

THIS CIRCULAR TO THE SHAREHOLDERS OF REVENUE GROUP BERHAD ("REVENUE" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED DISPOSAL OF 717,570 ORDINARY SHARES IN INNOV8TIF HOLDINGS SDN BHD ("INNOV8TIF HOLDINGS"), REPRESENTING THE COMPANY'S ENTIRE 51% EQUITY INTEREST IN INNOV8TIF HOLDINGS, TO DATASONIC GROUP BERHAD FOR A CASH CONSIDERATION OF RM40.00 MILLION ("PROPOSED DISPOSAL")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



TA SECURITIES HOLDINGS BERHAD
(Registration No. 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company ("EGM") will be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities at <https://revenue-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia. The Notice of EGM together with the Proxy Form, Administrative Guide and this Circular can be downloaded from the Company's website at www.revenue.com.my.

If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the Proxy Form and deposit it at the office of the Company's Share Registrar at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, or alternatively to lodge the Proxy Form electronically via Digerati Portal at <https://revenue-egm.digerati.com.my>, or email to admin@aldpro.com.my on or before the date and time indicated below or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the virtual EGM should you subsequently decide to do so. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely.

Last day, date and time for lodging the Proxy Form	:	Wednesday, 26 February 2025 at 10.30 a.m.
Day, date and time of the EGM	:	Friday, 28 February 2025 at 10.30 a.m. or immediately after the conclusion of the Seventh Annual General Meeting of Revenue which will be held at same Broadcast Venue and on the same day at 9.00 a.m., whichever is later
Online Meeting Platform	:	https://revenue-egm.digerati.com.my (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia

This Circular is dated 10 February 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

10% Private Placement	:	Private placement of 53,321,600 placement shares (representing 10% of the then existing total number of issued Shares), further details of which are set out in the Company's announcement dated 7 June 2023
Acquisition of 51% Innov8tif Holdings	:	Acquisition of 51.00% equity interest in Innov8tif Holdings, comprising 717,570 ordinary shares in Innov8tif Holdings for a total cash purchase consideration of RM36.00 million, which was completed on 16 June 2023
Act	:	Companies Act 2016, as amended from time to time including any re-enactment thereof
BNM	:	Bank Negara Malaysia (the Central Bank of Malaysia)
Board	:	Board of Directors of Revenue
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	:	This circular to the shareholders of Revenue in relation to the Proposed Disposal
Directors	:	Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007 and Director shall be construed accordingly
Disposal Consideration	:	Cash consideration of RM40.00 million in relation to the Proposed Disposal
Datasonic or the Purchaser	:	Datasonic Group Berhad (200801008472 (809759-X))
EGM	:	Extraordinary general meeting of the Company
EPS	:	Earnings per Share
EV	:	Enterprise value
FPE	:	Financial period ended
FYE	:	Financial year ended / ending
Innov8tif Holdings	:	Innov8tif Holdings Sdn Bhd (202301002158 (1496077-K))
Innov8tif KH	:	Innov8tif Solutions Co., Ltd. (1000302914), a private limited company incorporated in Cambodia
Innov8tif SG	:	Innov8tif Solutions Pte Ltd (201411160D), a private limited company incorporated in Singapore
Innov8tif Solutions	:	Innov8tif Solutions Sdn Bhd (201101030830 (958965-W))
Innov8tif Solutions Group	:	Collectively, Innov8tif Solutions and its subsidiaries, being: (i) Innov8tif Technology; and (ii) Innov8tif SG

DEFINITIONS

Innov8tif Technology	:	Innov8tif Technology Sdn Bhd (201401015926 (1092012-M))
Innov8tif Holdings Group	:	Collectively, Innov8tif Holdings and its subsidiaries, being: <ul style="list-style-type: none">(i) Innov8tif Solutions;(ii) Innov8tif Technology;(iii) Innov8tif SG;(iv) Innov8tif KH; and(v) Xendity
GP	:	Gross Profit
KHR	:	Cambodian Riel
LAT	:	Loss after tax
LBT	:	Loss before tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	28 January 2025, being the latest practicable date prior to the date of printing of this Circular
LPS	:	Loss per Share
Minimum Disposal Consideration	:	Minimum cash consideration of RM34.50 million in relation to the Proposed Disposal, being the difference between the Disposal Consideration and the maximum shortfall from the Profit Guarantee of RM5.50 million
NA	:	Net assets
NL	:	Net liabilities
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Profit Guarantee	:	Guarantee on the part of Revenue that Innov8tif Holdings Group shall achieve an aggregate profit after tax of RM2.50 million for the FYE 31 December 2025 and RM3.00 million for the FYE 31 December 2026
Proposed Disposal	:	Proposed disposal of the Sale Shares, representing 51.00% equity interest in Innov8tif Holdings to Datasonic for the Disposal Consideration
Revenue or the Company	:	Revenue Group Berhad (201701034150 (1248321-D))
Revenue Group or the Group	:	Revenue and its subsidiaries, collectively
Revenue Shares or Shares	:	Ordinary shares in Revenue
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
Sale Shares	:	717,570 ordinary shares in Innov8tif Holdings (representing 51% equity interest in Innov8tif Holdings)

DEFINITIONS

Security Interest	: Subject to the terms and conditions contained in the SSA, security interest includes any: <ul style="list-style-type: none">(a) interest or equity of any person (including among other things any right to acquire, option or right of pre-emption);(b) mortgage, deposit, charge, pledge, lien or assignment; and(c) other form of encumbrance, priority or security interest or arrangement of any nature relating to the relevant property, assets or shares.
SGD	: Singapore dollar
Shareholders	: Registered holders of Revenue Shares
SSA	: Conditional share sale agreement dated 4 November 2024 entered into between Revenue and the Purchaser for the Proposed Disposal
TA Securities or the Principal Adviser	: TA Securities Holdings Berhad (197301001467 (14948-M)), being the Principal Adviser for the Proposed Disposal
Xendity	: Xendity Sdn Bhd (201701039654 (1253826-D))
Warrants A	: Warrants 2019/2024 of the Company, which was issued on 15 January 2019 and expired on 12 January 2024. Each Warrant A holder is entitled the right to subscribe for 1 Share for each warrant held at an exercise price of RM0.75

All references to “you” in this Circular are to the Shareholders.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to time and date in this Circular shall be a reference to Malaysian time and date, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	
LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSAL CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED DISPOSAL	2
3. RATIONALE FOR THE PROPOSED DISPOSAL	14
4. RISK FACTORS FOR THE PROPOSED DISPOSAL	16
5. EFFECTS OF THE PROPOSED DISPOSAL	17
6. APPROVALS REQUIRED AND CONDITIONALITY	19
7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	19
8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	19
9. DIRECTORS' STATEMENT AND RECOMMENDATION	19
10. ESTIMATED TIMEFRAME FOR COMPLETION	20
11. EGM	20
12. FURTHER INFORMATION	21
APPENDIX I SALIENT TERMS OF THE SSA	22
APPENDIX II INFORMATION ON THE INNOV8TIF HOLDINGS GROUP	28
APPENDIX III FURTHER INFORMATION	62
APPENDIX IV AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP	67
NOTICE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED

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EXECUTIVE SUMMARY

This Executive Summary only highlights the key information of the Proposed Disposal. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular for further details before voting at the EGM.

Summary		
<u>Summary of Proposed Disposal</u>		
Proposed disposal of the Sale Shares, representing the Company's entire 51.00% equity interest in Innov8tif Holdings to Datasonic for the Disposal Consideration.		
<u>Details of the Proposed Disposal</u>		
<u>Mode of settlement</u>		
The Disposal Consideration shall be paid by Datasonic to Revenue entirely in cash in the following manner:		
Mode of payment	Disposal Consideration	
	(RM'000)	(%)
Upon execution of the SSA	4,000	10.00
Within 10 business days from the date of the SSA becomes unconditional	33,250	83.12
Within 7 days from the date of adoption of the financial statements of the Innov8tif Holdings Group for the FYE 31 December 2026	2,750	6.88
Total	40,000	100.00
<u>Basis and justification for the Disposal Consideration</u>		
(i) Innov8tif Holdings Group's audited NA of RM21.31 million as at 31 December 2023;		
(ii) the Group's cost of investment in Innov8tif Holdings of RM36.00 million;		
(iii) the P/B multiple of 3.68 times implied by the Disposal Consideration, which is within the range of P/B multiples of the Comparable Companies, and is also above the average P/B multiple of the Comparable Companies of 3.18 times;		
(iv) the Minimum Disposal Consideration of RM34.50 million represents an implied P/B multiple of 3.17 times, which is still within the range of the P/B multiples of the Comparable Companies;		
(v) the net pro forma gain arising from the Proposed Disposal; and		
(vi) the rationale and benefits as set out in Section 3 of this Circular.		
<u>Utilisation of proceeds</u>		
Details of utilisation	Expected timeframe for utilisation from the receipt of proceeds	Amount (RM'000)
(i) Working capital	Within 18 months	39,165
(ii) Estimated expenses for the Proposed Disposal	Within 3 months	835
Total		40,000
Please refer to Section 2 of this Circular for further information.		

EXECUTIVE SUMMARY

Summary	
<u>Rationale for the Proposed Disposal</u>	
(i)	To divest the Group's investment in Innov8tif Group and focus its efforts and resources on improving other business activities, such as the electronic transaction processing segment and the digital payment services segment;
(ii)	To provide an opportunity for the Group to realise and unlock its investment in Innov8tif Holdings; and
(iii)	To raise proceeds of RM40.00 million to be utilised mainly for working capital purposes.
Please refer to Section 3 of this Circular for further information.	
<u>Risk factors</u>	
(i)	Non-completion risk - If any of the condition precedents and/or terms and conditions are not fulfilled or waived, the SSA may be terminated.
(ii)	Contractual risk - the Company may be subject to claims in accordance with the terms and conditions of the SSA.
(iii)	Loss of income from Innov8tif Holdings Group - Revenue Group will no longer derive any revenue and earnings contributions from Innov8tif Holdings Group.
(iv)	Deferred payment - No assurance that Revenue will be able to receive the Retained Disposal Consideration by the stipulated payment timeframe under the SSA.
Please refer to Section 4 of this Circular for further information.	
<u>Approvals Required and Conditionality</u>	
(i)	Shareholders at the forthcoming EGM; and
(ii)	Any other relevant authorities and/or parties, if required.
The Proposed Disposal is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.	
Please refer to Section 6 of this Circular for further information.	
<u>Interests of Directors, major Shareholders and/or persons connected with them</u>	
None of the Directors, major Shareholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.	
Please refer to Section 8 of this Circular for further information.	
<u>Directors' Statement and Recommendation</u>	
The Board recommends that you vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM, the details of which are set out in the cover page of this Circular and the Notice of EGM as enclosed.	
Please refer to Section 9 of this Circular for further information.	



r e v e n u e
G R O U P B E R H A D

REVENUE GROUP BERHAD

(Registration No. 201701034150 (1248321-D))

(Incorporated in Malaysia)

Registered Office

B-21-2, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
Kuala Lumpur
Wilayah Persekutuan

10 February 2025

Board of Directors

Kamari Zaman Bin Juhari (Independent Non-Executive Chairman)
Leong Seng Wui (Executive Director)
Teh Chee Hoe (Executive Director)
Azman Hisham Bin Che Doi (Independent Non-Executive Director)
Dato' Tang Ngat Ngoh (Independent Non-Executive Director)
Jade Lee Gaik Suan (Independent Non-Executive Director)
Krishnan A/L Dorairaju (Independent Non-Executive Director)
Ng Chee Keong (Independent Non-Executive Director)

To: The Shareholders

Dear Sir / Madam,

PROPOSED DISPOSAL

1. INTRODUCTION

On 4 November 2024, TA Securities had, on behalf of the Board, announced that the Company had on even date entered into the SSA with Datasonic for the Proposed Disposal.

