestone for all of us at REVENUE as we successfully listed the Company onto the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 18 July 2018. It was a momentous milestone in our history and we are elated of the listing status of our Company in Malaysia.

I would like to take this opportunity to congratulate the three young and energetic founding shareholders of the Company, particularly Mr. Eddie Ng Chee Siong (Managing Director and Group Chief Executive Officer), Mr. Brian Ng Shih Chiow (Executive Director and Group Chief Operations Officer) and Mr. Dino Ng Shih Fang (Executive Director and Group Chief Technology Officer) in achieving this spectacular corporate milestone in their respective careers.

The Initial Public Offering ("IPO") of our Company involved a public issue of 55,712,000 new ordinary shares and offer for sale of 16,713,600 existing shares at an issue price of RM0.37 per share ("IPO price"). The Group successfully raised gross proceeds of RM20.61 million. From the gross proceeds raised, RM8.10 million will be utilised for our capital expenditure (39.3%), RM4.04 million will be utilised for enhancement of revPAY and expansion of IT team (19.6%), RM2.70 million will be allocated for listing expenses (13.1%), RM2.50 million will be for repayment of our bank borrowings (12.1%), RM1.50 million will be for regional business expansion (7.3%) and with the remaining RM1.77 million will be for our working capital needs (8.6%).

FINANCIAL RESULTS

After the completion of the acquisition of Revenue Harvest and its subsidiary companies (collectively known as "Revenue Harvest Group") by REVENUE on 30 April 2018, Revenue Harvest Group had become a wholly-owned subsidiary company of REVENUE. Subsequently, the Company had completed its IPO exercise and we became a public limited liability company that listed on ACE Market of Bursa Securities since 18 July 2018.

Our Company was only incorporated on 26 September 2017 hence the Financial Year Ended 30 June 2017 ("FYE 2017") was presented based on the historical combined audited financial statements of Revenue Harvest Group.

Our Group achieved a higher revenue of RM35.36 million in Financial Year Ended 30 June 2018 ("FYE 2018") compared to RM26.53 million recorded in FYE 2017, an increase of RM8.83 million or 33.3% year-on-year. The increase in the revenue was mainly due to higher revenue recognised from all three (3) core business segments.

Our gross profit ("GP") increased by RM7.19 million or 45.7% from RM15.75 million in FYE 2017 to RM22.94 million in FYE 2018 and our GP margin had also improved to 64.9% in FYE 2018 compared to 59.4% in FYE 2017 mainly driven by improved margin from the EDC terminals segment and electronic transaction processing segment.

Our profit before tax ("PBT") increased by RM0.76 million from RM8.57 million in FYE 2017 to RM9.33 million in FYE 2018. However, our PBT margin dropped by 5.9% from 32.3% in FYE 2017 to 26.4% in FYE 2018 mainly due the absence of the one-off gain on disposal of investment properties recorded in FYE 2017 and one-off listing expenses charged in FYE 2018. For illustration and comparison purposes, the Group's PBT and PBT margin after adjusting for the one-off gain on disposal of investment properties and one-off listing expenses, the Group would have recorded a higher PBT and PBT margin of RM9.83 million and 27.8% respectively in FYE 2018 (Please refer to Management Discussion & Analysis Statement for further details).

As at 30 June 2018, the Group's financial position remained healthy with net assets of RM23.74 million (or net assets per share of RM0.14). Our cash and cash equivalents had also increased to RM13.85 million in FYE 2018 as compared to RM8.32 million in FYE 2017.

MARKET OUTLOOK AND PROSPECT

As a newly minted public company, REVENUE is poised to enter in the next growth trajectory as a listed entity, backed by proven track record, strong management team and aptly complemented with a robust business strategy as elaborated comprehensively under our Management Discussion & Analysis Statement.

Having only recently begun our journey as a public listed company, we will continue to work hard, uphold our quality of services, pursue innovation and efficiency in order to stay ahead and thrive in today's dynamic electronic payment industry.

ACKNOWLEDGEMENT

On behalf of the Board of Directors of REVENUE, I wish to convey my sincere appreciation to numerous parties who have helped us get to where we are today especially to the senior management team and the dedicated staff of the Company. We are indebted to our shareholders and customers for their unwavering support and place their trust upon us. Whilst we are encouraged by the impressive debut of our IPO share prices performance and the maiden year financial performance, shareholders and stakeholders can be rest assured that we will not rest on our laurels as we continue to work hard to ensure that we uphold our uptrend performance.

My sincere gratitude to our business partners in electronic payment industry such as payment card issuers, card schemes, physical and online store merchants, technology partners and business associates for their commitment and support extended to us since the Company establishment back in 2005. I would also like to extend my sincere appreciation to the Securities Commissions, Bursa Securities, M&A Securities Sdn Bhd (our listing adviser and sponsor) and all the due diligence working group advisers for their tireless cooperation in helping us to attain the listing status as one of the ACE Market public listed entity since 18 July 2018.

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

Thank you.

NOR AZZAM BIN ABDUL JALIL
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION
& ANALYSIS STATEMENT

We are pleased to present our Group's Management Discussion & Analysis Statement for the FYE 2018.

After the completion of the acquisition of Revenue Harvest Group by REVENUE on 30 April 2018, Revenue Harvest Group had become a wholly-owned subsidiary company of REVENUE. Subsequently, the Company had completed its IPO exercise and we became a public limited liability company that listed on ACE Market of Bursa Securities since 18 July 2018.

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	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 ("TPP").	(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	Provision of solutions and services in relation to payment gateway, payment network security and payment infrastructure.	(a) Sales, development and licensing of software, payment network security solutions, as well as its related hardware including its maintenance services.

1.2 Principal markets

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

1.3 Products and services

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

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

2. FINANCIAL PERFORMANCE REVIEW

	FYE 2018	FYE 2017[1]	Variance	
	RM'000	RM'000	RM'000	%
Revenue	**35,363**	**26,526**	8,837	33.3%
Gross Profit ("GP")	**22,940**	**15,746**	7,194	45.7%
Profit Before Tax ("PBT")	**9,334**	**8,571**	763	8.9%
Profit After Tax ("PAT")	**7,024**	**6,932**	92	1.3%
Key ratios				
GP margin (%)	***64.9%***	***59.4%***	*5.5%*	*9.3%*
PBT margin (%)	***26.4%***	***32.3%***	*(5.9)%*	*(18.3)%*
PAT margin (%)	***19.9%***	***26.1%***	*(6.2)%*	*(23.8)%*
Earnings Per Share ("EPS") (sen)[2]	***4.05 sen***	***4.17 sen***	*(0.12) sen*	*(2.9)%*
Diluted EPS (sen)[3]	***3.04 sen***	***3.13 sen***	*(0.09) sen*	*(2.9)%*

Notes:

(1) ***Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.***

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

(3) ***Calculated based on PAT attributable to the owners of the Company divided by the enlarged share capital of 222,848,000 after our IPO.***

2.1 Revenue

Our Group's overall revenue increased by RM8.83 million or 33.3% from RM26.53 million in FYE 2017 to RM35.36 million in FYE 2018. For the FYE 2018, our electronic transaction processing segment was our largest revenue contributor with revenue at RM16.72 million or 47.3% of our Group's total revenue, followed by our EDC terminals segment with revenue at RM15.60 million or 44.1% of our Group's total revenue.

2.2 GP and GP margin

Our Group's overall GP increased by RM7.19 million or 45.7% from RM15.75 million in FYE 2017 to RM22.94 million in FYE 2018. For the FYE 2018, our electronic transaction processing segment was our largest GP contributor with a GP of RM12.93 million or 56.4% of our Group's total GP, followed by our EDC terminals segment with GP of RM8.04 million or 35.0% of our Group's total GP.

Our Group's overall GP margin increased by 5.5% from 59.4% in FYE 2017 to 64.9% in FYE 2018. The increase in the GP margin mainly driven by our electronic transaction processing segment.

2.3 Other income

Our Group's overall other income decreased by RM3.03 million or 88.2% from RM3.44 million in FYE 2017 to RM0.41 million in FYE 2018. The decrease mainly due to the absence of one-off gain on the disposal of investment properties amounting to RM2.06 million recognised in FYE 2017, the absence of the over provision of point redemption in prior year amounting to RM0.13 million in FYE 2017, lower rental income earned arising from the disposal of the investment properties by RM0.16 million, as well as lower gain on disposal of property, plant and equipment by RM0.66 million.

2.4 Administrative expenses

Our Group's overall administrative expenses increased by RM3.53 million or 35.0% from RM10.08 million in FYE 2017 to RM13.61 million in FYE 2018. The increase mainly due to the increase in the staff cost by RM2.05 million arising from the increase in our headcount, increase in the depreciation (exclude EDC terminals) by RM0.43 million mainly due to the addition of software system and one-off listing expenses charged out during the year amounting to RM0.50 million.

2. FINANCIAL PERFORMANCE REVIEW (CONT'D)

2.5 Finance costs

Our finance costs decreased by RM0.13 million or 24.8% from RM0.53 million in FYE 2017 to RM0.40 million in FYE 2018. The drop in the finance costs mainly due to the redemption of outstanding term loans arising from the disposal of investment properties in FYE 2017.

2.6 PBT and PBT margin

Our Group's PBT increased by RM0.76 million or 8.9% from RM8.57 million in FYE 2017 to RM9.33 million in FYE 2018. The increase in our PBT mainly driven by the higher GP achieved during the year but is offset by the increase in the administrative expenses and lower other income due to the absence of the one-off gain on the disposal of investment properties amounting to RM2.06 million recorded in FYE 2017.

Our Group's PBT margin had decreased by 5.9% from 32.3% in FYE 2017 to 26.4% in FYE 2018 mainly due to the absence of the one-off gain on the disposal of investment properties in FYE 2017.

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

	FYE 2018	FYE 2017[1]	Variance	
	RM'000	RM'000	RM'000	%
PBT	**9,334**	**8,571**	763	8.9%
Less: Gain on disposal of investment properties	–	(2,063)	2,063	100%
Add: One-off commission relating to the disposal of investment properties	–	102	(102)	(100)%
Add: Listing expenses	497	–	497	100%
Adjusted PBT	**9,831**	**6,610**	3,221	48.7%
Adjusted PBT margin (%)	*27.8%*	*24.9%*	*2.9%*	*11.6%*

Note:

(1) Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.

2.7 Taxation

Our Group's overall corporate taxation increased by RM0.67 million or 40.9% from RM1.64 million in FYE 2017 to RM2.31 million in FYE 2018. The Group's effective tax rate is 24.7% in FYE 2018 which is higher than the 19.1% in FYE 2017 mainly due to the increase in the current year tax provision amounting to RM1.74 million and under-provision of corporate tax in prior year amounting to RM0.13 million, but offset by the deferred tax amounting to RM0.96 million during the year and the absence of the one-off Real Property Gain Tax ("RPGT") of RM0.25 million in FYE 2017 arising from the disposal of the investment properties.

2.8 PAT and PAT margin

Our Group's overall PAT increased marginally by RM0.09 million or 1.3% from RM6.93 million in FYE 2017 to RM7.02 million in FYE 2018. Coupled with the explanation provided under Item 2.6, the marginal increase in PAT was also due to higher corporate taxation recorded in FYE 2018.

Our Group's overall PAT margin decreased by 6.2% from 26.1% in FYE 2017 to 19.9% in FYE 2018. The drop in PAT margin mainly due to the absence of the one-off gain on the disposal of investment properties in FYE 2017.

2. FINANCIAL PERFORMANCE REVIEW (CONT'D)

2.8 PAT and PAT margin (cont'd)

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

	FYE 2018	FYE 2017[1]	Variance	
	RM'000	RM'000	RM'000	%
PAT	**7,024**	**6,932**	92	1.3%
Less: Gain on disposal of investment properties	–	(2,063)	2,063	100%
Add: One-off commission relating to the disposal of investment properties [2]	–	102	(102)	(100)%
Add: Listing expenses [2]	497	–	497	100%
Add: RPGT	–	248	(248)	(100)%
Adjusted PAT	**7,521**	**5,219**	2,302	44.1%
Adjusted PAT margin (%)	*21.3%*	*19.7%*	*1.6%*	*8.1%*

Notes:

(1) ***Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.***

(2) ***Excluding corporate tax effect.***

3. REVIEW OF OPERATING ACTIVITIES

3.1 Analysis of revenue by business segments

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

	FYE 2018	FYE 2017[1]	Variance	
	RM'000	RM'000	RM'000	%
EDC terminals:				
- Sales	4,420	4,536	(116)	(2.6%)
- Rental and maintenance	11,177	8,534	2,643	31.0%
	15,597	13,070	2,527	19.3%
Electronic transaction processing	16,717	11,675	5,042	43.2%
Solutions & Services	3,049	1,781	1,268	71.2%
Total	**35,363**	**26,526**	**8,837**	**33.3%**

Note:

(1) ***Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.***

(a) EDC terminals segment

Revenue from our EDC terminals segment increased by RM2.53 million or 19.3% from RM13.07 million in FYE 2017 to RM15.60 million in FYE 2018. The increase was mainly attributed to the increase in our rental and maintenance income arising from the increase in the average number of EDC terminals rented and maintained by 4,900 units from approximately 14,300 units during FYE 2017 to approximately 19,200 units during FYE 2018.