Subsequently, on 13 November 2024, 12 December 2024 and 3 February 2025, TA Securities had, on behalf of the Board, announced additional information in relation to the Proposed Disposal.

Further details of the Proposed Disposal are set out in **Section 2** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED DISPOSAL AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

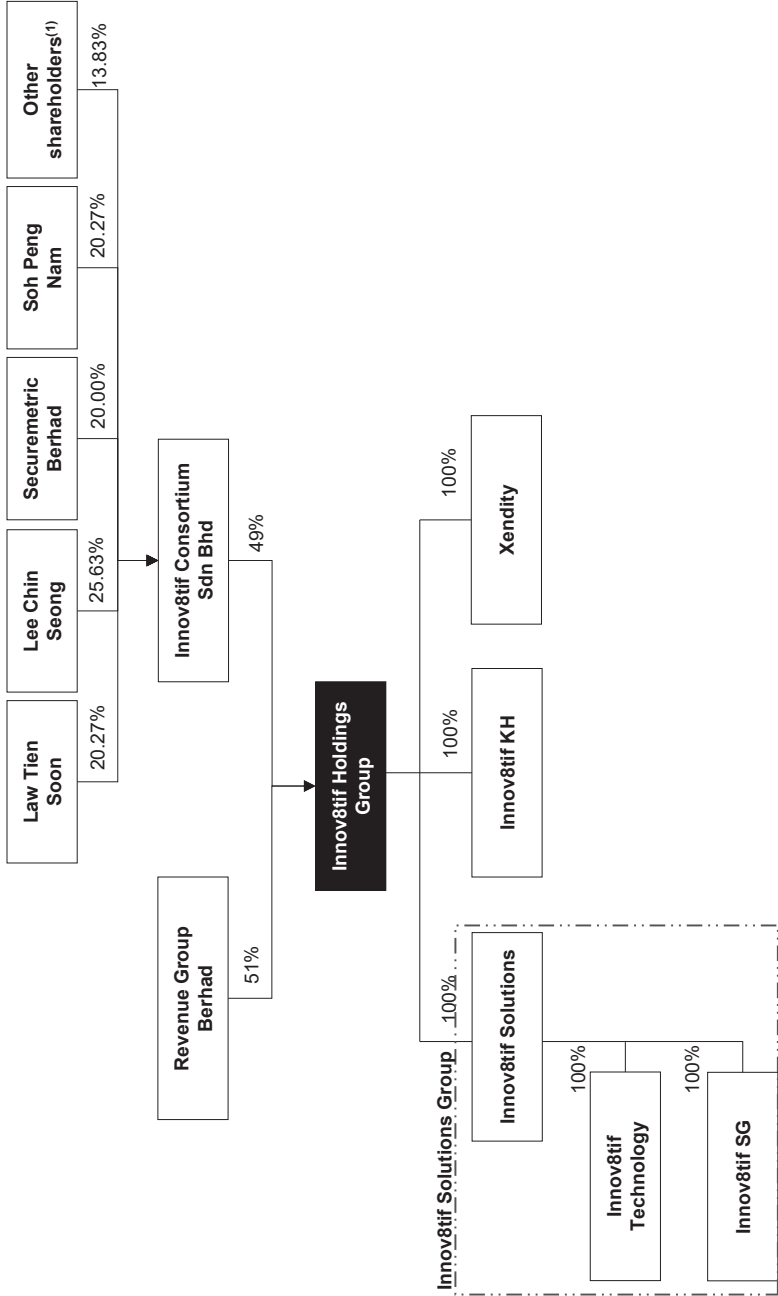
YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED DISPOSAL AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL

Subject to the terms and conditions contained in the SSA, the Proposed Disposal entails the disposal of the Sale Shares to the Purchaser, for the Disposal Consideration free from all Security Interest, together with all rights and advantages attached thereto and all dividends, rights and distributions declared, paid or made in respect of the same as at the completion date of the SSA.

The salient terms of the SSA are set out in **Appendix I** of this Circular.

The structure of Innov8tif Holdings Group and Innov8tif Solutions Group are as follows:



Note:

(1) Comprising individuals holding less than 20% direct interest in Innov8tif Consortium Sdn Bhd. Please refer to **Note (4), Section 3.4** of the **Appendix II** of this Circular for further details.

Upon completion of the Proposed Disposal, Innov8tif Holdings together with the following subsidiaries (all of which are wholly-owned subsidiaries of Innov8tif Holdings) will cease to be subsidiaries of the Company:

- (i) Innov8tif Solutions;
- (ii) Innov8tif Technology;
- (iii) Innov8tif SG;
- (iv) Innov8tif KH; and
- (v) Xendity.

Please refer to **Appendix II** of this Circular for information on Innov8tif Holdings Group.

2.1 Disposal Consideration and mode of settlement

The Disposal Consideration shall be paid by Datasonic to Revenue entirely in cash in the following manner:

Mode of payment	Disposal Consideration	
	(RM'000)	(%)
Upon execution of the SSA ⁽¹⁾	4,000	10.00
Within 10 business days from the date of the SSA becomes unconditional	33,250	83.12
Within 7 days from the date of adoption of the financial statements of the Innov8tif Holdings Group for the FYE 31 December 2026 ⁽²⁾	2,750	6.88
Total	40,000	100.00

Notes:

- (1) Represents the deposit receivable upon execution of the SSA which is equivalent to 10% of the Disposal Consideration. The sum shall be remitted to the Revenue's solicitors' Client's Account upon the execution of the SSA. Revenue's solicitors shall release the sum (free of interest) upon the SSA becoming unconditional.

For avoidance of doubt, the sum of the deposit shall be returned to Datasonic in the event the conditions precedent under the SSA are not fulfilled upon the expiry of the Conditional Period (as defined in **Appendix I** of this Circular).

- (2) Revenue and Datasonic agreed that the Disposal Consideration is based on the Profit Guarantee, whereby Innov8tif Holdings Group shall achieve an aggregate PAT of RM2.50 million for the FYE 31 December 2025 and RM3.00 million for the FYE 31 December 2026. Please refer to **Section 2.2.1** of this Circular for the basis and justification for arriving at the Profit Guarantee.

If Innov8tif Holdings Group achieves the Profit Guarantee, the balance consideration of RM2.75 million ("**Retained Purchase Consideration**") shall be payable by Datasonic to Revenue within 7 days from the date Innov8tif Holdings Group adopts its financial statements for the FYE 31 December 2026.

If Innov8tif Holdings Group does not achieve the Profit Guarantee, Datasonic shall set-off the shortfall against the Retained Purchase Consideration. However, if the Retained Purchase Consideration is insufficient to set-off the shortfall in Profit Guarantee, Revenue shall pay the balance to Datasonic within 7 days from the date of written notice of demand from Datasonic, which shall be funded from the Group's internally generated funds.

If Innov8tif Holdings Group achieves a PAT higher than the Profit Guarantee of RM5.50 million, in aggregate for the FYE 31 December 2025 and FYE 31 December 2026, Revenue will not be reimbursed for the surplus.

For avoidance of doubt, there are no provisions contained in the SSA for revisions to the Disposal Consideration and/or the Profit Guarantee pursuant to the outcome / findings of the due diligence exercise conducted by Datasonic's representatives. The Disposal Consideration and/or Profit Guarantee in respect of the Proposed Disposal will not be revised arising from the outcome / findings from the aforementioned due diligence exercise which will be undertaken pursuant to the SSA. The due diligence exercise is expected to be completed within the Conditional Period (as defined in **Section 2, Appendix I** of this Circular), which shall be within 5 months from the date of SSA i.e. 4 November 2024.

Kindly refer to **Sections 1 and 4, Appendix I** of this Circular, for further details of the Disposal Consideration and the Profit Guarantee.

2.2 Basis of and justification for arriving at the Disposal Consideration

The Disposal Consideration was arrived on willing-buyer willing-seller basis after taking into consideration the following:

- (i) Innov8tif Holdings Group's audited NA of RM21.31 million as at 31 December 2023;
- (ii) the Group's cost of investment in Innov8tif Holdings of RM36.00 million as set out in **Section 2.4** of this Circular;
- (iii) the P/B multiple of 3.68 times implied by the Disposal Consideration, which is within the range of P/B multiples of selected companies comparable to the Innov8tif Holdings Group ("**Comparable Companies**"), and is also above the average P/B multiple of the Comparable Companies⁽¹⁾ of 3.18 times;
- (iv) the Profit Guarantee, further details of which are set out in **Section 2.2.1** and **Section 4, Appendix I** of this Circular. Under the terms of the SSA, the guaranteed sum (any shortfall of which shall be deducted from the Disposal Consideration) is only up to a maximum of RM5.50 million. For clarity, the Company shall not be liable to pay any shortfall which exceeds the abovementioned the guaranteed sum.

Considering the foregoing, the Company will receive the Minimum Disposal Consideration of at least RM34.50 million from the Proposed Disposal, assuming the shortfall from the Profit Guarantee is at the maximum amount of RM5.50 million (being the difference between the Disposal Consideration of RM40.00 million and the maximum shortfall of RM5.50 million).

In this regard, the Minimum Disposal Consideration of RM34.50 million represents an implied P/B multiple of 3.17 times, which is still within the range of the P/B multiples of the Comparable Companies;

- (v) the net pro forma gain arising from the Proposed Disposal as detailed in **Section 2.5** of this Circular; and
- (vi) the rationale as set out in **Section 3** of this Circular.

Premised on the above, the Board is of the view that the Disposal Consideration is reasonable.

Note:

(1) The list of Comparable Companies has been arrived at based on the following parameters:

- (i) public listed companies on Bursa Securities which are involved in the provision of information technology services in Malaysia; and
- (ii) with net assets up to RM40.00 million.

It should be noted that there is no company listed on Bursa Securities which is identical to the Innov8tif Holdings Group due to differences in among others, business model, scale of operations and asset base.

After taking into consideration Innov8tif Holdings Group's audited and unaudited NA as at 31 December 2023 and 30 June 2024 of approximately RM21.31 million and RM21.08 million respectively, the selected companies with NA of up to RM40.00 million are deemed to be comparable to the Innov8tif Holdings Group in terms of their net assets base in evaluating the Disposal Consideration based on P/B multiple. The P/B multiple illustrates the ratio of the market value of a company's shares relative to its historical book value.

There was no illiquidity discount rate applied to the P/B multiple in assessing the Disposal Consideration, notwithstanding that the Innov8tif Holdings Group are private companies. As set out in **Sections 2.2(iii) and 2.2(iv)** above, the P/B multiple of 3.68 times and 3.17 times implied by the Disposal Consideration and Minimum Disposal Consideration are within the range of P/B multiples of the Comparable Companies (even without an illiquidity discount being applied in the aforesaid assessment).

The P/E multiple was not used as the basis of valuation in view that the Innov8tif Holdings Group incurred losses for its latest financial year, and that discounted cashflow valuation is only reliable to the extent if the underlying business has revenue and earnings stream which can be consistently projected for long periods such as for the next 10 years and may be more applicable to businesses with long term contracts or concessionaires.

Notwithstanding that discounted free cash flow to firm method was adopted for the Acquisition of 51% Innov8tif Holdings in 2023, discounted cash flow ("**DCF**") valuation method was not adopted in assessing the Disposal Consideration after taking into consideration, among others, the following:

- (i) the DCF valuation method is only reliable to the extent if the underlying business of the Innov8tif Holdings Group has revenue and earnings stream which can be consistently projected for long periods such as for the next 10 years and may be more applicable to businesses with long term contracts or concessionaires.

Prior to the date of SSA, Innov8tif Holdings Group does not have any long term contracts. The remaining term of the existing contracts was approximately 1 year from November 2024.

In addition, as set out in **Section 3** of this Circular, the Group acquired Innov8tif Holdings with the intention to create synergies between the Innov8tif Holdings Group's business and the Group's then existing businesses. However, the Group did not yield the anticipated results / demand following the marketing efforts initiated by the Group to cross sell the Group's products and widening its customer base which was envisaged to improve the Group's overall financial performance.

Premised on the above, the Company is of the view that DCF method is not the most effective valuation method in consideration for the Proposed Disposal as they are unable to consistently project Innov8tif Holdings' future cash flows over the next 10 years; and

- (ii) the DCF valuation method requires the input of various bases and assumptions such as revenue growth rates, discount rate and terminal value, which are subject to uncertainties.

Kindly refer to **Section 3** of this Circular for further details of the Group's rationale for the Proposed Disposal.

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The details of the Comparable Companies and the P/B multiple prior to the date of the SSA are set out as below:

Comparable Companies	Principal activities	Market capitalisation ^(a) (RM' million)	NA (RM' million)	P/B multiple (times)
TFP Solutions Berhad (" TFP Solutions ")	TFP Solutions offers business productivity consulting services. The company advises on human capital relationship management, employee benefits, and enterprise resource planning.	24.76	8.21	3.02
RTS Technology Holdings Berhad (" RTS Technology ")	RTS Technology operates as a holding company. The company, through its subsidiaries, provides information technology services such as defines and develops the blueprint, modules, equipment interfaces, and management reporting needs for an integrated system. RTS Technology serves customers in Malaysia, Myanmar, and the Philippines.	20.53	13.60	1.51
Go Hub Capital Berhad (" Go Hub Capital ")	Go Hub Capital provides transportation IT solutions. The company offers development and integration of bus and rail segments, maintenance, support, terminal management, centralized ticketing, automated fare collection, and bus operating system. Go Hub Capital serves the public transportation industry in Southeast Asia.	440.00	17.80	^(b) 24.72
SL Innovation Capital Berhad (" SL Innovation Capital ")	SL Innovation Capital provides information technology services. The company offers software development, infrastructure technology, backup and recovery, integrated enterprise management, and server-based solutions. SL Innovation Capital serves clients in Malaysia.	87.00	17.38	5.01
FSBM Holdings Berhad (" FSBM ")	FSBM distributes computers, computer related products, education related products and provides installation and maintenance services. Through its subsidiaries, the FSBM group develops software applications and systems integration, provides data warehousing systems, and smart community solutions. FSBM also has operations in multimedia production and communication services.	132.47	23.64	5.60

Comparable companies	Principal activities	Market capitalisation ^(a) (RM' million)	NA (RM' million)	P/B multiple (times)
Advance Information Marketing Berhad ("AIM")	AIM is a regional BPO (Business Process Outsourcing) solution provider. The company offers a broad spectrum of loyalty management services from consultation, technology infrastructure and technical support to procurement and logistics.	27.32	29.86	0.91
Edaran Berhad	Edaran Berhad is an investment holding company. The company, through its subsidiaries, provides information technology solutions and services.	91.80	30.58	3.00
Innov8tif Holdings Group			Low Average High	0.91 3.18 5.60
(c) 3.68				

(Source: Bloomberg and the latest annual reports of the respective Comparable Companies)

Sub-notes:

(a) Computed based on the total number of issued shares and closing market price as at 21 October 2024, being the latest practicable date prior to the date of SSA.

(b) The P/B multiple is deemed an outlier (which is determined based on extreme deviation from the average) and hence, is excluded from the computation of simple average.

(c) Computed as follows:

$$\begin{aligned}
 & \frac{\text{Market capitalisation of Innov8tif Holdings Group (implied by the disposal consideration for 100\% equity interest in Innov8tif Holdings)}}{\text{NA of Innov8tif Holdings Group as at 31 December 2023}} = \frac{\text{RM78.43 million (i.e. Disposal Consideration divided by 51\%)}}{\text{RM21.31 million}} \\
 & = 3.68 \text{ times}
 \end{aligned}$$

2.2.1 Basis and justification for arriving at the Profit Guarantee

Notwithstanding that the Company has 51.00% equity interest in Innov8tif Holdings, it is one of the commercial terms agreed between Revenue and Datasonic to provide the Profit Guarantee. The Profit Guarantee is provided to Datasonic after taking into consideration, amongst others, the following:

- (i) the Minimum Disposal Consideration of RM34.50 million represents an implied P/B multiple of 3.17 times, which is still within the range of the P/B multiples of the Comparable Companies (further details of which are set out in **Section 2.2** of this Circular);
- (ii) continued involvement in the operations of Innov8tif Holdings Group by the existing key management personnel of Innov8tif Holdings; and
- (iii) the historical financial performance of the Innov8tif Holdings Group which recorded an unaudited PAT of approximately RM5.30 million for the 12-month FPE 30 September 2024 (based on the latest trailing 12-month management accounts prior to the date of the SSA).

For the avoidance of doubt, the initial announcement dated 4 November 2024 in respect of the Proposed Disposal has only disclosed the financial information of the Innov8tif Holdings Group up to June 2024 as the financial information of the Innov8tif Holdings Group for the period from July 2024 to September 2024 has yet to be approved and announced by the Board at the material time.

Additionally, a special audit has been undertaken on the financial information of the Innov8tif Holdings Group for the 12-month FPE 30 September 2024. For avoidance of doubt, the financial year end for Innov8tif Holdings is 31 December. The said special audit was undertaken for the Revenue Group's financial reporting purposes in view that the Revenue Group has a financial year ending 30 September. Based on the special audit report dated 20 January 2025, the audited PAT of the Innov8tif Holdings Group was approximately RM5.29 million for the 12-month FPE 30 September 2024. Please refer to **Section 2, Appendix II** of this Circular for further details.

Premised on the foregoing, the Board is of the view that the Profit Guarantee is reasonable.

2.3 Liabilities which will remain with the Company

Save for the obligations and liabilities arising from the SSA which include liabilities arising from Revenue's obligation under the vendor's warranties (as set out in **Section 9, Appendix I** of this Circular) and the Profit Guarantee, there are no liabilities, including contingent liabilities and guarantees in relation to Innov8tif Holdings Group which will remain with Revenue upon completion of the Proposed Disposal.

Save for the Profit Guarantee, there are no guarantees given by Revenue to the Purchaser or Innov8tif Holdings Group in relation to the Proposed Disposal.

2.4 Original cost of investment

The Company acquired 717,570 ordinary shares, representing 51.0% equity interest in Innov8tif Holdings, for a total cash consideration of RM36.0 million, on 16 June 2023.

Since the Acquisition of 51% Innov8tif Holdings on 16 June 2023, no advances / injections have been made to Innov8tif Holdings Group from the Company.

2.5 Expected gain from the Proposed Disposal

The Group is expected to realise a net pro forma gain pursuant to the Proposed Disposal, calculated as follows:

	Based on audited financial statements for the FYE 30 September 2023 (RM'000)	Based on audited financial statements for the FYE 30 September 2024 (RM'000)
Disposal Consideration	40,000	40,000
Less: Net carrying value of 51% equity interest in Innov8tif Holdings Group	⁽¹⁾ (10,869)	(11,750)
Less: Goodwill recognised ⁽²⁾	(24,572)	(24,572)
Less: Estimated expenses for the Proposed Disposal (including capital gains tax ⁽³⁾)	(835)	(835)
Pro forma gain from the Proposed Disposal	3,724	2,843

Notes:

- (1) Based on 51% of Innov8tif Holdings Group's audited NA as at 31 December 2023 amounted to RM21.31 million.
- (2) Being the difference between the purchase consideration of RM36.00 million and 51% of the fair value of Innov8tif Holdings Group's identifiable assets acquired and liabilities assumed as at 31 May 2023 amounted to RM22.41 million. As at the LPD, there is no impairment on goodwill from Innov8tif Holdings.
- (3) Being capital gains tax at the rate of 10% on the gain on disposal of RM4.00 million, computed based on the Disposal Consideration of RM40.00 million and the original cost of investment of RM36.00 million.

Further, based on the Minimum Disposal Consideration and the latest audited financial statements for the FYE 30 September 2024, the Group is expected to realise a net pro forma loss of RM2.66 million, calculated as follows:

	Based on audited financial statements for the FYE 30 September 2024 (RM'000)
Minimum Disposal Consideration	34,500
Less: Net carrying value of 51% equity interest in Innov8tif Holdings Group	(11,750)
Less: Goodwill recognised ⁽²⁾	(24,572)
Less: Estimated expenses for the Proposed Disposal (including capital gains tax ⁽³⁾)	(835)
Pro forma loss from the Proposed Disposal	(2,657)

2.6 Utilisation of proceeds

The Company intends to use the Disposal Consideration in the following manner:

Details of utilisation	Expected timeframe for utilisation from the receipt of proceeds	Amount (RM'000)
(i) Working capital	Within 18 months	39,165
(ii) Estimated expenses for the Proposed Disposal	Within 3 months	835
Total		40,000

(i) Working capital

The Group intends to utilise RM39.17 million to fund its working capital requirement. This includes financing the Group's operating expenses, which shall include, amongst others, payment of suppliers for purchases such as Electronic Data Capture ("EDC") terminals, SIM cards, cloud services, lease line, data centres and logistic cost, as well as payment of administrative expenses such as rental, utilities, transportation costs, upkeep of the office and staff salaries. The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual operational and administrative requirements of the Group at the relevant time.