However, the increase in the revenue from our EDC terminals segment was partially offset by the revenue from the sales of EDC terminals by RM0.12 million arising from the lower sale of approximately 100 units during FYE 2018.

3. REVIEW OF OPERATING ACTIVITIES (CONT'D)

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

(b) Electronic transaction processing segment

Revenue from our electronic transaction processing segment increased by RM5.04 million or 43.2% from RM11.68 million in FYE 2017 to RM16.72 million in FYE 2018. The increase was mainly attributed to the increase in the transaction volume from 3.3 million in FYE 2017 to 5.2 million in FYE 2018. The transactional value processed also increased by approximately RM455.00 million from RM664.87 million in FYE 2017 to approximately RM1.12 billion in FYE 2018.

The increase in the transaction volume mainly driven by the increase in the payment card usage across majority of the Card Schemes (such as MyDebit, UnionPay, Diners Club), as well as the commencement of the Alipay's QR Payment acceptance from August 2017 onwards. The increase in the consumer spending behaviour through online purchases had also contributed to the increase in the transaction volume.

(c) Solutions & Services segment

Revenue from our Solutions & Services segment increased by RM1.27 million or 71.2% from RM1.78 million in FYE 2017 to RM3.05 million in FYE 2018. The increase mainly attributed to the completion of multiple software and system development projects amounting RM0.98 million, two (2) new Network Access Controller ("NAC") projects amounting to RM0.70 million, three (3) new software maintenance contracts amounting to RM0.27 million.

3.2 Analysis of GP and GP margin by business segments

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

	GP		GP margin	
	FYE 2018	FYE 2017[(1)]	FYE 2018	FYE 2017[(1)]
	RM'000	RM'000	%	%
EDC terminals:				
- Sales	1,406	1,486	31.8	32.8
- Rental and maintenance	6,629	5,073	59.3	59.4
	8,035	6,559	51.5	50.2
Electronic transaction processing	12,929	7,664	77.3	65.6
Solutions & Services	1,976	1,523	64.8	85.5
Total	**22,940**	**15,746**	**64.9**	**59.4**

Note:

(1) ***Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.***

(a) EDC terminals segment

GP from our EDC terminals segment increased by RM1.48 million or 22.5% from RM6.56 million in FYE 2017 to RM8.04 million in FYE 2018. The increase mainly attributed to higher GP from the rental and maintenance of EDC terminals by RM1.56 million arising from the increase in the average number of EDC terminals rented and maintained during FYE 2018.

However, the increase in the GP from our EDC terminals segment was partially offset by the drop in the GP from the sales of EDC terminals by RM0.08 million or 5.4% from RM1.49 million in FYE 2017 to RM1.41 million in FYE 2018 mainly due to lower sale of EDC terminals.

The overall GP margin from our EDC terminals segment increased by 1.3% from 50.2% in FYE 2017 to 51.5% in FYE 2018 mainly contributed by a better mixture in the EDC terminals between landline model and wireless model.

3. REVIEW OF OPERATING ACTIVITIES (CONT'D)

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

(b) Electronic transaction processing segment

GP from our electronic transaction processing segment increased by RM5.27 million or 68.7% from RM7.66 million in FYE 2017 to RM12.93 million in FYE 2018. The increase in the GP mainly due to higher transaction volume and transactional value processed during FYE 2018.

The overall GP margin increased by 11.7% from 65.6% in FYE 2017 to 77.3% in FYE 2018 mainly attributed to the increase in the transaction volume during FYE 2018 which enable us to negotiate with a few banks to lower down the bank charges.

(c) Solutions & Services segment

GP from our Solutions & Services segment increased by RM0.45 million or 29.7% from RM1.52 million in FYE 2017 to RM1.97 million in FYE 2018. Despite the increase in the GP, the overall GP margin drop by 20.7% from 85.5% in FYE 2017 to 64.8% in FYE 2018 mainly due to lower profit margin from the NAC projects undertaken during FYE 2018.

4. FINANCIAL POSITION REVIEW

	30.06.2018	30.06.2017[1]	Variance	
	RM'000	RM'000	RM'000	%
Assets				
Non-current Assets	**27,013**	**24,566**	2,447	10.0%
Current Assets	**26,611**	**18,427**	8,184	44.4%
Total Assets	**53,624**	**42,993**	10,631	24.7%
Liabilities				
Non-current liabilities	**(7,513)**	**(8,259)**	(746)	(9.0)%
Current liabilities	**(22,374)**	**(18,040)**	4,334	24.0%
Total Liabilities	**(29,887)**	**(26,299)**	3,588	13.6%
Net Assets ("NA")	**23,737**	**16,694**	7,043	42.2%
Key ratios				
Current ratio (times)	**1.19x**	**1.02x**	0.17x	16.7%
Trade receivables turnover (days)[2]	**95.2**	**72.9**	22.3	30.6%
Trade payables turnover (days)[3]	**89.0**	**83.6**	5.4	6.5%
Gearing ratio (times)	**0.36x**	**0.51x**	(0.15)x	(29.4%)
NA per share[4] (RM)	**0.14**	**0.10**	0.04	40.0%

Notes:

(1) ***Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.***

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

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

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

4. FINANCIAL POSITION REVIEW (CONT'D)

4.1 Total assets

Our total assets increased by RM10.63 million from RM42.99 million as at FYE 2017 to RM53.62 million as at FYE 2018.

Non-current assets increased by RM2.45 million mainly due to the purchase of EDC terminals amounting to RM4.18 million, as well as the addition of computer and software amounting to RM2.58 million for our business expansion and was offset by depreciation charge amounting to RM4.57 million during the year.

Current assets increased by RM8.18 million mainly due to higher trade receivables balance of RM9.23 million (FYE 2017: RM5.30 million) arising from the billing on the sales of EDC terminals in the month of June 2018, higher cash and bank balance of RM14.76 million (FYE 2017: RM9.17 million) arising from the increase in our business activities and was offset by a lower other receivables balance of RM1.79 million (FYE 2017: RM2.89 million) due to the collection of the balance proceeds receivable from the disposal of our investment properties.

4.2 Total liabilities

Our total liabilities increased by RM3.59 million from RM26.30 million as at FYE 2017 to RM29.89 million as at FYE 2018.

Non-current liabilities decreased by RM0.75 million mainly due to the redemption of outstanding term loans arising from our disposal of investment properties in FYE 2017 and lower deferred tax liabilities.

Current liabilities increased by RM4.33 million mainly due to higher other payables balance of RM17.00 million (FYE 2017: RM11.68 million) due to higher amount of payment received arising from timing differences between payment received from consumers and settlement to merchants, higher tax payable balance of RM1.02 million (FYE 2017: RM0.28 million) and offset by a lower amount due to directors balance of RM0.08 million (FYE 2017: RM2.41 million).

4.3 Cash flows

	FYE 2018	FYE 2017[1]	Variance	
	RM'000	RM'000	RM'000	%
Net cash from operating activities	**13,152**	**9,231**	3,921	42.5%
Net cash used in investing activities	**(4,704)**	**(5,751)**	1,047	18.2%
Net cash used in financing activities	**(2,561)**	**(4,448)**	1,887	42.4%
Net change in cash and cash equivalents ("CCE")	**5,887**	**(968)**	6,855	708.2%
CCE at the beginning of the financial year	**8,321**	**9,275**	(954)	10.3%
Effect of exchange translation differences on CCE	**(362)**	**14**	(376)	2,685.7%
CCE at the end of the financial year	**13,846**	**8,321**	5,525	66.4%

Note:

[1] ***Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.***

4. FINANCIAL POSITION REVIEW (CONT'D)

4.3 Cash flows (cont'd)

Overall, the Group generated a net cash of RM5.89 million as at FYE 2018. The higher net cash generated mainly due to:

(a) Net cash from operating activities amounting to RM13.15 million mainly attributed the increase in the business activities and positive results during FYE 2018;

(b) Net cash used in investing activities amounting to RM4.70 million mainly attributed to the purchase of property, plant and equipment, such as EDC terminals, amounting to RM6.84 million for our business expansion, and partially offset by the collection of the balance proceeds receivable from the disposal of our investment properties amounting to RM2.18 million during FYE 2018; and

(c) Net cash used in financing activities amounting to RM2.56 million mainly attributed to the repayment of bank borrowings and finance leases amounting to RM0.56 million and dividend payment of RM2.10 million which was declared in FYE 2017 and paid out during FYE 2018.

4.4 Liquidity and capital reserve

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

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

As at 30 June 2018, the Group was in a net cash position of RM6.46 million.

	FYE 2018	FYE 2017[(1)]	Variance	
	RM'000	RM'000	RM'000	%
Cash and bank balances (exclude bank overdraft)	**14,829**	**9,282**	5,547	59.8%
Total loan and borrowings	**(8,369)**	**(8,586)**	217	2.5%
Net Cash	**6,460**	**696**	5,764	828.2%

Note:

(1) ***Our Company was only incorporated on 26 September 2017. The FYE 2017 was presented based on the historical combined audited financial statements of Revenue Harvest Group.***

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

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

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

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

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

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

(d) Our financial performance may be affected by fluctuations in foreign exchange rates as our purchases of EDC terminals is transacted in United States Dollar ("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 utilise RM8.10 million of our IPO proceeds to purchase and deploy approximately 9,000 units of new digital payment terminals with the capability to accept QR Payment to expand and increase our presence in Malaysia.

(b) Regional expansion

Our businesses are predominantly concentrated in Malaysia. As part of our future business expansion, the Group intend to utilise RM1.50 million of our IPO proceeds and we have identified two (2) potential countries within ASEAN Markets for expansion, namely Myanmar and Cambodia. In this respect, we will partner with local financial institutions or local industry player in those countries and/or Malaysian financial institutions that already have presence in these countries to provide electronic payment processing services for various Card Schemes.

(c) Enhancement of revPAY and expansion of IT team

As IT form 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. The Group intend to utilise RM4.04 million to upgrade and enhance the IT infrastructure, as well as recruiting and expanding our IT personnel.

6. FUTURE PLANS AND PROSPECTS (CONT'D)

6.1 Future plans (cont'd)

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

(i) Our Group is developing QR Payment for UnionPay which will allows UnionPay Cardholders to make payments using their mobile payment application or e-wallet with QR Code. This will provide an additional payment option to our merchants;

(ii) Our Group is also researching and developing e-wallet solutions to be integrated with our revPAY. Our e-wallet solutions will enable Issuers the ability to offer their Cardholders a digital wallet capability and digitalise loyalty programme, rewards redemption, discount coupons and gift cards thus improving Cardholders' experience. By using our e-wallet solutions, Issuers will be able to immediately tap into our existing base of approximately 9,100 merchants; and

(iii) Our Group is also currently researching and developing an all-in-one digital payment terminal which can accept multiple payment channel such as credit cards, debit cards and mobile QR Code in a single digital payment terminal.

6.2 Prospects of electronic payment industry in Malaysia

Under the Payment Card Reform Framework ("PCRF") implemented by Bank Negara Malaysia ("BNM") in 2015, whereby multiple measures have been introduced to enhance transparency and affordable pricing to the merchants and coupled with the wider network of EDC terminals which has enabled greater usage of payment cards, have contributed to an upward trajectory for overall electronic payment usage in 2017.

The electronic payment industry in Malaysia continues to receive strong support from the Government to promote the usage of electronic payment services. BNM is looking at the third (3rd) wave of payment reforms focusing on the mobile payments and QR payments.

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

Premised on the future plans above and with the various initiatives undertaken by BNM to promote wider acceptance and the usage of electronic payments, the Board of Directors is of the opinion that, barring any unforeseen circumstances, the prospects of our Group for 30 June 2019 will remain favourable.