(ii) Estimated expenses for the Proposed Disposal

The breakdown of estimated expenses for the Proposed Disposal are illustrated as follows:

Estimated expenses	Amount (RM'000)
Professional fees, which include, amongst others, advisory fees in relation to the Proposed Disposal	410
Capital gains tax ⁽¹⁾	400
Fee to the relevant authorities	5
Other incidental expenses pursuant to the Proposed Disposal (ie. fees payable to authorities, printing, despatch and advertising expenses as well as any other miscellaneous expenses)	20
Total	835

Note:

- (1) Being capital gains tax at the rate of 10% on the gain on disposal of RM4.00 million, computed based on the Disposal Consideration of RM40.00 million and the original cost of investment of RM36.00 million.

Any shortfall or excess in funds allocated for estimated expenses will be funded from or used for working capital.

Pending utilisation of the proceeds from the Proposed Disposal, the proceeds may be placed in deposits with financial institutions and/or short-term money market instruments. The interest derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used as additional funds for the working capital requirements of the Group.

2.7 Information on the Purchaser

Datasonic is a public limited company incorporated in Malaysia on 13 March 2008 and is listed on the Main Market of Bursa Securities. Datasonic is principally engaged in investment holding and the provision of management services to its subsidiaries. Through its subsidiaries, the group is principally involved in provision of customised software and hardware systems for secure identification, total smart card solutions and information and communication technology project management as well as manufacturing of identity and security documents.

The directors of Datasonic as at the LPD are as follows:

Directors	Designation
YM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah	Executive Chairman
Datuk Haji Abu Hanifah Bin Noordin	Executive Deputy Chairman / Chief Executive Officer
Datuk Ab.Hamid Bin Mohamad Hanipah	Executive Director
Puan Hajah Erna Bt Ismail	Executive Director
Datuk Puvanesan A/L Subenthiran	Executive Director
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	Independent Non-Executive Director
Dato' Ibrahim Bin Abdullah	Independent Non-Executive Director
Datuk Zainal Abidin Bin Abu Hassan	Independent Non-Executive Director
Encik Ahmad Ridwan Bin Abdullah	Independent Non-Executive Director
Madam Michelle Yong Voon Sze	Independent Non-Executive Director
Dato' Che Nazli Binti Jaapar	Independent Non-Executive Director
Encik Azrul Bin Yahaya	Non-Independent Non-Executive Director

Save as disclosed below, none of the directors of Datasonic have any interest, whether direct or indirect, in Datasonic as at the LPD:

Directors	Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%
Datuk Haji Abu Hanifah Bin Noordin	-	-	(2)232,317,100	8.35
Dato' Ibrahim Bin Abdullah ⁽³⁾	-	-	-	-
Encik Azrul Bin Yahaya ⁽³⁾	-	-	-	-

Notes:

- (1) Computed based on 2,782,159,200 ordinary shares (excluding 188,973,100 treasury shares) in Datasonic as at the LPD.

- (2) Deemed interested by virtue of his spouse and children's shareholdings in Datasonic.
- (3) Deemed interested by virtue of his acceptance of options pursuant to Datasonic's employee share option scheme.

The substantial shareholders of Datasonic and their respective shareholdings in Datasonic as at the LPD are as follows:

Substantial shareholders	Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%
Dato' Safian Bin Mohd Yunus	262,500	0.01	(2)370,846,000	13.33
Kuantum Juang Sdn Bhd (" Kuantum Juang ")	170,000,000	6.11	-	-
Urusharta Jamaah Sdn Bhd	234,962,500	8.45	-	-
Datin Popi Riandani Binti Dody Muchtar	226,307,100	8.13	(3)6,010,000	0.22
Chew Chi Hong	107,350,000	3.86	(4)37,250,000	1.34

Notes:

- (1) Computed based on 2,782,159,200 ordinary shares (excluding 188,973,100 treasury shares) in Datasonic as at the LPD.
- (2) Deemed interested by virtue of his direct interests in Demi Mekar Sdn Bhd and Kuantum Juang as well as indirect interest in Hallmark Epitome Sdn Bhd pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of her children's shareholdings in Datasonic.
- (4) Deemed interested by virtue of his spouse's shareholdings in Datasonic.

2.8 Cash company or Practice Note 17 listed issuer

The Proposed Disposal is not expected to result in Revenue becoming a cash company or a Practice Note 17 listed issuer as defined under the Listing Requirements.

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3. RATIONALE FOR THE PROPOSED DISPOSAL

The Group is principally involved in the following business segments:

EDC terminals	:	Distribution, deployment and maintenance of EDC terminals
Electronic transaction processing	:	Provision of electronic transaction processing services for credit/debit cards and electronic money payment scheme
Solutions & services	:	<ul style="list-style-type: none"> - Provision of solutions and services in relation to payment gateway, payment network security and payment infrastructure - Provision of procurement services of consumer goods from e-commerce websites, provision of cross border logistics and last mile delivery in Malaysia
Digital payment services	:	Provision of digital payment solutions and services such as mobile top up, bill payments, game credits, entertainment and ticketing services

The Group had on 16 June 2023 completed the Acquisition of 51% Innov8tif Holdings as part of the Group's business expansion plans to expand its solution & services segment. Following the acquisition, Innov8tif Holdings became a subsidiary to the Company.

The contribution of Innov8tif Holdings Group to Revenue Group's financial performance is summarised as below:

PAT / (LAT)	Audited	
	15-month FPE 30 September 2023 (RM'million)	FYE 30 September 2024 (RM'million)
Revenue Group		
- Loss for the financial period / year	(89.31)	(10.28)
- Loss attributable to the owners of the Company	(86.77)	(12.24)
Innov8tif Holdings Group*	⁽¹⁾ (2.22)	2.70

Notes:

* Based on the Company's 51% equity interest in Innov8tif Holdings for the financial period / year.

(1) LAT recorded for the period from June to September 2023.

Kindly refer to **Section 5, Appendix III** of this Circular, for further information on the Group's segmental information.

Notwithstanding that the financial performance of the Innov8tif Holdings Group had started to improve with increased demand for the Group's electronic Know-Your-Customer ("eKYC") services, the Group had resolved to not further hold on to the interest in Innov8tif Holdings. The Group intends to divest its investment in the Innov8tif Holdings Group to focus its efforts and resources in improving its other business activities such as the electronic transaction processing segment where the Group expects to charge better rate / pricing to its scheme partners and the digital payment services segment which will continue be one of the key contributors to the Group's revenue.

In addition, the Proposed Disposal will provide an opportunity for the Group to realise and unlock its investment in Innov8tif Holdings. In this respect, the Group is expected to record a net pro forma gain on disposal as set out in **Section 2.5** of this Circular.

The Proposed Disposal will also enable the Group to raise proceeds of RM40.00 million to be utilised for purposes set out in **Section 2.6** above. This may allow the Group to redeploy its existing financial resources for other ventures as and when such opportunities present themselves such as the online moneylending business. In this regard, the Group had in October 2023, obtained its online moneylending licence from Kementerian Pembangunan dan Kerajaan Tempatan ("KPKT"). The aforesaid licence will enable the Group to provide digital loan and microfinancing services to its existing customers database as well as any other potential micro, small and medium enterprises.

As at the LPD, the cash and bank balances of the Group amounted to RM17.54 million.

The Group is cognisant that Innov8tif Holdings Group's products has market presence in Malaysia's banking, financial services, insurance, and telecommunications segments. However, the Group had initially acquired Innov8tif Holdings with the intention to create synergies between the Innov8tif Holdings Group's business and the Group's then existing businesses, by providing a more comprehensive payment solutions and thereby widening the Group's customer base. In addition, the Group envisaged to leverage on Innov8tif Holdings Group's clientele base and cross-sell the Group's products.

Despite the Group's initial expectations and subsequent marketing efforts, the aforesaid initiative did not yield the anticipated results / demand and the Group had not been able to realise the anticipated benefits therefrom, in particular widening its customer base in a material manner.

Following the disposal of Innov8tif Holdings, the Group intends to continue engaging with Innov8tif Holdings on annual subscription basis for the use of its solutions such as the eKYC and electronic Know-Your-Business (eKYB) application for the Group's EDC terminals and electronic transaction processing business segments. Further, in view of the above, the Group does not expect the Proposed Disposal to result in any material impact to its existing businesses.

Nonetheless, being the major shareholder of Innov8tif Holdings within the preceding 6 months of the date on which the terms of the transactions were agreed upon, the Group will ensure compliance with Paragraph 10.09 of the Listing Requirements upon the completion of the Proposed Disposal in the event there are transactions involving the use of Innov8tif Holdings Group's solution.

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4. RISK FACTORS FOR THE PROPOSED DISPOSAL

4.1 Non-completion risk

The completion of the Proposed Disposal is conditional upon the fulfilment of the conditions precedent and compliance with the terms and conditions as stipulated in the SSA. If any of the condition precedents and/or terms and conditions are not fulfilled or waived, the SSA may be terminated.

Pursuant thereto, Revenue will not be able to complete the Proposed Disposal. Notwithstanding the above, the Company will take all reasonable steps to ensure that the conditions precedent and the terms and conditions as set out in the SSA, including obtaining the approvals / consents required which are within its control, are fulfilled in a timely manner to facilitate the completion of the Proposed Disposal.

4.2 Contractual risk

The Company has given Profit Guarantee, representations, warranties, undertakings, covenants and indemnities, as set out in the SSA, in favour of the Purchaser. In this respect, the Company may be subject to claims in accordance with the terms and conditions of the SSA if the Profit Guarantee is not achieved, pre-completion or post-completion obligations under the SSA are not fulfilled and/or in the event of any breach of any representations, warranties, undertakings and/or covenants given by the Company.

In this regard, the Company will endeavour to ensure compliance with its obligations under the SSA in order to minimise the risk of any breach of the representations, warranties, undertakings and/or covenants given.

4.3 Loss of income from Innov8tif Holdings Group

Upon completion of the Proposed Disposal, Innov8tif Holdings Group will no longer be subsidiaries of Revenue Group and hence the Revenue Group will no longer derive any revenue and earnings contributions from Innov8tif Holdings Group.

Notwithstanding the above, as set out in **Section 3** of this Circular, the Group intends to divest its investment in the Innov8tif Holdings Group and focus its efforts and resources to improve its other business activities such as the electronic transaction processing segment and the digital payment services segment.

Further, the Revenue Group is expected to realise an estimated pro forma gain arising from the Proposed Disposal as set out in **Section 2.5** of this Circular.