7. DIVIDEND POLICY

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

The Board do not recommend or paid any dividend in respect for FYE 2018.

CORPORATE
SUSTAINABILITY STATEMENT

Corporate Sustainability Statement

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 the shareholders, our environment and our society.

The Group will be instilling a Corporate Social Responsibility ("CSR") practice within the Group. CSR encompasses a wide spectrum of issues ranging from business ethics, corporate governance and socially investing to environmental sustainability and community welfare. CSR envisages enterprise integrate social and environmental concerns in their business operations and their interaction with their stakeholder on a voluntary basis.

The Group will be undertaking various steps to contribute to the welfare of the society and communities in the environment it operates. The Group recognises that for long term sustainability, its strategic orientation will need to look beyond the financial parameters.

The Group has defined our commitment to Corporate Sustainability into the following areas:

Employee Welfare

The Group's aim is to create a safe and supportive working environment for every employee to contribute their best and recognise the importance of our employees to feel proud and inspired to work with our Group.

We believe our employees are the most important assets to us as they form the core backbone of ours Group. Hence, our Group has a policy to conduct its business in a manner that protects the health and safety of our employees and others involved in its operations.

The Group is also supportive and encourages the continuous personal and professional development of our employees through various training programmes, workshops and seminars.

In order to foster a greater team spirit and unity, the Group had organised a Three-Days-Two- Nights company trip to Pulau Tioman from 19th to 21st January 2018 and also held our very own "Shanghai Night Gala Dinner" on 10th February 2018.

<u>**COMPANY TRIP – PULAU TIOMAN**</u>

SHANGHAI NIGHT GALA DINNER

Environmental Awareness

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.

In the workplace, the Group has developed a culture of reducing electricity and paper usage, recycling waste plastic materials as well as re-using paper/envelop.

Social Awareness

The Group is also mindful of its responsibility in giving back to the society and will be making contribution to selected social welfare organisation, such as Charitable Organisation.

During FYE 2018, the Group had carried out its CSR at a smaller scale activity. These includes making small contribution to support Non-Governmental Organisation initiatives.

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 and reducing the generation of waste.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of REVENUE is 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 2017 ("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 are 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") of Bursa Securities and the requirements under the Companies Act 2016 and being applied under the leadership of the Board during the FYE 2018.

The overview statement is to be read together with the CG Report 2018 ("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 o the Group. The Board regularly reviews the Group's business operations, management performance and also ensure the necessary resources are in place.

In the Group, the Board and the Senior Management work cohesively to formulate and to 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 our businesses 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, and 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 and as recommended by the Code;
(e) To review and approve our annual business plans, financial statements and annual reports;
(f) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and
(g) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board Committees and deliberate on the recommendations thereon.

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

STRATEGIC AIMS, VALUES AND STANDARDS (CONT'D)

In order to discharge its duties and functions effectively, the Board has set up and 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 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"). 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.

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

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.

CODE OF CONDUCT AND ETHICS

The Board is mindful of its leadership and stewardship is pivotal in creating an ethical corporate culture. The Board has formalised and adopted the Code of Conduct & Ethics Policy which serve 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 and serve as a platform and laid out the procedures for employees to raise genuine concerns about any suspected and/or known unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place and/or has taken place and/or may take place in the future at the earliest opportunity, without being subject to victimisation, harassment or discriminatory treatment.

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

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

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

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 six (6) members and comprising three (3) Executive Directors and three (3) Independent Non-Executive Directors. The board composition of our Group fulfils the requirements as set out under the Listing Requirements which stipulates that at least two (2) directors or at least one-third (1/3) of the Board, whichever is higher, must be independent.

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

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 as well as the contribution of each individual Directors and assessment on the independence of the Independent Non-Executive Directors.

TENURE OF INDEPENDENT NON-EXECUTIVE DIRECTOR

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

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

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 practices 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 diversification would enlarge the pool of skills, talents, perspective and ideas within the Board.

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

Our Board is endeavour to appoint a female Director into the Board within the next 24 months.

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

PART II – BOARD COMPOSITION (CONT'D)

DIRECTORS' COMMITMENT

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company.

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

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

During the financial year under review, three (3) Board Meetings were held and the attendance record of the Board members are reflected as follows:-

Directors	No. of meetings attended
Nor Azzam Bin Abdul Jalil *(appointed on 1/12/2017)*	2/2
Ooi Guan Hoe *(appointed on 1/12/2017)*	2/2
Ng Chee Keong *(appointed on 1/12/2017)*	2/2
Ng Chee Siong *(appointed on 1/12/2017)*	2/2
Ng Shih Chiow *(appointed on 1/12/2017)*	2/2
Ng Shih Fang *(appointed on 1/12/2017)*	2/2
Azizam Ayu Binti Abdul Aziz *(resigned on 1/12/2017)*	1/1
Hafizah Binti Md Shahadan *(resigned on 1/12/2017)*	1/1

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.

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

PART II – BOARD COMPOSITION (CONT'D)

NOMINATION COMMITTEE

The NC was established on 1 December 2017. The NC is established to ensure the Board are comprised of individuals with an optimal mix of qualifications, skills and experiences and also to recommend candidates for all directorships to the Board.

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

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

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

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

No.	Seminars / Conferences / Training Programmes Attended	Attendee(s)	Date Attended
1.	Directors Risk Management Programme	• Ooi Guan Hoe	13 September 2017
2.	Mandatory Accreditation Programme	• Nor Azzam Bin Abdul Jalil • Ng Chee Keong • Ng Chee Siong • Ng Shih Chiow • Ng Shih Fang	5 & 6 July 2018
3.	Advocacy Programme On CG Assessment Using The Revised ASEAN CG Scorecard Methodology	• Nor Azzam Bin Abdul Jalil • Ng Chee Siong	10 August 2018

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

PART II – BOARD COMPOSITION (CONT'D)

ANNUAL ASSESSMENT

The Board undertakes an annual assessment and the NC has reviewed the Independence of the Independent Non-Executive Directors for the FYE 2018 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 – REMUNERATION

REMUNERATION COMMITTEE

The RC was established on 1 December 2017. 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 of RC which set out its duties and responsibilities. The Terms of Reference of the RC is 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 executive 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 RC.

REMUNERATION POLICY

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

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

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

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

The Board has authorised the ARMC to review the effectiveness of the internal audit function and to provide oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal 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 ARMC has established a Risk Management Framework and Compliance Framework ("Frameworks") and these Frameworks provides 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 2018 which provides an overview of the state of risk management and internal controls within the Group.

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

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

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

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

This Corporate Governance Overview Statement was approved by the Board on 23 October 2018.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC was established on 1 December 2017 with the primary objective to provide additional assurance to the Board of the Group by giving an objective and independent review of financial, operational and administrative controls and procedures, establish and maintain internal controls, reinforce the independence of the Group's External Auditors, evaluate the quality of the Internal Audit function and oversee compliance with laws and regulations together with observance of a proper code of conduct.

1. COMPOSITION OF THE ARMC

The current composition of the ARMC are as follows: -

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

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

2. ATTENDANCE OF ARMC

As of the date of this report, the ARMC met three (3) times on 13 July 2018, 28 August 2018 and 23 October 2018.

The details of the attendance of ARMC are as follows:

	No. of meetings attended
Ooi Guan Hoe	3/3
Nor Azzam Bin Abdul Jalil	3/3
Ng Chee Keong	3/3

3. TERMS OF REFERENCE

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

3. SUMMARY OF ACTIVITIES OF THE ARMC

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

(b) Reviewed with the external auditors on their audit planning memorandum on the statutory audit of the Group's for the FYE 2018;

(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 2018 covering areas such as quality, audit team resources and experience, audit scope, audit communication, audit governance and independence of the audit team and thereafter considered and make recommendation on the re-appointment of the external auditors;

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

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

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

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

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

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Code sets out one of the key responsibilities of the Board of a listed company is to identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures to safeguard shareholders' investment and assets of the Group.

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 through 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.

The Board is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the Listing Requirements of Bursa Securities and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

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 the ARMC and authorised the ARMC to provide oversight on the establishment and implementation of a risk management framework and internal control systems and reviewing 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.

For the financial year under review, the Board has received assurance from the Managing Director and Group Chief Executive Officer and Group Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT

The Board recognises that an effective risk management framework will allow the Group to identify, evaluate and manage risk that will 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 and Group Chief Executive Officer, 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 provides an on-going process for identifying, evaluating and managing the significant risks faced by the Group that may affect the achievement of the Group's corporate objectives.

The Group's Frameworks encompasses 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; and

(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: -

OBJECTIVES	**Communication Awareness**	**Policies, Procedures & Processes**	**Reporting**	**Compliance**	**Continuous Improvement**
ACTIONS	• Communication & consultation with employees through meetings to raise the awareness on the profile of risks. • Identification and recording of risks in the Risk Register.	• Sharing experiences and identifying improvement opportunities for the future. • Familiarisation process of Policies/ Procedures/ Processes • Lead by example and empower employees.	• Escalation and report of issues/ incidents • Report of results and actions taken.	• Local rules and regulations. • Policies/ Procedures/ Processes. • Recommendation from internal report or external report, if any.	• Best practices. • Learning outcomes. • Policies/ Procedures/ Processes update and/or amendment. • Implementation of recommendation from internal and/ or external report.

INTERNAL CONTROL

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

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

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

The Board and ARMC also obtain independent assurance from the external auditors and our Risk & Compliance Manager.

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 serve 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, operational performance key business units of the Group. Issues and/or matters that require the Board and Senior Management's attention will be highlighted review, deliberation and decision-making on a timely manner; and

(h) Periodic reviews of 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 as such as 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.

The Group has outsourced the internal audit function to an external and independent professional consulting firm and has conducted a review on the corporate governance and risk management systems of the Group on 21 December 2017.

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 2019.

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 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 of the risk management and internal control systems of the Group.

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 2018 and up to the date of this statement.

Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the FYE 2018.

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

This statement is made in accordance with the resolution of the Board of Directors dated 23 October 2018.

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

In conjunction with its listing on the ACE Market of Bursa Securities, 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 Securities on 18 July 2018.

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

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

As at the end of the FYE 2018, the IPO is pending completion and hence there was no utilisation of IPO proceeds.

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

AUDIT AND NONT-AUDIT FEES

During FYE 2018, the amount of audit and non-audit fees paid and payables by the Company and the Group to its External Auditors are as follows:

	Company RM'000	Group RM'000
Audit fees	30	78
Non-audit fees	5	158
(a) Professional fees for Reporting Accountant for listing exercise		
(b) Professional fees for the special audit for the six (6) months financial period ended 31 December 2017		
(c) Review of Statement on Risk Management and Internal Control		

MATERIAL CONTRACTS

During FYE 2018, there was no material contracts entered into by the Group and its subsidiaries involving Directors' and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

During FYE 2018, there was no Recurrent Related Party Transactions of a revenue or trading nature which requires shareholders' mandate.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements prepared for each financial year and ensure that the financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2018, and of their financial performance and their cash flows for the year ended then.

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

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

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

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

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

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the FYE 2018, the Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS

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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/period ended 30 June 2018.

INCORPORATION OF THE COMPANY

The Company was incorporated in Malaysia on 26 September 2017 under the Companies Act, 2016 as a public limited liability company.

On 18 July 2018, the Company's entire enlarged issued and paid up share capital was listed on the ACE Market of Bursa Securities Malaysia Berhad.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year/period, attributable to:		
- Owners of the parent	6,775,327	(317,140)
- Non-controlling interests	248,681	–
	7,024,008	(317,140)

RESERVES AND PROVISIONS

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

DIVIDENDS

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

ISSUE OF SHARES AND DEBENTURES

The Company was incorporated with 200,000 ordinary shares at an issue price of RM0.10 each.

During the financial period, the Company increased its issued and paid up share capital from RM20,000 to RM16,713,600 by way of issuance of 166,936,000 new ordinary shares at an issue price of RM0.10 each for a total consideration of RM16,693,600 as full settlement for the acquisition of the entire issued and paid up share capital of Revenue Harvest Sdn. Bhd..