4.4 Deferred payment

The Disposal Consideration will be paid by Datasonic to Revenue in the manner as set out in **Section 2.1** of this Circular. In facilitating the negotiation of the Disposal Consideration, Revenue and Datasonic have mutually agreed on the deferred payment of the Retained Disposal Consideration, which is expected to be paid in 2027 upon adoption of the financial statements of the Innov8tif Holdings Group for the FYE 31 December 2026. There is no assurance that Revenue will be able to receive the Retained Disposal Consideration by the stipulated payment timeframe under the SSA.

Nonetheless, the Retained Disposal Consideration forms only approximately 6.88% of the total Disposal Consideration. The Company had also taken into consideration the financial strength, reputation and future plans of Datasonic.

5. EFFECTS OF THE PROPOSED DISPOSAL

5.1 Issued share capital and substantial Shareholders' shareholdings

The Proposed Disposal will not have any effect on the Company's issued share capital and substantial Shareholders' shareholdings as the Proposed Disposal does not involve any issuance of Revenue Shares.

5.2 NA and gearing

The pro forma effects of the Proposed Disposal on the NA and gearing of the Group are as follows:

	Audited as at 30 September 2024 (RM'000)	(I) Subsequent event ⁽¹⁾ (RM'000)	(II) After (I) and the Proposed Disposal (RM'000)
Share capital	218,187	218,187	218,187
Merger reserve	21,839	21,839	⁽²⁾ (15,693)
Warrant reserve	-	-	-
Other reserves	(74,153)	(74,153)	⁽²⁾ (36,621)
Foreign currency translation reserve	(312)	(312)	(312)
Retained earnings	(57,785)	(56,902)	⁽³⁾ (54,059)
Equity attributable to owners of the Company / NA	107,776	108,659	111,502
Non-controlling interests	13,149	13,149	⁽⁴⁾ 1,898
Total equity	⁽⁴⁾120,925	121,808	113,400
No. of Shares in issue ('000)	605,097	605,097	605,097
NA per Share (RM)	0.18	0.18	0.18
Total borrowings (RM'000)	18,864	18,864	⁽⁶⁾ 16,673
Gearing (times)	0.16	0.15	0.15

Notes:

(1) After accounting for the disposal of 1 unit of 2 ½ storeys commercial boutique bungalow shop located in Kepong, Kuala Lumpur for a cash consideration of RM8.00 million by Revenue Harvest Sdn Bhd to Sunrise Seasons Sdn Bhd, which was completed on 27 December 2024.

(2) After excluding the merger reserve and other reserves attributable to Innov8tif Holdings Group amounted to approximately RM37.53 million.

The balance negative merge reserve of RM15.69 million arose from the internal reorganisation of the Group pursuant to its listing exercise, whereby the Company acquired Revenue Harvest Sdn Bhd for a consideration of RM16.69 million via a share exchange which was completed on 30 April 2018.

(3) After accounting for the net pro forma gain on disposal of approximately RM2.84 million (arising from the Proposed Disposal and after deducting estimated expenses of RM0.84 million for the Proposed Disposal).

(4) After excluding the non-controlling interests of Innov8tif Holdings amounted to approximately RM11.25 million as at 30 September 2024.

- (5) As at 30 September 2024, the total equity of the Group amounted to RM120.93 million, out of which RM11.25 million relates to the 49% non-controlling interest in Innov8tif Holdings.
- (6) After taking into account the deconsolidation of the total borrowings of Innov8tif Holdings Group amounting to RM2.19 million as at 30 September 2024.

5.3 Earnings and EPS

For illustrative purposes, based on the latest audited consolidated financial statements of Revenue for the FYE 30 September 2024 and assuming that the Proposed Disposal had been effected on 1 October 2023, being the beginning of the FYE 30 September 2024, the pro forma effects of the Proposed Disposal on the earnings and EPS of Group are as follows:

	Audited as at 30 September 2024 (RM'000)	(I) Subsequent event⁽¹⁾ (RM'000)	(II) After (I) and the Proposed Disposal (RM'000)
Loss after tax for the FYE 30 September 2024 attributable to the owners of the Company	(12,237)	(11,354)	(11,354)
Less: Audited PAT of Innov8tif Holdings for the FYE 30 September 2024	-	-	(2,696)
Add: Net pro forma gain from the Proposed Disposal	-	-	2,843
Pro forma loss after tax for the FYE 30 September 2024	(12,237)	(11,354)	(11,207)
Weighted average no. of Shares in issue ('000)	573,569	573,569	573,569
Basic / Diluted LPS (sen)	(2.13)	(1.98)	(1.95)

Note:

- (1) After accounting for the disposal of 1 unit of 2 ½ storeys commercial boutique bungalow shop located in Kepong, Kuala Lumpur for a cash consideration of RM8.00 million by Revenue Harvest Sdn Bhd to Sunrise Seasons Sdn Bhd, which was completed on 27 December 2024.

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6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Disposal is subject to approvals/consents being obtained from the following:

- (i) Shareholders at the forthcoming EGM; and
- (ii) any other relevant parties / authorities, if required.

Highest percentage ratio

The highest percentage ratio applicable for the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 35.57%.

Conditionality

The Proposed Disposal is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other corporate exercises / schemes which have been announced by the Company but are pending completion as at the date of this Circular:

- (i) the Proposed Disposal;
- (ii) the proposed disposal of 2 parcels of land together with a unit of single storey detached warehouse erected thereon located in Kepong, Kuala Lumpur for a cash consideration of RM27.00 million, further details of which are set out in the announcement of the Company dated 29 October 2024. As at the LPD, the relevant sale and purchase agreement is pending completion and the Group is in the midst of discharging the property as a security for its banking facilities; and
- (iii) the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature, further details of which are set out in the circular to Shareholders dated 24 January 2025.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major Shareholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Disposal, including but not limited to the salient terms of the SSA, the basis and justification for the Disposal Consideration as well as the rationale and effects of the Proposed Disposal, is of the view that the Proposed Disposal is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all relevant approvals being obtained, the Proposed Disposal is expected to be completed by the second quarter of 2025⁽¹⁾. The tentative timeline for the implementation of the Proposed Disposal is as follows:

Date	Events
28 February 2025	EGM for the Proposed Disposal
2 nd quarter of 2025	Completion of the Proposed Disposal

Note:

(1) The Conditional Period (as defined in **Section 2, Appendix I** of this Circular) is within 5 months from the date of SSA (i.e. until 3 April 2025).

11. EGM

The Notice of EGM which is enclosed in this Circular can be downloaded from the Company's website at www.revenue.com.my. The EGM will be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan through live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities at <https://revenue-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on the date and time indicated below or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution, with or without modifications, to give effect to the Proposed Disposal.

Day, date and time of the EGM	: Friday, 28 February 2025 at 10.30 a.m. or immediately after the conclusion of the Seventh Annual General Meeting of Revenue which will be held at same Broadcast Venue and on the same day at 9.00 a.m., whichever is later.
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If you are unable to attend and vote at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at the office of the Share Registrar of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively to lodge the Proxy Form electronically via Digerati Portal at <https://revenue-egm.digerati.com.my>, or email to admin@aldpro.com.my not less than forty-eight (48) hours before the date and time for the EGM as indicated above or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the EGM should you subsequently decide to do so.

Shareholders are advised to refer to the Administrative Guide for the EGM on the registration and voting process for the EGM.

12. FURTHER INFORMATION

You are advised to refer to **Appendix III** set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
REVENUE GROUP BERHAD

TEH CHEE HOE
Executive Director

APPENDIX I - SALIENT TERMS OF THE SSA

1. DISPOSAL CONSIDERATION

The Disposal Consideration for the Proposed Disposal is RM40,000,000 and shall be paid to Revenue in the manner as follows:

- (i) 10% of the Disposal Consideration which is equivalent to RM4,000,000 ("**Deposit**") to be paid to Revenue's solicitors upon the execution of the SSA by the Company on the date of the SSA ("**Agreement Date**"). Revenue's solicitors shall be authorised to release the Deposit (free of interest) to Revenue upon the SSA becoming unconditional (in the manner set out in **Section 3** of this **Appendix I**);
- (ii) a sum of RM33,250,000 to be paid to Revenue on the Completion Date (as defined in **Section 3** of this **Appendix I**); and
- (iii) the balance sum of RM2,750,000 ("**Retained Purchase Consideration**") to be paid to Revenue subject to Innov8tif Holdings Group achieving the Profit Guarantee (as defined in **Section 4** of this **Appendix I**).

2. CONDITIONS PRECEDENT

The Proposed Disposal is conditional upon and subject to the fulfilment of the following conditions precedent ("**Conditions Precedent**") within 5 months from the Agreement Date or such other extended date Datasonic and Revenue may mutually agree in writing ("**Conditional Period**");

- (i) Datasonic and Revenue having obtained its directors' approval for the execution of the SSA and the transactions contemplated by the SSA. As at the date hereof, Datasonic and Revenue have obtained the aforesaid approvals from their respective Board of Directors;
- (ii) Revenue having obtained the approval from the Shareholders in relation to the disposal of the Sale Shares in accordance to the terms and conditions of the SSA at an EGM to be convened;
- (iii) Datasonic being satisfied with the results of the legal and financial due diligence to be conducted by Datasonic's representatives (including its financiers) on the Innov8tif Holdings Group ("**Due Diligence Exercise**"). On 6 January 2025, Datasonic has completed the Due Diligence Exercise and is satisfied with the findings of the Due Diligence Exercise.
- (iv) Datasonic being satisfied with report by an independent business valuer on the reasonableness of the Disposal Consideration after taking into consideration the valuation of Innov8tif Holdings. Following the completion of the valuation process, the independent business valuer issued its report on 1 November 2024, confirming that the Disposal Consideration is reasonable and aligned with industry benchmarks;
- (v) each of the specified key management personnels of Innov8tif Holdings shall enter into a service contract in the form and substance to be mutually agreed by Datasonic and Revenue;
- (vi) Datasonic and Revenue having obtained the necessary approval from the relevant authorities or third-party in relation to the Proposed Disposal, if any;
- (vii) Datasonic is satisfied there is no material adverse change (as determined by the Company in its absolute discretion) in the prospects, business, operations or financial condition of Innov8tif Holdings; and
- (viii) any other approval or consent as may be required for the Proposed Disposal based on the Due Diligence Exercise conducted on the Innov8tif Holdings Group.

APPENDIX I - SALIENT TERMS OF THE SSA

Subject to the terms as set out in the SSA, unless specifically waived by Datasonic in writing at its absolute discretion, if any of the Conditions Precedent are not fulfilled on or before the expiry of the Conditional Period, the SSA shall cease and terminate and Revenue's solicitors shall cause the Deposit to be returned to Datasonic within a period of 3 business days from the date of expiry of the Conditional Period. Thereafter, neither Datasonic nor Revenue shall have any claims against the other for costs, damages, compensations or otherwise, save for any antecedent breach of any Revenue's and Datasonic's warranties, representation, undertaking and any of the terms of the SSA.