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

There was no issuance of debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors in office since the date of incorporation until the date of this report are:

Nor Azzam bin Abdul Jalil	(appointed on 1.12.2017)
Ng Chee Siong*	(appointed on 1.12.2017)
Ng Shih Chiow*	(appointed on 1.12.2017)
Ng Shih Fang*	(appointed on 1.12.2017)
Ooi Guan Hoe	(appointed on 1.12.2017)
Ng Chee Keong	(appointed on 1.12.2017)
Azimah Ayu binti Abdul Aziz	(appointed on 26.9.2017 and resigned on 1.12.2017)
Hafizah binti Md Shahadan	(appointed on 26.9.2017 and resigned on 1.12.2017)

* Director of the Company and its subsidiary companies

The Director who held office in an indirect subsidiary company (excluding Directors who are also Directors of the Company) during the financial period up to the date of this report is:

Lai Wei Keat

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' INTERESTS

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

	Number of ordinary shares			
	At the date of incorporation	**Bought**	**Sold**	**At 30.06.2018**
Interests in the Company				
Direct Interests				
Ng Chee Siong	–	55,121,452	–	55,121,452
Ng Shih Chiow	–	53,500,234	–	53,500,234
Ng Shih Fang	–	53,500,234	–	53,500,234
Azimah Ayu binti Abdul Aziz	100,000	–	(100,000)	–
Hafizah binti Md Shahadan	100,000	–	(100,000)	–

By virtue of their interests in the shares of the Company, Ng Chee Siong, Ng Shih Chiow and Ng Shih Fang are also deemed interested in the shares of the subsidiary companies during the financial period 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 period had any interest in shares in the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the date of incorporation, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in Note 31 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 period, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

    (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year/ period 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/ period.

OTHER STATUTORY INFORMATION (CONT'D)

(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/period 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/period 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/period 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/period in which this report is made.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 6 to the financial statements.

AUDITORS' REMUNERATION

The details of auditors' remuneration are disclosed in Note 23 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 36 to the financial statements.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 October 2018.

NG CHEE SIONG **NG SHIH CHIOW**

KUALA LUMPUR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 63 to 121 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 2018 and of their financial performance and cash flows for the financial year/period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 October 2018.

NG CHEE SIONG

NG SHIH CHIOW

KUALA LUMPUR

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, Ng Shih Chiow, being the Director primarily responsible for the financial management of Revenue Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 63 to 121 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 23 October 2018)

NG SHIH CHIOW

Before me,

MOHAN A.S. MANIAM (W710)
COMMISSIONER FOR OATHS

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 2018 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/period then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 63 to 121.

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 2018, and of their financial performance and their cash flows for the financial year/period 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 Requirements

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

Key Audit Matters

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

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

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
2. Impairment of trade receivables	
The Group has material credit exposures in its portfolio of trade receivables amounting to RM9.2 million as at 30 June 2018. Given the nature of these assets, the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement.	We have performed impairment assessments on trade receivables that were either in default or overdue as at 30 June 2018. We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures. We also examined the recoverability by checking those subsequent receipts. We also obtained confirmation from the counterparties for selected accounts. We have reviewed the appropriateness of the disclosures made in accordance with MFRS 136 *Impairment of Assets*.

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 has no realistic alternative but to do so.

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 the financial statements.

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

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

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

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

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

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

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year/period 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.

Other Matters

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

UHY
Firm Number: AF 1411
Chartered Accountants

NG WEE TEIK
Approved Number: 1817/12/2018 (J)
Chartered Accountant

KUALA LUMPUR
23 October 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM
Assets				
Non-Current Assets				
Property, plant and equipment	4	24,329,294	21,882,122	–
Investment properties	5	–	–	–
Investment in a subsidiary company	6	–	–	16,693,600
Goodwill on consolidation	7	2,683,977	2,683,977	–
Total Non-Current Assets		27,013,271	24,566,099	16,693,600
Current Assets				
Trade receivables	8	9,226,240	5,294,807	–
Other receivables	9	1,834,614	2,887,759	231,061
Tax recoverable		290,421	457,156	–
Fixed deposits with licensed banks	10	544,790	612,307	–
Cash and bank balances		14,715,037	9,174,910	50,072
Total Current Assets		26,611,102	18,426,939	281,133
Total Assets		53,624,373	42,993,038	16,974,733
Equity and Liabilities				
Equity				
Share capital	11	16,713,600	1,000,000	16,713,600
Merger reserve	12	(15,693,600)	–	–
Retained earnings/(Accumulated loss)		22,488,030	15,712,703	(317,140)
Equity attributable to the owners of the parent		23,508,030	16,712,703	16,396,460
Non-controlling interests		229,597	(19,084)	–
Total Equity		23,737,627	16,693,619	16,396,460
Non-Current Liabilities				
Bank borrowings	13	6,792,810	7,028,772	–
Finance lease payables	14	352,994	348,733	–
Deferred tax liabilities	15	367,190	881,141	–
Total Non-Current Liabilities		7,512,994	8,258,646	–

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM
Current Liabilities				
Trade payables	16	3,030,618	2,468,318	–
Other payables	17	17,005,495	11,676,426	389,981
Amount due to a subsidiary company	18	–	–	188,292
Amount due to Directors	19	78,012	2,408,297	–
Derivative financial liability	20	18,923	–	–
Bank borrowings	13	1,178,370	1,119,736	–
Finance lease payables	14	45,227	89,046	–
Tax payable		1,017,107	278,950	–
Total Current Liabilities		22,373,752	18,040,773	578,273
Total Liabilities		29,886,746	26,299,419	578,273
Total Equity and Liabilities		53,624,373	42,993,038	16,974,733

Note:

There are no Company level comparative figures as at 30 June 2017 as the Company was incorporated on 26 September 2017.

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2018

		Group		Company
				Financial Period From 26 Sept 2017 to 30 June 2018
	Note	2018 RM	2017 RM	RM
Revenue	21	35,363,455	26,525,736	–
Cost of sales		(12,423,031)	(10,780,400)	–
Gross profit		22,940,424	15,745,336	–
Other income		406,595	3,435,453	–
Administrative expenses		(13,612,997)	(10,077,513)	(317,140)
Finance costs	22	(400,188)	(532,422)	–
Profit/(Loss) before tax	23	9,333,834	8,570,854	(317,140)
Taxation	24	(2,309,826)	(1,638,851)	–
Profit/(Loss) for the financial year/period, representing total comprehensive income/(loss) for the financial year/period		7,024,008	6,932,003	(317,140)
Total comprehensive income/(loss) attributable to:				
Owners of the parent		6,775,327	6,976,087	(317,140)
Non-controlling interests		248,681	(44,084)	–
		7,024,008	6,932,003	(317,140)
Earnings per share				
Basic earnings per share (sen)	25	4.05	4.17	
Diluted earnings per share (sen)	25	4.05	4.17	

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2018

Group	Note	Share Capital RM	Non-Distributable Merger Reserve RM	Distributable Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
At 1 July 2016		1,000,000	–	10,986,616	11,986,616	–	11,986,616
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		–	–	6,976,087	6,976,087	(44,084)	6,932,003
Transactions with owners:							
Dividends to owners of the parent	26	–	–	(2,250,000)	(2,250,000)	–	(2,250,000)
Change in ownership interest in a subsidiary company		–	–	–	–	25,000	25,000
Total transactions with owners		–	–	(2,250,000)	(2,250,000)	25,000	(2,225,000)
At 30 June 2017		1,000,000	–	15,712,703	16,712,703	(19,084)	16,693,619
At 1 July 2017		1,000,000	–	15,712,703	16,712,703	(19,084)	16,693,619
Profit for the financial year, representing total comprehensive income for the financial year		–	–	6,775,327	6,775,327	248,681	7,024,008
Transactions with owners:							
Incorporation of the Company	11	20,000	–	–	20,000	–	20,000
Issue of ordinary shares pursuant to the acquisition of RHSB	11	16,693,600	–	–	16,693,600	–	16,693,600
Adjustment on the acquisition of RHSB		(1,000,000)	(15,693,600)	–	(16,693,600)	–	(16,693,600)
Total transactions with owners		15,713,600	(15,693,600)	–	20,000	–	20,000
At 30 June 2018		16,713,600	(15,693,600)	22,488,030	23,508,030	229,597	23,737,627

Company	**Note**	**Share Capital RM**	**Accumulated Loss RM**	**Total Equity RM**
At 26 September 2017 (Date of incorporation)	11	20,000	–	20,000
Loss for the financial period, representing total comprehensive loss for the financial period		–	(317,140)	(317,140)
Transaction with owners:				
Issue of ordinary shares pursuant to the acquisition of RHSB	11	16,693,600	–	16,693,600
At 30 June 2018		16,713,600	(317,140)	16,396,460

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2018

	Group		Company
			Financial Period From 26 Sept 2017 to
	2018	2017	30 June 2018
	RM	RM	RM
Cash Flows From Operating Activities			
Profit/(Loss) before tax	9,333,834	8,570,854	(317,140)
Adjustments for:			
Bad debts written off			
- trade receivables	186,853	–	–
- other receivables	25,000	24,906	–
Deposits forfeited	(11,968)	–	–
Depreciation of property, plant and equipment	4,566,039	3,107,355	–
Depreciation of investment properties	–	103,728	–
Finance costs	400,188	532,422	–
Gain on disposal of property, plant and equipment	(41,273)	(705,646)	–
Gain on disposal of investment properties	–	(2,063,090)	–
Gain on disposal of an indirect subsidiary company	–	(24,213)	–
Impairment losses on trade receivables	296,019	418,788	–
Reversal of impairment losses on trade receivables	(500)	–	–
Interest income	(122,528)	(118,795)	–
Over provision of point redemption in prior year	–	(132,884)	–
Unrealised gain on foreign exchange	(38,065)	(124,712)	–
Unrealised loss on derivative financial liability	18,923	–	–
Operating profit/(loss) before working capital changes	14,612,522	9,588,713	(317,140)
Change in working capital:			
Receivables	(5,525,863)	(527,177)	(231,061)
Payables	6,262,386	2,483,526	389,981
	736,523	1,956,349	158,920
Cash generated from/(used in) operations	15,349,045	11,545,062	(158,220)
Interest received	122,528	118,795	–
Interest paid	(400,188)	(532,422)	–
Tax paid	(2,003,104)	(1,900,582)	–
Tax refund	84,219	–	–
Net cash from/(used in) operating activities	13,152,500	9,230,853	(158,220)

	Group 2018 RM	Group 2017 RM	Company Financial Period From 26 Sept 2017 to 30 June 2018 RM
Cash Flows From Investing Activities			
Net movement of amount due to a subsidiary company	–	–	188,292
Net movement of amount due to Directors	(230,285)	(129,973)	–
Proceeds from disposal of property, plant and equipment	180,147	719,778	–
Proceeds from disposal of investment properties	2,180,773	4,619,227	–
Net cash outflows arising from disposal of an indirect subsidiary company [Note 6(c)]	–	(441)	–
Purchase of property, plant and equipment [Note 4(c)]	(6,835,085)	(10,959,259)	–
Net cash (used in)/from investing activities	(4,704,450)	(5,750,668)	188,292
Cash Flows From Financing Activities			
Decrease in fixed deposits pledged	75,108	81,857	–
Dividends paid (Note 26)	(2,100,000)	(150,000)	–
Proceeds from issuance of shares (Note 11)	20,000	–	–
Repayment of finance lease payables	(356,558)	(101,225)	–
Repayment of term loans	(199,984)	(4,278,597)	–
Net cash used in financing activities	(2,561,434)	(4,447,965)	–
Net increase/(decrease) in cash and cash equivalents	5,886,616	(967,780)	30,072
Cash and cash equivalents at the beginning of the financial year/ date of incorporation	8,321,385	9,275,053	20,000
Effect of exchange translation differences on cash and cash equivalents	(361,554)	14,112	–
Cash and cash equivalents at the end of the financial year/period	13,846,447	8,321,385	50,072
Cash and cash equivalents at the end of the financial year/period comprises:			
Fixed deposits with licensed banks	544,790	612,307	–
Cash and bank balances	14,715,037	9,174,910	50,072
Bank overdraft	(983,380)	(960,724)	–
	14,276,447	8,826,493	50,072
Less: Fixed deposits pledged to licensed banks	(430,000)	(505,108)	–
	13,846,447	8,321,385	50,072

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

1. Corporate Information

The Company was incorporated on 26 September 2017 under the Companies Act, 2016 as public limited liability company and domiciled in Malaysia.

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

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

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 6. There has been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial period.

On 18 July 2018, the Company's entire enlarged issued and paid up share capital was listed on the ACE Market of Bursa Securities Malaysia Berhad.