Upon Revenue's or the Revenue's solicitors' receipt of written confirmation from Datasonic or Datasonic's solicitors that all the Conditions Precedent are fulfilled within the Conditional Period or waived by Datasonic, as the case may be, the SSA will become unconditional.

Notwithstanding the above, Revenue and Datasonic hereby mutually agree and acknowledge that Revenue is required to obtain and fulfil the Condition Precedent as stipulated under item (ii) of this section. Neither party shall have the discretion to waive or request for waiver of the said Condition Precedent as the compliance is required under the Main Market Listing Requirements.

3. COMPLETION

Upon Revenue's or Revenue's solicitors' receipt of written confirmation from Datasonic or Datasonic's solicitors that all the Conditions Precedent are fulfilled within the Conditional Period, the SSA shall become unconditional and completion ("**Completion**") shall take place within 10 business days at the office of Datasonic or at such other time and place as Datasonic and Revenue agree in writing ("**Completion Date**").

On the Completion Date, Revenue shall deliver:

- (i) a board resolution of Innov8tif Holdings amending the limit of authorities and signatories to Innov8tif Holdings's bank accounts to include the representatives of Datasonic;
- (ii) a board resolution of Innov8tif Holdings approving the appointment of 3 nominees of Datasonic as directors of Innov8tif Holdings; and
- (iii) letters of resignation of specified directors (i.e. Hor Weng Kuan, Leong Seng Wui and Teh Chee Hoe), auditor, tax consultant and company secretary of Innov8tif Holdings.

4. PROFIT GUARANTEE

Revenue and Datasonic agree that the Disposal Consideration is based on the guarantee on the part of Revenue that Innov8tif Holdings Group shall achieve an aggregate profit after tax of:

- (i) RM2,500,000 for the FYE 31 December 2025; and
- (ii) RM3,000,000 for the FYE 31 December 2026,

(collectively the "**Profit Guarantee**").

In the event Innov8tif Holdings Group achieves the Profit Guarantee on an aggregate basis based on the audited financial statements of the Innov8tif Holdings Group as may be approved by the external auditors, the Company shall cause the Retained Purchase Consideration to be remitted to Revenue within 7 days from the date of the adoption of the financial statements of Innov8tif Holdings Group for FYE 31 December 2026.

In the event the Profit Guarantee is not achieved based on the audited financial statements of Innov8tif Holdings Group as may be approved by the external auditors for the financial years ending 2025 and 2026 collectively, Datasonic shall be at liberty to set-off the shortfall against the Retained Purchase Consideration and pay the balance of the Retained Purchase Consideration to Revenue, if any. However, in the event the Retained Purchase Consideration is insufficient to set-off against the shortfall in Profit Guarantee, Revenue shall pay the balance to Datasonic within 7 days from the date of written notice of demand from Datasonic.

For the avoidance of doubt, the maximum liability of Revenue under the Profit Guarantee shall be limited to the total aggregate sum of RM5,500,000. In the event the Group incurs a loss or achieve profits below the aggregate Profit Guarantee, Revenue shall be liable up to a maximum of RM5,500,000. Revenue shall have no obligation to compensate for any shortfall exceeding this amount, regardless of the Innov8tif Holdings Group's actual performance, including any loss.

5. TERMINATION

If Revenue or Datasonic ("**Defaulting Party**"):

- (i) fails to proceed to Completion by carrying out any obligation on its part under the SSA required for Completion despite the fulfilment of all the Conditions Precedent;
- (ii) is in breach of any term or conditions of the SSA prior to the Completion Date; and/or
- (iii) has given any warranty contained in the SSA that is false, incorrect or incomplete such as to render the said warranty misleading,

and the Defaulting Party fails to remedy such breach within 30 calendar days after the other party ("**Non-Defaulting Party**") has given that Defaulting Party written notice of such breach, the Non-Defaulting Party may give written notice to the Defaulting Party:

- (i) terminating the SSA and claiming damages;
- (ii) enforcing specific performance of the SSA against the Defaulting Party;
- (iii) defer completion to a date not more than 30 calendar days after Completion Date or such other date as may be agreed by Datasonic and Revenue in writing; or
- (iv) proceed to Completion so far as practicable (without prejudice to the Non-Defaulting Party's other rights under the SSA),

in addition to any other rights or remedies as may be available to the Non-Defaulting Party under the law and/or equity.

6. BREACH OF WARRANTIES

Notwithstanding any provisions to the contrary in the SSA, Datasonic and Revenue must indemnify the other party ("**Non-Defaulting Party**") from and against any and all losses, liabilities, costs or expenses suffered or incurred by the Non-Defaulting Party directly or indirectly as a result of a breach of any of the warranties by the defaulting Party and which, if capable of rectification, has not been rectified by the defaulting Party within 30 calendar days, or such longer period as may be mutually agreed between Datasonic and Revenue. For the avoidance of any doubt, this rights to indemnification herein shall survive the Completion.

7. POST-COMPLETION CONVENANTS

Revenue undertakes to Datasonic that they shall:

- (i) not, whether directly or indirectly, carry on any business or be engaged in any business that is in direct competition or in conflict with the business of Innov8tif Holdings Group (i.e. artificial intelligence based identity assurance systems, Application Programming Interface (API) access which includes identity proofing (eKYC), customer due diligence and identity authentication) ("**Business**");
- (ii) not solicit customers or former customers of Innov8tif Holdings Group nor divert or seek to divert any customer from Innov8tif Holdings Group for dealings involving or related to the Business; and
- (iii) not solicit employee(s) nor divert or seek to divert any employee of Innov8tif Holdings Group,

within Malaysia and other territories in which the Group carries on the Business ("**Territory**") for a period of 2 years from the Completion Date.

Datasonic acknowledges, confirms and agrees that the non-compete covenant contained in the SSA shall not prohibit Revenue from conducting or continuing to conduct any of its existing business activities not constituting, or in conflict or in competition with the Business.

8. CAPITAL GAINS TAX

- (i) Revenue hereto hereby expressly agree, covenant and undertake with to Datasonic that, Revenue shall solely and individually in accordance with the provision of the Income Tax Act, 1967 ("**ITA**") submit to the Director General of Inland Revenue ("**DGIR**") in the prescribed Capital Gains Tax Return Form and/or any other form(s) on the disposal within 60 days from the date of the SSA and further that Revenue shall do all acts execute or cause to be executed all letters forms documents or instruments and file all returns and furnish and supply all information to the DGIR as may be necessary under the ITA for obtaining the relevant Certificate of Non-Chargeability, Notice of Assessment or the Certificate of Exemption, as the case may be.
- (ii) Revenue hereby agrees, covenants and undertakes to promptly pay any Capital Gains Tax ("**CGT**") chargeable by the Inland Revenue Department (if any) on the disposal of the Sale Shares pursuant to the SSA under the ITA. Revenue further indemnifies and save harmless Datasonic from any claims, damages, demands, penalties and other forms of impositions arising from and/or in relation to Revenue's default under the Clause 17 of the SSA.

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APPENDIX I - SALIENT TERMS OF THE SSA

- (iii) In the event of termination of the SSA for any reasons whatsoever, and upon such termination and execution of deed of revocation and/or any documents on the cancellation of the SSA after the respective forms are submitted to the Department of Inland Revenue (“**DIR**”), Revenue shall inform the DIR within 30 days from the date of the deed of revocation and/or any such agreements by submitting the following documents:
 - (a) the deed of revocation and/or any such documents on the termination of the SSA;
 - (b) letter of application for the refund of the CGT with supporting documents or other official documents which may prove the termination of the SSA; and
 - (c) letter of declaration (in the format required by the DIR) from the Parties for the application for refund of CGT.
- (iv) Revenue shall be solely responsible for the application for the refund. For the avoidance of doubt, Revenue agrees that it shall not be the obligation of the solicitors to perform any of the aforesaid matters.

9. VENDOR’S WARRANTIES

- (i) Revenue’s warranties to Datasonic are set out in Clause 7.3 and Schedule I of the SSA, and Revenue represents and warrants that each of these warranties is true, accurate, and not misleading as at the Agreement Date and shall remain true, accurate, and not misleading until the Completion Date.
- (ii) Revenue acknowledges that:
 - (a) each of Revenue’s warranties is a separate and independent warranty;
 - (b) no Revenue’s warranty is limited by reference to any other warranty or by the terms of the SSA; and
 - (c) Datasonic is purchasing the Sale Shares in full reliance on Revenue’s warranties.
- (iii) Revenue shall not do or allow any act or permit any omission before the Completion Date which would:
 - (a) be inconsistent with any of Revenue’s warranties;
 - (b) render any of Revenue’s warranties misleading; or
 - (c) be material knowledge for a purchaser of the Sale Shares without notifying Datasonic.
- (iv) Revenue further warrants and acknowledges that:
 - (a) the execution of the SSA constitutes valid and binding obligations on Revenue enforceable in accordance with its terms;
 - (b) the execution, delivery, and performance of the SSA do not conflict with any provision of the Constitution of Innov8tif Holdings or any material term of any agreement, judgment, law, or regulation binding on Innov8tif Holdings or the Group;
 - (c) all representations in the Recitals to the SSA are true, complete, and accurate;

APPENDIX I - SALIENT TERMS OF THE SSA

- (d) all information provided by Revenue to Datasonic during the Due Diligence Exercise and negotiations is true, complete, and accurate, and there are no undisclosed facts that would reasonably affect Datasonic's willingness to purchase the Sale Shares on the terms of the SSA;
- (e) no letter, document, or communication constitutes a valid disclosure unless expressly disclosed in the SSA, and no other knowledge (actual, constructive, or imputed) prevents or limits a claim by Datasonic for a breach of any of Revenue's warranties; and
- (f) in the event of a breach of any warranty, Datasonic shall notify Revenue, and both Parties shall endeavor to resolve the matter amicably within 14 calendar days, failing which, the dispute shall be resolved in accordance with Clause 16 of the SSA.

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1. Brief information on the Innov8tif Holdings Group

Innov8tif Holdings was incorporated as an investment holding company to hold Innov8tif Solutions Group and Xendity.

Innov8tif Holdings Group is an ISO27001:2013 certified Artificial Intelligence (“**AI**”) group of companies with its principal business in providing identity (“**ID**”) assurance solutions that helps digital businesses to prevent frauds by verifying and authenticating customers’ ID with AI-based ID assurance systems, Application Programming Interface (“**API**”) access and low-code platform since 2011. This includes ID proofing (“**e-KYC**”) and e-Know Your Business (“**e-KYB**”), customer due diligence and ID authentication.

Innov8tif Holdings Group specialises in ID verification (“**IDV**”) technology to support e-KYC, e-KYB and anti-fraud processes, customer onboarding process automation and mobile biometric authentication. Innov8tif Holdings Group’s customer base comprises the telecommunication companies, institutions in the banking, financial services & insurance, investment firms, multinational manufacturing companies and government which include those in the ASEAN region.

The Acquisition of 51% Innov8tif Holdings by the Company from Hong Seng Consolidated Berhad was completed on 16 June 2023 for a cash purchase consideration of RM36.00 million. The acquisition was not a related party transaction.