2. Basis of Preparation

(a) Statement of compliance

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

On 30 April 2018, the Company completed the acquisition of the entire issued and paid up share capital of Revenue Harvest Sdn. Bhd. ("RHSB"), by way of issuance of 166,936,000 new ordinary shares for a total consideration of RM16,693,600 to the vendors of RHSB. The vendors have the same interest in the Company as they had in RHSB and there is no change to the assets and liabilities as a result of establishment of the Company.

This is the first financial statements on the consolidated results for the financial period ended 30 June 2018. The acquisition of RHSB is a business combination under common control. Accordingly, the Group is regarded as a continuing entity and the merger method of accounting is used.

Under the merger method of accounting, the financial statements of the subsidiary company is included in the consolidated financial statements as if the business combination had occurred from the earliest date presented and that the Group has operated as a single economic entity throughout the financial years presented in the consolidated financial statements.

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.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

Since the date of incorporation, the Company has adopted all the applicable MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the adoption upon the first adoption of MFRSs.

During the financial year, the Group has adopted the following amendments to MFRSs issued by the MASB that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 - 2016 Cycle	Amendments to MFRS 12

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities as disclosed in Note 29. Other than that, the adoption of above amendments to MFRSs 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 MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018*
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
IC Interpretation 23	Uncertainty Ove Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019

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 MFRSs, new interpretations and amendments to MFRSs 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
Amendments to References to the Conceptual Framework in MFRS Standards		
• Amendments to MFRS 2 *Share-Based Payment*		1 January 2020
• Amendment to MFRS 3 *Business Combination*		1 January 2020
• Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*		1 January 2020
• Amendment to MFRS 14 *Regulatory Deferral Accounts*		1 January 2020
• Amendments to MFRS 101 *Presentation of Financial Statements*		1 January 2020
• Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*		1 January 2020
• Amendments to MFRS 134 *Interim Financial Reporting*		1 January 2020
• Amendment to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*		1 January 2020
• Amendment to MFRS 138 *Intangible Assets*		1 January 2020
• Amendment to IC Interpretation 12 *Service Concession Arrangements*		1 January 2020
• Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*		1 January 2020
• Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*		1 January 2020
• Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advances Consideration*		1 January 2020
• Amendments to IC Interpretation 132 *Intangible Assets – Website Costs*		1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
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

Note:
* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until the earlier of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Group and the Company intend to adopt the above new MFRSs, new interpretations and amendments to MFRSs when they become effective.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

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

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

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

(a) Classification of financial assets

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

MFRS 9 contains three (3) principal classification categories for financial assets:
- Amortised cost ("AC");
- Fair Value through Other Comprehensive Income ("FVTOCI"); and
- Fair Value through Profit or Loss ("FVTPL").

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

(b) Impairment of financial assets

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

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

Under MFRS 9, loss allowances will be measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the abovementioned new MFRSs, new interpretations and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

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

(c) Classification of financial liabilities

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

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

Based on the assessments undertaken to date, the Group does not expect the above new requirements to affect the classification and measurements of its financial assets and financial liabilities. On the ECL impact, the Group expects an increase in the Group's allowance for impairment by less than 5% of loans and receivables.

The Group will apply the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standard. Comparative for 2017 will not be restated.

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

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group has assessed the impact of initial application of MFRS 15 on its businesses and does not expect significant impact on the Group's financial statements.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the abovementioned new MFRSs, new interpretations and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

(iii) MFRS 16 *Leases*

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

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

The impact of the new MFRSs. Amendments and improvements to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

(b) Functional and presentation currency

These 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 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 amount of the asset or liability affected in the future.

Judgements

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

Operating lease commitments - the Group as lessor

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

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 uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment

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

Impairment on goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated.

Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 7.

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for loans and receivables are disclosed in Note 8.

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 2018, the Group has tax recoverable of RM290,421 (2017: RM457,156) and tax payable of RM1,017,107 (2017: RM278,950) respectively.

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

<u>Fair value of financial instruments</u>

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 33(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. Significant Accounting Policies

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

(a) Basis of consolidation

(i) Subsidiary companies

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

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

Under the merger method of accounting, the results of subsidiary companies are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other 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 de-consolidated from the date that control ceased. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

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. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not re-measured, 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, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(i)(i) on impairment of non-financial assets.

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

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

(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.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

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

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

(b) 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.

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.

(c) 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(i)(i).

(i) Recognition and measurement

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

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

3. Significant Accounting Policies (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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 of 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.

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

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

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

3. Significant Accounting Policies (Cont'd)

(d) Leases

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

As lessee

(i) Finance lease

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

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

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

(ii) Operating lease

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

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

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

As lessor

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

3. Significant Accounting Policies (Cont'd)

(e) Financial assets

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

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

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

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

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

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

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

(f) Financial liabilities

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

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

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

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

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

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

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

3. Significant Accounting Policies (Cont'd)

(f) Financial liabilities (Cont'd)

The Group and the Company classify their financial liabilities at initial recognition, into the following categories: (Cont'd)

(ii) Financial liabilities measured at amortised cost

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

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

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

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

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

(iii) Financial guarantee contracts

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

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

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

(g) Offsetting of financial instruments

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

(h) Cash and cash equivalents

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

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets) 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 and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. 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 unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets (Cont'd)

(ii) Financial assets

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

Financial assets carried at amortised cost

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

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

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

(j) Share capital

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

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

3. Significant Accounting Policies (Cont'd)

(k) 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.

(l) 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"). 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.

(m) Deferred revenue

Deferred revenue represents the cash received in advance from customer and transfer of asset from customer in respect of services which are yet to be provided. Such amounts are recorded as liabilities in the statements of financial position and are only recognised in the statements of profit or loss and other comprehensive income upon the rendering of services to customers.

(n) Revenue

(i) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the reporting period.

3. Significant Accounting Policies (Cont'd)

(n) Revenue (Cont'd)

(iii) 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.

(iv) Rental income

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

(v) Interest income

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

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the year 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.

(p) Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year/period, 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.

3. Significant Accounting Policies (Cont'd)

(p) Income taxes (Cont'd)

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.

(q) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which the case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payable to or receivable from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

(r) 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.

4. Property, Plant and Equipment

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

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

Group 2017	Freehold land RM	Freehold and leasehold buildings RM	Computer, software and testing equipment RM	EDC terminals RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovation RM	Total RM
Cost								
At 1 July 2016	5,123,757	3,250,000	4,561,645	12,661,360	883,271	357,385	834,214	27,671,632
Additions	–	–	1,665,838	9,181,943	–	38,966	72,512	10,959,259
Disposals	–	–	–	(1,076,158)	–	–	–	(1,076,158)
Written off	–	–	–	(1,559,400)	–	–	–	(1,559,400)
At 30 June 2017	5,123,757	3,250,000	6,227,483	19,207,745	883,271	396,351	906,726	35,995,333
Accumulated depreciation								
At 1 July 2016	–	83,763	2,788,655	10,052,064	347,096	160,925	194,779	13,627,282
Charge for the financial year	–	48,166	945,328	1,843,098	113,682	71,546	85,535	3,107,355
Disposals	–	–	–	(1,062,026)	–	–	–	(1,062,026)
Written off	–	–	–	(1,559,400)	–	–	–	(1,559,400)
At 30 June 2017	–	131,929	3,733,983	9,273,736	460,778	232,471	280,314	14,113,211
Carrying amount								
At 30 June 2017	5,123,757	3,118,071	2,493,500	9,934,009	422,493	163,880	626,412	21,882,122

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 13(a) are as follows:

	Group	
	2018	**2017**
	RM	**RM**
Freehold land	5,123,757	5,123,757
Freehold and leasehold buildings	3,069,905	3,118,071
	8,193,662	8,241,828

(b) Assets held under finance leases

As at 30 June 2018, the net carrying amount of leased motor vehicles of the Group was RM421,769 (2017: RM411,422).

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

	Group	
	2018	**2017**
	RM	**RM**
Aggregate costs	7,152,085	10,959,259
Less: Finance lease financing	(317,000)	–
Cash payments	6,835,085	10,959,259

(d) Included in the property, plant and equipment of the Group are motor vehicles with carrying amount of RMNil (2017: RM329,528) held in trust by certain Directors of the Company.

5. Investment Properties

	Group 2018 RM	Group 2017 RM
Cost		
At 1 July	–	5,186,398
Disposal during the financial year	–	(5,186,398)
At 30 June	–	–
Accumulated depreciation		
At 1 July	–	345,760
Charge for the financial year	–	103,728
Disposal during the financial year	–	(449,488)
At 30 June	–	–
Carrying amount		
At 30 June	–	–

Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group 2018 RM	Group 2017 RM
Rental income	21,000	158,368
Direct operating expenses	6,119	210,943

In previous financial year, the Group completed the disposal of its investment properties bearing postal address known as No. 71 and No. 73, Jalan 3/62A, Bandar Menjalara, Kepong, 52100 Kuala Lumpur for a total consideration of RM6,800,000. The Group received RM2,180,773 (2017: RM4,619,227) during the financial year in relation to the disposal of the investment properties.

6. Investment in a Subsidiary Company

	Company 2018 RM	Company 2017 RM
Unquoted shares, at cost		
In Malaysia	16,693,600	–

6. Investment in a Subsidiary Company (Cont'd)

Details of the subsidiary companies are as follows:

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

6. Investment in a Subsidiary Company (Cont'd)

(a) Acquisition of a subsidiary company

On 19 December 2017, Revenue Group Berhad ("the Company" or "REVENUE") entered into a conditional share sale agreement ("SSA") with the vendors of the Revenue Harvest Sdn. Bhd. ("RHSB") to acquire the entire equity interest in RHSB comprising 1,000,000 ordinary shares for a total purchase consideration of RM16,693,600. The purchase consideration was satisfied by the issuance of 166,936,000 new REVENUE's shares to the vendors of RHSB at an issue price of RM0.10 each.

The acquisition of RHSB by the Company was completed on 30 April 2018. Consequently, RHSB became a wholly-owned subsidiary company of REVENUE.

(b) Material partly owned subsidiary company

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

Name of company	**Proportion of ownership, interest and voting rights held by non-controlling interests**		**Profit/(Loss) allocated to non-controlling interests**		**Accumulated non-controlling interests**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
	%	**%**	**RM**	**RM**	**RM**	**RM**
Revenue Safe Nets Sdn. Bhd.	25	25	248,681	(44,084)	229,597	(19,084)

(i) Summarised Statements of Financial Position

	2018	**2017**
	RM	**RM**
Non-current asset	16,453	20,445
Current assets	4,463,966	292,006
Current liabilities	(3,632,974)	(459,731)
Net assets	847,445	(147,280)

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

	2018	**2017**
	RM	**RM**
Revenue	5,317,987	625,783
Total comprehensive income for the financial year	994,725	(176,335)

6. Investment in a Subsidiary Company (Cont'd)

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

(iii) Summarised Statements of Cash Flows

	2018 RM	2017 RM
Net cash from operating activities	763,856	208,398
Net cash from investing activities	242	(26,611)
Net increase in cash and cash equivalents	764,098	181,787

(c) Disposal of an indirect subsidiary company

In previous financial year, RHSB disposed its wholly-owned subsidiary company, Revenue Rich Palm Sdn. Bhd., for a cash consideration of RM2.

The effect of a disposal of Revenue Rich Palm Sdn. Bhd. on the financial position of the Group as at the date of disposal is as follows:

	2017 RM
Other receivables	138
Cash and bank balances	443
Other payables	(24,792)
Net liabilities	(24,211)
Gain on disposal of an indirect subsidiary company	24,213
Proceeds from disposal	2

The cash inflows arising from disposal is as follows:	
Purchase consideration satisfied by cash	2
Less: Cash and cash equivalents disposed	(443)
Net cash outflows arising from disposal of an indirect subsidiary company	(441)

The disposal was completed in previous financial year.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

7. Goodwill on Consolidation

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to the Group's cash-generating unit ("CGU") which is the Group's principal activities that is distribution and maintenance of Electronic Data Capture ("EDC") terminals, provision of merchant acquisition services and provision of electronic transaction processing services.

7. Goodwill on Consolidation (Cont'd)

(b) Key assumptions used to determine recoverable amount

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by the Directors covering a five-year period. Cash flows beyond five years are projected based on assumptions that the fifth year cash flow will be generated by the respective CGUs perpetually. Discount rate used in based on the pre-tax weighted average cost of capital.

The key assumptions on which the Directors have based the cash flow projections to undertake impairment testing are as follows:

(i) Gross margin - Budgeted value based on the average margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and market development.