The aforementioned purchase consideration of RM36.00 million was arrived at on a willing-buyer willing-seller basis after taking into account, among others, the following:

- (i) the potential of Innov8tif Holdings Group’s digital ID technology and solutions in complementing and enhancing the businesses of Revenue Group, in particular providing extensive payment solutions to its customers;
- (ii) the indicative value of the 51.00% equity interest in Innov8tif Holdings as appraised by Strategic Capital Advisory Sdn Bhd (an independent valuer appointed by Hong Seng Consolidated Berhad), which ranges from approximately RM28.71 million to approximately RM34.56 million; and
- (iii) Innov8tif Holdings Group’s future growth potential in the research and development of a complete global standard digital ID assurance and management solutions which help businesses to innovate their processes by leveraging on digital ID solutions to boost efficiency and improve customer experience.

Further, the Board was of the view that the Acquisition of 51% Innov8tif Holdings will create good synergies between the businesses of the Revenue Group and Innov8tif Holdings Group whereby the Group can ride on Innov8tif Holdings Group’s clientele base as well as its digital ID technologies and digital onboarding solutions to cross sell its products and services to the Revenue Group’s customers.

The Acquisition of 51% Innov8tif Holdings did not require Shareholders’ approval as the highest percentage ratio pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements at the material time was 22.92%.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

The contracts obtained by the Innov8tif Holdings Group within the recent 12 months up to the LPD are set out as follows:

Scope	Term	Date of contract	Expected completion date	Contract value
Facial Software License Subscription & Support Renewal	Annual subscription	1 March 2024	30 April 2025	SGD119,620 (approximately RM0.39 million based on BNM's exchange rate of SGD1:RM3.2552 as at the LPD)
Provision of Supply, Delivery, Install, Integration, Testing, Commissioning, Training and Maintenance for Low-Code Application Development	One-off engagement	20 March 2024	23 April 2025	RM202,629
License and Support Agreement for EMAS eKYC Cloud API Subscription	Annual subscription	13 June 2024	12 Jun 2025	USD17,853 (approximately RM0.08 million based on BNM's exchange rate of USD1:RM4.3955 as at the LPD)
OkayID API License Subscription	Annual subscription	16 June 2024	15 June 2025	SGD63,940 (approximately RM0.21 million based on BNM's exchange rate of SGD1:RM3.2552 as at the LPD)
Addendum Extension to Supply of IT Products and Services relating to Implementation of e-KYC Technology	One-off engagement	29 June 2024	30 June 2025	Not applicable as it is based on transaction billing
License and Support Agreement for EMAS eKYC Cloud API Subscription	Annual subscription	15 July 2024	14 July 2025	RM52,000
License and Support Agreement for EMAS eKYC Cloud API Subscription	Annual subscription	15 September 2024	14 September 2025	RM69,300

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

Scope	Term	Date of contract	Expected completion date	Contract value
Addendum to Collaboration Agreement to supply E-KYC Services	Annual subscription	17 September 2024	16 September 2025	Not applicable as it is based on transaction billing
License and Support Agreement for EMAS eKYC Cloud API Subscription	Annual subscription	3 October 2024	2 October 2025	RM158,040
License and Support Agreement for EMAS eKYC Cloud API Subscription	Annual subscription	21 October 2024	20 October 2025	Not applicable as it is based on transaction billing
Facial Software Liveness License	Annual subscription	1 November 2024	31 October 2025	SGD95,386 (approximately RM0.31 million based on BNM's exchange rate of SGD1:RM3.2552 as at the LPD)
OkayID License Subscription	Annual subscription	1 January 2025	31 December 2025	SGD47,502 (approximately RM0.15 million based on BNM's exchange rate of SGD1:RM3.2552 as at the LPD)
OkayDoc License Subscription	Annual subscription	1 January 2025	31 December 2025	SGD92,000 (approximately RM0.30 million based on BNM's exchange rate of SGD1:RM3.2552 as at the LPD)
OkayID (Microblink BlinkID Web API Docker License Subscription)	Annual subscription]	16 June 2025	15 June 2026	SGD62,790 (approximately RM0.20 million based on BNM's exchange rate of SGD1:RM3.2552 as at the LPD)

Save for the above, as at the LPD, the Innov8tif Holdings Group is not in the midst / in any negotiation to secure any material contracts as part of its ordinary course of business.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

A summary of the Innov8tif Holdings Group's total workforce as at the LPD are as set out below:

Name	Total employees
Innov8tif Holdings	-
Innov8tif Solutions Group	62
Xendity	13
Total	75

Innov8tif Solutions is the legal and beneficial owner of the following patents:

Patent No.	Title	Issuer	Granted on
MY-184165-A	A method to verify authenticity of a Malaysian identity document	Intellectual Property Corporation of Malaysia	24 March 2021
MY-192715-A	Method for authenticating identification documents	Intellectual Property Corporation of Malaysia	5 September 2022
US 12026932.B2	A Method to Determine Authenticity of Security Hologram	United States Patent Office	2 July 2024
Application No. PI2021004026 (Malaysia)	A Method to Determine Authenticity of Security Hologram	Intellectual Property Corporation of Malaysia	Yet to be granted, pending approval
Application No. 1-2021-05840 (Vietnam)	A Method to Determine Authenticity of Security Hologram	Intellectual Property Office of Vietnam	

Based on Innov8tif Holdings Group's audited consolidated financial statements for the 12-month FPE 30 September 2024, Innov8tif Solutions Sdn Bhd was the largest revenue contributor, accounting for approximately 83.12% of the Innov8tif Holdings Group's total revenue.

Please refer to the ensuing sections in this **Appendix II** for details of products and services offered under each of the subsidiaries and their respective principal markets and revenue breakdown by geographical segment.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

2. Financial information of the Innov8tif Holdings Group

A summary of key financial information of the Innov8tif Holdings Group based on the audited consolidated financial statements for the financial period from 18 January 2023 (date of incorporation) to 31 December 2023 and the audited financial information for the 12-month FPE 30 September 2024 (from 1 October 2023 to 30 September 2024) are set out as below for information.

Innov8tif Holdings Group	Audited	
	⁽¹⁾ Financial period from 18 January 2023 (date of incorporation) to 31 December 2023 (RM)	⁽¹⁾⁽²⁾ 12-month FPE 30 September 2024 (RM)
Revenue	18,243,758	23,816,542
PBT / (LBT)	(1,336,202)	5,424,386
PAT / (LAT)	(907,988)	5,286,348
Share capital	60,500,000	60,500,000
Shareholders' fund / NA	21,311,469	⁽³⁾ 23,039,441
Total borrowings	2,365,366	2,191,378
No. of shares in issue	1,407,000	1,407,000
EPS / (LPS)	(0.65)	3.76
NA per share	15.15	16.37
Current ratio (times)	1.94	2.17
Gearing (times)	0.11	0.10

Notes:

- (1) There was no comparative financial information available for the audited financial periods of Innov8tif Holdings Group as Innov8tif Holdings was incorporated on 18 January 2023.
- (2) For avoidance of doubt, the financial year end for Innov8tif Holdings is 31 December. A special audit has been undertaken on the financial information of the Innov8tif Holdings Group for the 12-month FPE 30 September 2024. The said special audit was undertaken for the Revenue Group's financial reporting purposes in view that the Revenue Group has a financial year ending 30 September.
- (3) For avoidance of doubt, the NA of the Innov8tif Solutions Group and Xendity (as announced by Revenue on 12 May 2023) were RM6.22 million and net liabilities of RM5.35 million as at 31 December 2022, respectively, the aggregate NA of which was approximately RM0.86 million.

In comparison, the NA of the Innov8tif Holdings Group as at 30 September 2024 was RM23.04 million.

As stated in **Section 1** of this **Appendix II** whereby Innov8tif Holdings was incorporated to hold Innov8tif Solutions Group and Xendity, the increase in NA was mainly due to the issuance of shares by Innov8tif Holdings for the acquisition of the aforementioned subsidiaries, which in aggregate amounted to approximately RM60.50 million. The aforementioned acquisitions were completed pursuant to the allotment of shares as set out in **Section 3.2** of this **Appendix II**.

This was partially offset by a merger reserve arising from the said acquisition which amounted to approximately RM37.37 million. For avoidance of doubt, a merger reserve is a result of the difference between the consideration paid for an acquisition and the share capital of the acquired entity.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

There were no audit qualifications reported in the audited financial statements of the Innov8tif Holdings Group for the past 3 financial years. None of the accounting policies adopted by the Innov8tif Holdings Group are peculiar or inconsistent with the relevant approved accounting standards.

A combined financial information of Innov8tif Solutions Group and Xendity for the past 3 years prior to incorporation of Innov8tif Holdings on 18 January 2023 is not available as Innov8tif Solutions Group and Xendity were not under common control by the same party prior to the acquisition of Innov8tif Solutions Group and Xendity by Innov8tif Holdings.

Financial commentary

12-month FPE 30 September 2024

Innov8tif Holdings Group recorded a revenue of RM23.82 million for the 12-month FPE 30 September 2024. This was mainly contributed by revenue of Innov8tif Solutions Group amounted to RM19.80 million, which was mainly derived from enterprise mobility application solution amounted to RM18.24 million.

Innov8tif Holdings Group recorded a PAT of RM5.29 million for the 12-month FPE 30 September 2024. The PAT recorded was mainly due to gross profit of RM16.79 million which was partially set off by the administrative expenses incurred amounted to RM10.88 million, which mainly comprise of staff costs. As at 30 September 2024, Innov8tif Holdings Group has 72 staff employed.

Financial period from 18 January 2023 (date of incorporation) to 31 December 2023

Innov8tif Holdings Group recorded a revenue of RM18.24 million for the financial period from 18 January 2023 to 31 December 2023. This was mainly contributed by revenue of Innov8tif Solutions Group amounted to RM14.59 million, which was mainly derived from enterprise mobility application solution amounted to RM13.10 million.

Innov8tif Holdings Group recorded a LAT of RM0.91 million for the financial period from 18 January 2023 to 31 December 2023. The LAT recorded was mainly due to the administrative expenses incurred amounted to RM10.60 million, which mainly comprise of staff costs. As at 31 December 2023, Innov8tif Holdings Group has 65 staff employed. In addition, there was an impairment loss on trade receivables of RM1.20 million, which was mainly due to the recognition of loss allowance for expected credit loss.

NA

The changes in Innov8tif Holdings Group's NA are as follows:

	Amount (RM)
As at 18 January 2023 (date of incorporation)	1
Issuance of shares for acquisition of subsidiaries	60,499,999
Foreign currency translation	90,312
Merger reserve arising from acquisition of subsidiaries	(37,370,855)
Total comprehensive loss for the period	(907,988)
Dividend	(1,000,000)
As at 31 December 2023	21,311,469
Total comprehensive profit for the period	2,051,028
Foreign currency translation	(323,056)
As at 30 September 2024	23,039,441

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

3. Brief information on Innov8tif Holdings

3.1 History and principal activities

Innov8tif Holdings was incorporated in Malaysia as a private limited company on 18 January 2023 under the Act and is principally involved in activities of holding companies. As stated in **Section 1** of this **Appendix II**, Innov8tif Holdings was incorporated as an investment holding company to hold Innov8tif Solutions Group and Xendity.