(ii) Growth rate - Not applicable as the cash flow projections made is for 5 years, in accordance with the expected lifecycle of the CGU.

(iii) Pre-tax discount rate - Rate that reflect specific risks relating to the relevant CGU.

8. Trade Receivables

	Group	
	2018 RM	**2017 RM**
Trade receivables	9,522,259	5,738,499
Less: Accumulated impairment losses	(296,019)	(443,692)
	9,226,240	5,294,807

Trade receivables are non-interest bearing and are generally on 30 days (2017: 30 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's credit exposure is concentrated mainly on 1 debtor (2017: 3 debtors), which accounted for 33% (2017: 38%) of total trade receivables as at 30 June 2018.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2018 RM	**2017 RM**
At 1 July	443,692	799,977
Impairment losses recognised	296,019	418,788
Impairment losses reversed	(500)	–
Written off	(443,192)	(775,073)
At 30 June	296,019	443,692

8. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing at the end of the reporting period is as follows:

	Group	
	2018 RM	**2017 RM**
Neither past due nor impaired	4,427,775	837,514
Past due but not impaired:		
Less than 30 days	1,904,404	2,099,383
31 to 60 days	1,007,213	580,529
61 to 90 days	364,867	211,771
More than 90 days	1,521,981	1,565,610
	4,798,465	4,457,293
	9,226,240	5,294,807
Impaired	296,019	443,692
	9,522,259	5,738,499

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

As at 30 June 2018, trade receivables of the Group of RM4,798,465 (2017: RM4,457,293) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that is individually assessed to be impaired amounting to RM296,019 (2017: RM443,692), related to customers that are in financial difficulties and/or have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

9. Other Receivables

	Group		Company
	2018 RM	**2017 RM**	**2018 RM**
Other receivables	117,839	2,409,948	–
Deposits	360,220	334,645	–
Prepayments	983,072	136,347	231,061
GST receivables	373,483	6,819	–
	1,834,614	2,887,759	231,061

(a) Included in other receivables of the Group is an amount of RMNil (2017: RM122,104) due from companies in which certain Directors have substantial financial interests. This amount is unsecured, non-interest bearing advances and repayable on demand.

(b) Included in other receivables of the Group is an amount of RMNil (2017: RM2,180,773) due from a solicitor as stakeholder fund. The stakeholder fund is the balance of proceeds receivable in relation to the disposal of investment properties as disclosed in Note 5.

10. Fixed Deposits with Licensed Banks

Fixed deposits of the Group with licensed banks amounting to RM430,000 (2017: RM505,108) are pledged as security for acting as the bank's Master Merchant.

The fixed deposits of the Group is subject to interest rate at 3.15% (2017: 3.15%) per annum and has maturity period of 30 days (2017: 30 days).

11. Share Capital

	Group				Company	
	2018		2017		2018	
	Number of shares Units	Amount RM	Number of shares Units	Amount RM	Number of shares Units	Amount RM
Ordinary shares with no par value						
Issued and fully paid						
At 1 July	1,000,000	1,000,000 *	1,000,000	1,000,000	–	–
Issuance of ordinary shares at date of incorporation (26 September 2017)	200,000	20,000	–	–	200,000	20,000
Issuance of ordinary shares pursuant to the acquisition of RHSB	166,936,000	16,693,600	–	–	166,936,000	16,693,600
Adjustment on the acquisition of RHSB	(1,000,000)	(1,000,000)	–	–	–	–
At 30 June	167,136,000	16,713,600	1,000,000	1,000,000 *	167,136,000	16,713,600

* As disclosed in Note 2(a), the Company was incorporated on 26 September 2017. Accordingly, the share capital of the Group as at 30 June 2017 and 1 July 2017 refers to the issued and paid up share capital of RHSB.

The Company was incorporated with 200,000 ordinary shares of RM0.10 each.

During the financial period, the Company increased its issued and paid up share capital from RM20,000 to RM16,713,600 by way of issuance of 166,936,000 new ordinary shares at an issue price of RM0.10 each for a total consideration of RM16,693,600 as full settlement for the acquisition of the entire issued and paid up share capital of RHSB.

The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

12. 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.

13. Bank Borrowings

	Group 2018 RM	Group 2017 RM
Secured		
Term loans	6,987,800	7,187,784
Bank overdraft	983,380	960,724
	7,971,180	8,148,508
Analysed as:		
Non-Current		
Term loans	6,792,810	7,028,772
Current		
Term loans	194,990	159,012
Bank overdraft	983,380	960,724
	1,178,370	1,119,736
	7,971,180	8,148,508

The term loans and bank overdraft are secured by the following:

(a) legal charge over freehold land and building and leasehold building as disclosed in Note 4(a); and

(b) joint and several guarantee by certain Directors of the Company.

The interest rates at the reporting date are as follows:

	Group 2018 %	Group 2017 %
Term loans	4.42	4.42
Bank overdraft	8.17	8.17

Maturity of bank borrowings is as follows:

	Group 2018 RM	Group 2017 RM
Within one year	1,178,370	1,119,736
Between one and two years	204,151	194,560
Between two and three years	213,743	203,701
Between three and four years	223,785	213,272
Between four and five years	234,299	223,292
After five years	5,916,832	6,193,947
	7,971,180	8,148,508

14. Finance Lease Payables

	Group	
	2018	**2017**
	RM	**RM**
Minimum lease payments		
Within one year	62,676	107,316
Later than one year and not later than two years	62,676	107,316
Later than two years and not later than five years	179,837	238,863
Later than five years	173,301	33,197
	478,490	486,692
Less: Future finance charges	(80,269)	(48,913)
Present value of minimum lease payments	398,221	437,779
Present value of minimum lease payments		
Within one year	45,227	89,046
Later than one year and not later than two years	46,841	93,578
Later than two years and not later than five years	147,995	221,823
Later than five years	158,158	33,332
	398,221	437,779
Analysed as:		
Repayable within twelve months	45,227	89,046
Repayable after twelve months	352,994	348,733
	398,221	437,779

The effective interest rate of finance lease payables of the Group as at reporting date range from 4.43% to 6.34% (2017: 4.47% to 6.34%) per annum.

The Group leases motor vehicles under finance lease [Note 4(b)]. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

15. Deferred Tax Liabilities

	Group	
	2018	**2017**
	RM	**RM**
At 1 July	881,141	439,250
Recognised in profit or loss (Note 24)	(513,951)	441,891
At 30 June	367,190	881,141

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

	Group	
	2018	**2017**
	RM	**RM**
Deferred tax liabilities	367,190	886,048
Deferred tax assets	–	(4,907)
	367,190	881,141

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

	Accelerated capital allowances RM
Group	
Deferred tax liability	
At 1 July 2017	886,048
Recognised in profit or loss	(337,172)
Over provision in prior year	(181,686)
At 30 June 2018	367,190
At 1 July 2016	444,703
Recognised in profit or loss	452,806
Change in tax rate	6
Over provision in prior year	(11,467)
At 30 June 2017	886,048

15. Deferred Tax Liabilities (Cont'd)

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

	Unutilised capital allowances RM	Unutilised tax losses RM	Total RM
Group			
Deferred tax assets			
At 1 July 2017	(4,907)	–	(4,907)
Recognised in profit or loss	58	–	58
Over provision in prior year	4,849	–	4,849
At 30 June 2018	–	–	–
At 1 July 2016	–	(5,453)	(5,453)
Recognised in profit or loss	(4,907)	6,888	1,981
Change in tax rate	–	(6)	(6)
Under provision in prior year	–	(1,429)	(1,429)
At 30 June 2017	(4,907)	–	(4,907)

Deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability:

	Group	
	2018 RM	2017 RM
Unutilised capital allowances	–	8,966
Unutilised tax losses	16,767	60,238
Decelerated capital allowances	52,893	32,624
Others	466,369	115,762
	536,029	217,590

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.

16. Trade Payables

The normal trade credit terms granted to the Group is 30 days (2017: 30 days) depending on the terms of the contracts.

17. Other Payables

	Group 2018 RM	Group 2017 RM	Company 2018 RM
Other payables	13,179,346	8,275,747	261,981
Accruals	1,062,626	678,693	128,000
Deposits	2,162,896	2,354,189	–
GST payables	137,405	250,530	–
Provision	1,505	1,505	–
Deferred revenue	461,717	115,762	–
	17,005,495	11,676,426	389,981

Deferred revenue represents the amount received in advance from customers for which services have yet to be performed.

18. Amount Due to a Subsidiary Company

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

19. Amount Due to Directors

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

20. Derivative Financial Liability

	Group			
	2018		2017	
	Contract/ Notional amount RMB	Financial liability RM	Contract/ Notional amount RMB	Financial liability RM
Non-hedging derivative:				
Current				
Forward currency contract	6,525,285	(18,923)	–	–

The Group has a forward currency contract to manage some of the transaction exposure. This contract is not designated as cash flow or fair value hedge and is entered into for periods consistent with the currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

20. Derivative Financial Liability (Cont'd)

Forward currency contract is used to manage the foreign currency denominated in RMB arising from the Group's payables. The maturity of the forward currency contract has maturity of less than one year after the end of the reporting period.

During the financial year, the Group recognised a loss of RM18,923 (2017: RMNil) arising from fair value changes of derivative liability. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

21. Revenue

	Group	
	2018 RM	2017 RM
Gross receivables from electronic transactions	1,019,181,492	647,241,237
Less: Gross payables for electronic transactions	(1,004,477,110)	(637,610,551)
Net receivables from electronic transactions	14,704,382	9,630,686
Payment gateway	2,012,947	2,043,966
Rental from EDC equipment	11,177,206	8,534,326
Sales of EDC equipment	4,419,926	4,536,114
Project revenue	408,458	625,306
Software development	682,120	690,480
Sales of redemption point	–	9,000
Service maintenance fee	1,958,416	455,858
	35,363,455	26,525,736

22. Finance Costs

	Group	
	2018 RM	2017 RM
Interest expenses on:		
Bank overdraft	77,485	19,550
Finance lease payables	5,029	23,312
Term loans	317,674	489,560
	400,188	532,422

23. Profit/(Loss) before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

	Group 2018 RM	Group 2017 RM	Company Financial Period From 26 Sept 2017 to 30 June 2018 RM
Auditors' remuneration			
- statutory	77,500	46,000	30,000
- under provision in prior years	7,000	9,000	–
- non-statutory	5,000	–	5,000
Bad debts written off			
- trade receivables	186,853	–	–
- other receivables	25,000	24,906	–
Depreciation of:			
- property, plant and equipment	4,566,039	3,107,355	–
- investment properties	–	103,728	–
Non-executive Directors' remuneration			
- fees	84,000	–	84,000
- other emoluments	9,000	–	9,000
Impairment losses on trade receivables	296,019	418,788	–
Reversal of impairment losses on trade receivables	(500)	–	–
Loss/(Gain) on foreign exchange			
- realised	156,951	120,803	–
- unrealised	(38,065)	(124,712)	–
Unrealised loss on derivative financial liability	18,923	–	–
Rental expenses			
- hostel	–	180,000	–
- motor vehicle	–	670	–
- office/space	171,356	312,996	–
- server	–	3,950	–
- leased equipment	97,270	129,694	–
Deposits forfeited	(11,968)	–	–
Bad debts recovered	(6,377)	(66,500)	–
Gain on disposal of property, plant and equipment	(41,273)	(705,646)	–
Gain on disposal of investment properties	–	(2,063,090)	–
Gain on disposal of an indirect subsidiary company	–	(24,213)	–
Interest income	(122,528)	(118,795)	–
Over provision of point redemption in prior year	–	(132,884)	–
Rental income	(21,000)	(184,784)	–

24. Taxation

	Group 2018 RM	Group 2017 RM	Company Financial Period From 26 Sept 2017 to 30 June 2018 RM
Tax expenses recognised in profit or loss			
Current income tax:			
Current tax provision	2,646,270	908,500	–
Under provision in prior years	177,507	40,285	–
	2,823,777	948,785	–
Deferred tax: (Note 15)			
Relating to origination and reversal of temporary differences	(337,114)	454,787	–
Over provision in prior years	(176,837)	(12,896)	–
	(513,951)	441,891	–
Real property gain tax	–	248,175	–
	2,309,826	1,638,851	–

Malaysian income tax is calculated at the statutory tax rate of 18% (2017: 19%) on the first RM500,000 and 24% (2017: 24%) on the balance of chargeable income of the estimated assessable profits for the financial year/period.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate at the effective income tax rate of the Group and of the Company is as follows:

	Group 2018 RM	Group 2017 RM	Company Financial Period From 26 Sept 2017 to 30 June 2018 RM
Profit/(Loss) before tax	9,333,834	8,570,854	(317,140)
At Malaysian statutory tax rate of 24% (2017: 24%)	2,240,120	2,057,005	(76,114)
Tax incentive obtained from differential tax rate of 18% (2017:19%)	(120,000)	(77,942)	–
Expenses not deductible for tax purposes	515,675	255,918	76,114
Income not subject to tax	(13,212)	(559,547)	–
Income exempted under pioneer status	(389,852)	(323,407)	–
Defered tax assets not recognised	76,425	45,544	–
Real property gain tax	–	248,175	–
Utilisation of previously unrecognised deferred tax asset	–	(34,284)	–
Under/(Over) provision in prior years			
- income tax	177,507	40,285	–
- deferred tax	(176,837)	(12,896)	–
	2,309,826	1,638,851	–

24. Taxation (Cont'd)

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.

The Group has the following estimated unutilised capital allowances and unutilised tax losses available for set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

	Group	
	2018 RM	**2017 RM**
Unutilised capital allowances	–	9,208
Unutilised tax losses	16,767	60,238
	16,767	69,446

25. 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	
	2018	**2017**
Profit for the financial year, attributable to owners of the parent (RM)	6,775,327	6,976,087
Weighted average number of ordinary shares in issue:		
Ordinary shares at 1 July	200,000	200,000
Acquisition of RHSB	166,936,000	166,936,000
Weighted average number of ordinary shares	167,136,000	167,136,000 *
Basic earnings per ordinary share (sen)	4.05	4.17

* In the calculation of earnings per share for the financial year ended 30 June 2017, it is assumed 167,136,000 ordinary shares were in issue as the acquisition of RHSB was accounted for under the merger method of accounting.

(b) Diluted earnings per share

The Group has no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

26. Dividends

	Group 2018 RM	2017 RM
Dividends recognised as distribution to ordinary shareholders of the Company		
First interim single-tier dividend paid in respect of the financial year ended:		
- 30 June 2017 (single tier dividend of RM0.15 per ordinary share)	–	150,000
Second interim single-tier dividend paid in respect of the financial year ended:		
- 30 June 2017 (single tier dividend of RM2.10 per ordinary share)	–	2,100,000
	–	2,250,000

27. Staff Costs

	Group 2018 RM	2017 RM
Salaries, wages and other emoluments	7,492,731	5,734,124
Defined contribution plans	927,155	714,075
Social security contributions	58,074	40,915
Others	412,593	352,556
Benefit-in-kind	153,180	153,180
	9,043,733	6,994,850

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

	Group 2018 RM	2017 RM
Salaries, wages and other emoluments	1,980,000	1,778,270
Defined contribution plans	237,600	213,396
Social security contributions	2,896	2,267
Others	188	–
Benefit-in-kind	153,180	153,180
	2,373,864	2,147,113

28. Contingent Liabilities

	Group 2018 RM	2017 RM
Secured		
Bank guarantee given to Malaysian Electronic Clearing Corporation Sdn. Bhd. in favour of Revenue Solution Sdn. Bhd.	900,000	900,000

29. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group arising from financing activities:

	Note	At 1 July 2017	Financing cash flows (i)	New finance lease [Note 4(c)]	At 30 June 2018
Group					
30 June 2018					
Bank overdraft	13	960,724	22,656	–	983,380
Term loans	13	7,187,784	(199,984)	–	6,987,800
Finance lease payables	14	437,779	(356,558)	317,000	398,221
		8,586,287	(533,886)	317,000	8,369,401

(i) The cash flows from bank overdraft, term loans and finance lease payables make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

30. Operating Lease Commitment – As Lessee

The future minimum lease payment payable under non-cancellable operating lease are:

	Group 2018 RM	2017 RM
Within one year	142,112	140,055
Later than one year but not later than two years	112,387	142,112
Later than two years but not later than three years	13,560	125,947
	268,059	408,114

The Group leases a number of offices under non-cancellable operating lease agreements. The lease terms are between 1 to 3 years, and the majority of lease agreements are renewable at the end of the lease period at market rate. None of the leases includes contingent rentals.

31. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. The key management personnel comprise the Directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the Group and the Company does not have any transaction with related party during the financial year/period.

(c) Compensation of key management personnel

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

	Group		**Company Financial Period From 26 Sept 2017 to 30 June 2018**
	2018 RM	**2017 RM**	**RM**
Fees	84,000	–	84,000
Salaries and other emoluments	2,579,266	2,068,188	9,000
Defined contribution plans	308,500	245,468	–
Social security contributions	6,206	3,802	–
Others	39,979	–	–
Benefit-in-kind	153,180	153,180	–
	3,171,131	2,470,638	93,000

32. Segment Information

The main business segments of the Group comprise the followings:

EDC terminals	:	Distribution, deployment and maintenance of EDC terminals
Electronic transaction processing	:	Provision of electronic transaction processing services for credit/debit card, where the Group act as Acquirers or Master Merchant
Solutions and services	:	Provision of solutions and services such as IT solutions and network infrastructure

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

32. Segment Information (Cont'd)

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.

	EDC terminals RM	Electronic transaction processing RM	Solutions and services RM	Total RM
2018				
Total revenue	20,805,160	16,717,329	7,506,464	45,028,953
Inter-segment revenue	(5,208,028)	–	(4,457,470)	(9,665,498)
Revenue from external customers	15,597,132	16,717,329	3,048,994	35,363,455
Cost of sales	(7,561,572)	(3,788,354)	(1,073,105)	(12,423,031)
Segment gross profit	8,035,560	12,928,975	1,975,889	22,940,424
Other income				406,595
Administrative expenses				(13,612,997)
Finance costs				(400,188)
Profit before tax				9,333,834
Taxation				(2,309,826)
Profit for the financial year				7,024,008
2017				
Total revenue	22,895,145	11,674,653	4,350,606	38,920,404
Inter-segment revenue	(9,824,705)	–	(2,569,963)	(12,394,668)
Revenue from external customers	13,070,440	11,674,653	1,780,643	26,525,736
Cost of sales	(6,511,068)	(4,011,103)	(258,229)	(10,780,400)
Segment gross profit	6,559,372	7,663,550	1,522,414	15,745,336
Other income				3,435,453
Administrative expenses				(10,077,513)
Finance costs				(532,422)
Profit before tax				8,570,854
Taxation				(1,638,851)
Profit for the financial year				6,932,003

32. Segment Information (Cont'd)

Adjustments and eliminations

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Interest income, finance costs, depreciation and amortisation and other non-cash items are not allocated to individual segments as the underlying instruments are managed on a group basis.

(iii) current taxes and deferred tax liabilities are not allocated to individual segments as the underlying instruments are managed on a group basis.

Geographic information

Revenue based on the geographical location of customers are as follows:

	2018 RM	2017 RM
Malaysia	34,323,541	25,991,918
Brunei	–	533,818
Dubai	480,294	–
China	315,000	–
United States of America ("USA")	244,620	–
	35,363,455	26,525,736

Major customers

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

	Segment	Revenue 2018 RM	 2017 RM
Company A	Electronic transaction processing	8,547,629	6,773,613
Company B	EDC terminals	4,214,751	4,098,673
		12,762,380	10,872,286

33. 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.

33. 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:

	At fair value through profit or loss RM	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
Group				
2018				
Financial assets				
Trade receivables	–	9,226,240	–	9,226,240
Other receivables	–	478,059	–	478,059
Fixed deposits with licensed banks	–	544,790	–	544,790
Cash and bank balances	–	14,715,037	–	14,715,037
	–	24,964,126	–	24,964,126
Financial liabilities				
Trade payables	–	–	3,030,618	3,030,618
Other payables	–	–	16,404,868	16,404,868
Amount due to Directors	–	–	78,012	78,012
Derivative financial liability	18,923	–	–	18,923
Bank borrowings	–	–	7,971,180	7,971,180
Finance lease payables	–	–	398,221	398,221
	18,923	–	27,882,899	27,901,822
2017				
Financial assets				
Trade receivables	–	5,294,807	–	5,294,807
Other receivables	–	2,744,593	–	2,744,593
Fixed deposits with licensed banks	–	612,307	–	612,307
Cash and bank balances	–	9,174,910	–	9,174,910
	–	17,826,617	–	17,826,617
Financial liabilities				
Trade payables	–	–	2,468,318	2,468,318
Other payables	–	–	11,308,629	11,308,629
Amount due to Directors	–	–	2,408,297	2,408,297
Bank borrowings	–	–	8,148,508	8,148,508
Finance lease payables	–	–	437,779	437,779
	–	–	24,771,531	24,771,531

33. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	At fair value through profit or loss RM	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
Company				
2018				
Financial asset				
Cash and bank balances	–	50,072	–	50,072
Financial liabilities				
Other payables	–	–	389,981	389,981
Amount due to a subsidiary company	–	–	188,292	188,292
	–	–	578,273	578,273

(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 financial risks, including credit, liquidity, foreign currency and interest rate risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is 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 institutions and financial guarantees provided to a bank for bank guarantee facility granted to a subsidiary company.

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 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 8 and financial guarantees provided to a bank for bank guarantee facility granted to a subsidiary company.

33. Financial Instruments (Cont'd)

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

(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.

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						
2018						
Non-derivative financial liabilities						
Trade payables	3,030,618	–	–	–	3,030,618	3,030,618
Other payables	16,404,868	–	–	–	16,404,868	16,404,868
Amount due to Directors	78,012	–	–	–	78,012	78,012
Bank borrowings	1,495,732	512,352	1,537,056	8,446,688	11,991,828	7,971,180
Finance lease payables	62,676	62,676	179,837	173,301	478,490	398,221
Financial guarantee	900,000	–	–	–	900,000	–
	21,971,906	575,028	1,716,893	8,619,989	32,883,816	27,882,899
2017						
Non-derivative financial liabilities						
Trade payables	2,468,318	–	–	–	2,468,318	2,468,318
Other payables	11,308,629	–	–	–	11,308,629	11,308,629
Amount due to Directors	2,408,297	–	–	–	2,408,297	2,408,297
Bank borrowings	1,474,540	513,816	1,541,448	9,050,028	12,579,832	8,148,508
Finance lease payables	107,316	107,316	238,863	33,197	486,692	437,779
Financial guarantee	900,000	–	–	–	900,000	–
	18,667,100	621,132	1,780,311	9,083,225	30,151,768	24,771,531
Company						
2018						
Non-derivative financial liabilities						
Other payables	389,981	–	–	–	389,981	389,981
Amount due to a subsidiary company	188,292	–	–	–	188,292	188,292
	578,273	–	–	–	578,273	578,273

33. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

The Group provides secured financial guarantee to a licensed bank in respect of credit facilities granted to a subsidiary company and monitors on an ongoing basis the performance of the subsidiary company. At the end of the reporting period, there was no indication that the subsidiary company would default on repayment.

(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) and Singapore Dollar (SGD).

In order to mitigate the Group's foreign currency risk, the Group continues to monitor its exposure to foreign currency movements on a regular basis in order for the management to assess on the need to utilise financial instruments to hedge its currency exposure, taking into account factors such as the foreign currency involved, exposure periods and transaction costs.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in USD Group	
	2018 RM	**2017 RM**
Trade receivables	285,705	472,340
Other receivables	–	6,214
Cash and bank balances	763,011	173,579
Trade payables	(2,832,996)	(2,310,297)
Other payables	(2,858,550)	(2,164,176)
	(4,642,830)	(3,822,340)

	Denominated in RMB Group	
	2018 RM	**2017 RM**
Cash and bank balances	2,155,861	517,032

	Denominated in SGD Group	
	2018 RM	**2017 RM**
Other receivables	–	69,425
Cash and bank balances	8,706	9,314
	8,706	78,739

33. Financial Instruments (Cont'd)

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

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, RMB and SGD exchange rates against RM, with all other variables held constant.

	Change in currency rate	**2018 Effect on profit before tax RM**	**Change in currency rate**	**2017 Effect on profit before tax RM**
Group				
USD	Strengthened 1%	(46,428)	Strengthened 1%	(38,223)
	Weakened 1%	46,428	Weakened 1%	38,223
RMB	Strengthened 1%	21,559	Strengthened 1%	5,170
	Weakened 1%	(21,559)	Weakened 1%	(5,170)
SGD	Strengthened 1%	87	Strengthened 1%	787
	Weakened 1%	(87)	Weakened 1%	(787)

(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.

33. 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	
	2018 RM	**2017 RM**
Fixed rate instruments		
Fixed deposits with licensed banks	544,790	612,307
Finance lease payables	(398,221)	(437,779)
	146,569	174,528
Floating rate instruments		
Bank overdraft	(983,380)	(960,724)
Term loans	(6,987,800)	(7,187,784)
	(7,971,180)	(8,148,508)

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 RM79,712 (2017: RM81,485), 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.

(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 approximate their fair value as the loans will be re-priced to market interest rate on or near reporting date.

33. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	
	RM	RM	RM	RM
Group				
2018				
Financial liability				
Finance lease payables (non-current)	–	348,534	–	352,994
2017				
Financial liability				
Finance lease payables (non-current)	–	346,680	–	348,733

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

34. Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios at the end of the reporting period are as follows:

	Group		Company
	2018 RM	**2017 RM**	**2018 RM**
Total loans and borrowings	8,369,401	8,586,287	–
Less: Cash and cash equivalents (exclude bank overdraft)	(14,829,827)	(9,282,109)	(50,072)
Total (excess funds)/net debts	(6,460,426)	(695,822)	(50,072)
Total equity	23,737,627	16,693,619	16,396,460
Gearing ratio (times)	*	*	*

* Gearing ratio is not applicable to the Group and to the Company as the cash and cash equivalents as at 30 June 2018 and 30 June 2017 was sufficient to cover the entire borrowings obligation.

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

35. Comparative Information

No comparative figures are presented for the Company as these are the first financial statements of the Company since the date the Company was incorporated.

The following reclassifications were made to the financial statements of prior year to be consistent with current year presentation.

	As previously stated RM	**Reclassification RM**	**As restated RM**
Group			
Statements of Cash Flows			
Cash Flows From Operating Activities			
Change in working capital			
Amount due to Directors	(129,973)	129,973	–
Cash Flows From Investing Activities			
Net movement of amount due to Directors	–	(129,973)	(129,973)

36. Subsequent Events

Subsequent to the financial year/period, the following subsequent events took place for the Company and its subsidiary company:

(a) The Company

(i) On 11 June 2018, the Company issued its Prospectus and undertook an Initial Public Offering ("IPO") comprising:

(1) Public issue of 55,712,000 new ordinary shares in the Company at the IPO Price allocated in the following manner:

- 11,142,400 new shares available for application by the Malaysian Public;
- 11,142,400 new shares available for application by the eligible directors and employees who have contributed to the success of the Group;
- 33,427,200 new shares by way of private placement to selected investors; and

(2) Offer for sale of 16,713,600 existing shares by way of private placement to selected investors at the IPO Price.

Thereafter, the Company's enlarged issue share capital comprising 222,848,000 shares was listed on the ACE Market of Bursa Securities on 18 July 2018.

(ii) The underwriting agreement dated 7 May 2018 entered into between the Company and M&A Securities Sdn. Bhd. for the underwriting of 22,284,800 Issue Shares for an underwriting commission of 3.0% of the IPO Price multiplied by the number of Issue Shares being underwritten.

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

(b) Revenue Harvest Sdn. Bhd. ("RHSB")

(i) On 28 August 2018, the Company's subsidiary company, RHSB had incorporated a wholly-owned subsidiary company, namely Next Revenue Sdn. Bhd., a company incorporated in Malaysia under the Companies Act, 2016 with an issue and paid-up of 5,000,000 ordinary shares of RM1.00 each.

(ii) Subsequent to the financial year, RHSB increased its issued and fully paid ordinary share capital from RM1,000,000 to RM2,000,000 through the issue of 1,000,000 bonus shares at an issue price of RM1.00 each by way of capitalisation of its retained earnings.

37. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 October 2018.

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 2018 (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	3,380/ 12,076 square feet	Freehold	15 September 2014	6	6,508,757
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	5	1,684,905

SHARE CAPITAL

Total Number of Issued Shares	:	222,848,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 26 SEPTEMBER 2018

Size of Holding	No. of shareholders	% of shareholders	No. of shares held	% of shares held
1 – 99	–	–	–	–
100 - 1,000	740	24.35	429,600	0.19
1,001 - 10,000	1,519	49.98	7,803,000	3.50
10,001 - 100,000	660	21.72	22,151,900	9.94
100,001 to less than 5% of issued shares	117	3.85	47,055,180	21.12
5% and above of issued shares	3	0.10	145,408,320	65.25
Total	**3,039**	**100.00**	**222,848,000**	**100.00**

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows: -

		No. of shares held			
No.	**Name of Director**	**Direct**	**%**	**Indirect**	**%**
1	Nor Azzam Bin Abdul Jalil	625,000	0.28	–	–
2	Ooi Guan Hoe	1,050,000	0.47	–	–
3	Ng Chee Keong	–	–	–	–
4	Ng Chee Siong	49,550,252	22.23	–	–
5	Ng Shih Chiow	47,929,034	21.51	–	–
6	Ng Shih Fang	47,929,034	21.51	–	–

SUBSTANTIAL SHAREHOLDERS

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

		No. of shares held			
No.	**Name of Director**	**Direct**	**%**	**Indirect**	**%**
1	Ng Chee Siong	49,550,252	22.23	–	–
2	Ng Shih Chiow	47,929,034	21.51	–	–
3	Ng Shih Fang	47,929,034	21.51	–	–

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 26 SEPTEMBER 2018)

No.	Name of Shareholders	No. of Shares	%
1	NG CHEE SIONG	49,550,252	22.23
2	NG SHIH CHIOW	47,929,034	21.51
3	NG SHIH FANG	47,929,034	21.51
4	CHIA SIEA CHOK	5,014,080	2.25
5	JONY RAW @ RAW JONY	3,750,000	1.68
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR MANULIFE INVESTMENT CM SHARIAH FLEXI FD (270785)	2,998,500	1.35
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB-PRINCIPAL EQUITY FUND	2,563,500	1.15
8	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR CIMB-PRINCIPAL MALAYSIA EQUITY FUND	1,321,500	0.59
9	OOI GUAN HOE	1,050,000	0.47
10	CHUNG KEEN MEAN	1,000,000	0.45
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR MANULIFE INVESTMENT - CM FLEXI FUND (260651)	807,500	0.36
12	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI WEI KEAT	800,000	0.36
13	KENNETH YEOH CHIA HOU	750,000	0.34
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	700,100	0.31
15	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AVENUE PORTAL SDN BHD	700,000	0.31
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD FOR KHADIJAH BINTI ABDUL RAHMAN	632,600	0.28
17	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NOR AZZAM BIN ABDUL JALIL	625,000	0.28
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIEW TOH (E-KLG)	550,000	0.25

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 26 SEPTEMBER 2018)

No.	Name of Shareholders	No. of Shares	%
19	LIM YENG NEE	546,000	0.25
20	CHEAH CHEE CHOON	500,000	0.22
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KUAN HORNG	500,000	0.22
22	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOO TAK KHEONG	500,000	0.22
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL STRATEGIC BOND FUND (290077)	456,200	0.20
24	JONG LI KIAN	453,000	0.20
25	GARY GOH PANG JIAN	450,000	0.20
26	YONG WEI LING	450,000	0.20
27	NOR AINI BINTI MOHAMMAD	440,000	0.20
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AW CHEE CHOY	421,000	0.19
29	NG CAI LEI	420,000	0.19
30	YEOH BOON SEONG	420,000	0.19
	TOTAL	**174,227,300**	**78.18**

NOTICE OF
FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First ("1st") Annual General Meeting ("AGM") of Revenue Group Berhad ("REVENUE" or "the Company") will be held at The Zenith, Level M1, Connexion Conference & Event Centre @ The Vertical, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Monday, 3 December 2018 at 10:00 a.m. or at any adjournment thereof to transact the following business.

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial period ended 30 June 2018 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*

2. To approve the payment of Directors' fees and other benefits of up to RM210,000 payable to Independent Non-Executive Directors of the Company for the period commencing from 4 December 2018 until the conclusion of the Second Annual General Meeting of the Company. *Ordinary Resolution 1*

3. To re-elect the following Directors who retire in accordance with Article 101 of the Constitution of the Company: -
   (i) Nor Azzam Bin Abdul Jalil *Ordinary Resolution 2*
   (ii) Ng Chee Siong *Ordinary Resolution 3*
   (iii) Ng Shih Chiow *Ordinary Resolution 4*
   (iv) Ng Shih Fang *Ordinary Resolution 5*
   (v) Ooi Guan Hoe *Ordinary Resolution 6*
   (vi) Ng Chee Keong *Ordinary Resolution 7*

5. To re-appoint Messrs. UHY as the Company's Auditors and to authorise the Directors to fix their remuneration. *Ordinary Resolution 8*

As Special Business:

To consider and if thought fit, to pass, the following as Ordinary Resolution with or without modifications:

6. **Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016**

   "THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act to allot shares in 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 total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval from the Bursa Securities for the listing and quotation for 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 9*

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

By order of the Board,

Tan Tong Lang (MAICSA 7045482)
Heng Chiang Pooh (MAICSA 7009923)
Company Secretaries

Kuala Lumpur
31 October 2018

Notes:

1. *This Agenda item is meant for information and discussion only as Section 340(1)(a) of the Companies Act, 2016 and the Company's Constitution provide that the audited financial statements are to be laid in the general meeting. Hence, it is not put forward for voting.*

2. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.*

3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An "exempt authorized nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.*

5. *The instrument appointing a proxy must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Share Registrar office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.*

6. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 26 November 2018. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.*

7. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of 1st AGM will be put to vote by way of poll.*

8. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.*

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

1. **Audited Financial Statements for the financial period ended 30 June 2018**

   The Agenda No. 1 is meant for information and discussion only as Section 340(1)(a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. **Special Business - Ordinary Resolution 9**
   Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

   The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

   With this General Mandate, the Company will able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Further details of the Directors standing for re-election are set out in the Directors' Profile Section of the Annual Report.

REVENUE GROUP BERHAD
(1248321-D)
(Incorporated in Malaysia)

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

PROXY FORM

I/We, ____

Passport/NRIC No ____
(Full name in capital letters)

of ____

____

____
(Full address)

being a *Member/Members of **REVENUE GROUP BERHAD** (1248321-D) hereby appoint (Proxy 1) ____________________ (*NRIC No./Passport No. ____________________) of ____ and* failing him/her * (Proxy 2) ________________________ (*NRIC No./Passport No. ____________________) of __ ____ and* failing him/her *, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the First (1st) Annual General Meeting to be held The Zenith, Level M1, Connexion Conference & Event Centre @ The Vertical, No. 8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Monday, 3 December 2018 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) are as follows.

Proxy 1 - ____________%

Proxy 2 - ____________%

** strike out whichever is inapplicable*

(Please indicate with an "X" in the space provided below on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

No.	Agenda	Resolution	FOR	AGAINST
1.	To approve the payment of Directors' fees and other benefits of up to RM210,000 payable to Independent Non-Executive Directors of the Company for the period commencing from 4 December 2018 until the conclusion of the Second Annual General Meeting of the Company.	Ordinary Resolution 1		
2.	To re-elect Nor Azzam Bin Abdul Jalil as Director	Ordinary Resolution 2		
3.	To re-elect Ng Chee Siong as Director	Ordinary Resolution 3		
4.	To re-elect Ng Shih Chiow as Director	Ordinary Resolution 4		
5.	To re-elect Ng Shih Fang as Director	Ordinary Resolution 5		
6.	To re-elect Ooi Guan Hoe as Director	Ordinary Resolution 6		
7.	To re-elect Ng Chee Keong as Director	Ordinary Resolution 7		
8.	To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 8		
9.	**As Special Business :** Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016	Ordinary Resolution 9		

Signed on this __________ day of ______________ 2018.

____
Signature of Shareholder or Common Seal

Notes:

1. *This Agenda item is meant for information and discussion only as Section 340(1)(a) of the Companies Act, 2016 and the Company's Constitution provide that the audited financial statements are to be laid in the general meeting. Hence, it is not put forward for voting.*
2. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An "exempt authorized nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Share Registrar office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.*
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8. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.*

Fold this flap for sealing

Then fold here

AFFIX
POSTAGE
STAMP

Share Registrar of
REVENUE GROUP BERHAD (1248321-D)
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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