3.2 Share Capital

As at the LPD, the issued share capital of Innov8tif Holdings is RM60,500,000 comprising 1,407,000 ordinary shares.

The changes in the share capital of Innov8tif Holdings since its incorporation are as follows:

Date of allotment	No. of Shares allotted	Type of issue / Consideration	Cumulative share capital	
			No. of Shares	Share capital (RM)
18 January 2023	1	Subscriber's share / Cash (RM1.00)	1	1
9 February 2023	999,998	Acquisition of Innov8tif Solutions / Otherwise than cash (RM42,999,914.00)	999,999	42,999,915
9 February 2023	1	Acquisition of Innov8tif Solutions / Otherwise than cash (RM85.00)	1,000,000	43,000,000
26 April 2023	406,975	Acquisition of Xendity / Otherwise than cash (RM17,499,925.00)	1,406,975	60,499,925
26 April 2023	25	Acquisition of Xendity / Otherwise than cash (RM75.00)	1,407,000	60,500,000

3.3 Directors

As at the LPD, the Directors of Innov8tif Holdings are Soh Peng Nam, Lee Chin Seong, Teh Chee Hoe, Leong Seng Wui and Hor Weng Kuan.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

3.4 Shareholders

As at the LPD, the shareholders of Innov8tif Holdings are as follows:

Shareholders	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Revenue Group Berhad	Malaysia	717,570	51.00	-	-
Innov8tif Consortium Sdn Bhd	Malaysia	689,430	(4)49.00	-	-
Law Tien Soon	Malaysian	-	-	(2)689,430	49.00
Lee Chin Seong	Malaysian	-	-	(2)689,430	49.00
Soh Peng Nam	Malaysian	-	-	(2)689,430	49.00
Securemetric Berhad	Malaysia	-	-	(2)689,430	49.00
Law Seeh Key	Malaysian	-	-	(3)689,430	49.00

Notes:

- (1) Computed based on 1,407,000 ordinary shares in Innov8tif Holdings as at the LPD.
- (2) Deemed interested pursuant to their interest in Innov8tif Consortium Sdn Bhd pursuant to Section 8 of the Act
- (3) Deemed interested pursuant to his interest in Securemetric Berhad pursuant to Section 8 of the Act.
- (4) The remaining 49% equity interest in Innov8tif Holdings is held by Innov8tif Consortium Sdn Bhd whose shareholders and their respective shareholdings are set out as below:

Shareholders of Innov8tif Consortium Sdn Bhd	Number of shares	Shareholding (%)
Chan Oi Lai	5,625	1.00
Cheong Yuen Kiat	7,500	1.33
Law Tien Soon	114,000	20.27
Lee Chin Seong	144,187	25.63
Lim Ken Wei	25,313	4.50
Low Kien Fei	11,250	2.00
Seah Seow Joe	28,125	5.00
Securemetric Berhad	112,500	20.00
Soh Peng Nam	114,000	20.27
Total	562,500	100.00

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

3.5 Subsidiary and associated company

As at the LPD, Innov8tif Holdings does not have any associated companies. The subsidiaries of Innov8tif Holdings are as follows:

Company Name	Country of incorporation	Principal activities	Effective interest (%)
Innov8tif Solutions	Malaysia	<ul style="list-style-type: none"> - To carry on information and communication technology system development, deployment and maintenance service with software trading and services; and - To provide training and consultancy services and to conduct all other activities related to the above 	100.0
Innov8tif KH	Cambodia	Information technology consultation services	100.0
Xendity	Malaysia	Software research and development	100.0
<u>Held through Innov8tif Solutions</u>			
Innov8tif Technology	Malaysia	Information technology and event marketing business	100.0
Innov8tif SG	Singapore	Provide IT consultancy and computer services activities	100.0

3.6 Type of assets owned

Based on the audited financial statements of Innov8tif Holdings for the financial period from 18 January 2023 (date of incorporation) to 31 December 2023, the total assets of Innov8tif Holdings amounted to RM60.50 million, which comprise investment in subsidiaries company of RM60.50 million.

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3.7 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by Innov8tif Holdings that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of Innov8tif Holdings.

3.8 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Innov8tif Holdings which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of Innov8tif Holdings.

3.9 Material contracts

As at the LPD, Innov8tif Holdings has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years preceding the date of this Circular.

3.10 Material litigation

As at the LPD, Innov8tif Holdings is not involved in any material litigation, claims or arbitration and the directors of Innov8tif Holdings confirmed that there are no proceedings pending or threatened involving Innov8tif Holdings, or of any facts likely to give rise to any such proceedings.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

3.11 Financial information

A summary of the key financial information of Innov8tif Holdings based on the audited financial statements for the financial period from 18 January 2023 (date of incorporation) to 31 December 2023 and unaudited financial information for the 9-month FPE 30 September 2024 (from 1 January 2024 to 30 September 2024) are set out as below for information.

Innov8tif Holdings	Audited	Unaudited
	Financial period from 18 January 2023 (date of incorporation) to 31 December 2023 (RM)	9-month FPE 30 September 2024 (RM)
Revenue	-	-
LBT	(58,006)	(9,425)
LAT	(58,006)	(9,425)
Share capital	60,500,000	60,500,000
Shareholders' fund / NA	60,441,994	60,432,570
Total borrowings	-	-
Number of shares in issue	1,407,000	1,407,000
LPS	(0.04)	(0.01)
NA per share	42.96	42.95
Current ratio (times)	0.25	0.05
Gearing (times)	-	-

There was no comparative financial information available for the latest audited and unaudited financial period of Innov8tif Holdings as Innov8tif Holdings was incorporated on 18 January 2023.

Financial commentary

Financial period from 18 January 2023 (date of incorporation) to 31 December 2023

Innov8tif Holdings is an investment holding company hence no revenue has been recorded.

Innov8tif Holdings recorded a LAT of RM0.06 million for the financial period from 18 January 2023 to 31 December 2023. The LAT recorded was due to the administrative expenses incurred amounted to RM0.06 million, which mainly comprise of audit fees.

9-month FPE 30 September 2024

Innov8tif Holdings is an investment holding company hence no revenue has been recorded.

Innov8tif Holdings recorded a LAT of less than RM0.01 million for the 9-month FPE 30 September 2024. The LAT recorded was due to the administrative expenses incurred amounted to less than RM0.01 million, mainly comprising professional fees.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

4. Brief information on Innov8tif Solutions**4.1 History and principal activities**

Innov8tif Solutions was incorporated in Malaysia as a private limited company on 29 August 2011 under the Companies Act 1965. Innov8tif Solutions commenced its operations on 29 August 2011 and is principally involved in the following:

- (i) To carry on information and communication technology system development, deployment and maintenance service with software trading and services; and
- (ii) To provide training and consultancy services and to conduct all other activities related to the above.

The principal market of Innov8tif Solutions Group is Malaysia, Singapore and Cambodia. The revenue breakdown by geographical segment for the past 3 financial years are as follows:

	Audited					
	FYE31 December 2021		FYE 31 December 2022		FYE 31 December 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia	7,985	73.72	8,634	68.23	8,790	60.26
Singapore	1,903	17.57	2,250	17.78	3,914	26.83
Cambodia	299	2.76	1,344	10.62	1,217	8.34
Others	644	5.95	426	3.37	666	4.57
	10,831	100.00	12,654	100.00	14,587	100.00

4.2 Share Capital

As at the LPD, the issued share capital of Innov8tif Solutions is RM4,500,000 comprising 562,500 ordinary shares.

4.3 Directors

As at the LPD, the Directors of Innov8tif Solutions are Lee Chin Seong, Law Tien Soon and Soh Peng Nam.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

4.4 Shareholders

As at the LPD, the shareholder of Innov8tif Solutions are as follows:

Shareholders	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Innov8tif Holdings	Malaysia	562,500	100.00	-	-
Revenue Group Berhad	Malaysia	-	-	(2)562,500	100.00
Innov8tif Consortium Sdn Bhd	Malaysia	-	-	(2)562,500	100.00
Law Tien Soon	Malaysian	-	-	(3)562,500	100.00
Lee Chin Seong	Malaysian	-	-	(3)562,500	100.00
Soh Peng Nam	Malaysian	-	-	(3)562,500	100.00
Securemetric Berhad	Malaysia	-	-	(3)562,500	100.00
Law Seeh Key	Malaysian	-	-	(4)562,500	100.00

Notes:

- (1) Computed based on 562,500 ordinary shares in Innov8tif Solutions as at the LPD.
- (2) Deemed interested pursuant to their interest in Innov8tif Holdings pursuant to Section 8 of the Act.
- (3) Deemed interested pursuant to their interest in Innov8tif Consortium Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested pursuant to his interest in Securemetric Berhad pursuant to Section 8 of the Act.

4.5 Subsidiary and associated company

As at the LPD, Innov8tif Solutions does not have any associated companies. The subsidiaries of Innov8tif Solutions are as follows:

Company Name	Country of incorporation	Principal activities	Effective interest (%)
Innov8tif Technology	Malaysia	Information technology and event marketing business	100.0
Innov8tif SG	Singapore	Provide IT consultancy and computer services activities	100.0

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

4.6 Type of assets owned

Based on the audited financial statements of Innov8tif Solutions Group for the FYE 31 December 2023, the total assets of Innov8tif Solutions Group amounted to RM10.70 million, which comprise of the following:

Assets	Audited FYE 31 December 2023 (RM'000)
Plant and equipment	232
Right-of-use assets	2,323
Deferred tax assets	455
Trade receivables ⁽¹⁾	4,110
Other receivables, deposits and prepayments	905
Amount due from immediate holding company	24
Amount due from related company	4
Fixed deposits with licensed banks	523
Cash and bank balances	2,122
Total assets	10,698

Note:

(1) Trade receivables represents 38.42% of the total assets. Trade receivable ageing analysis as at 31 December 2023 is as follows:

	Within credit period	Exceeding credit period (past due days)				Total
		1 – 30	31 – 60	61 – 90	Over 90	
Net receivables as at 31 December 2023 (RM'000)	2,424	841	209	-	636	4,110
(+) Accumulated impairment losses (RM'000)	1	-	-	-	40	41
Gross trade receivables as at 31 December 2023 (RM'000)	2,425	841	209	-	676	4,151

Subsequent to 31 December 2023 and up to the LPD, Innov8tif Solutions Group collected RM3.79 million, which represented approximately 91.18% of the gross trade receivable as at 31 December 2023.

4.7 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by Innov8tif Solutions that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of Innov8tif Solutions.

4.8 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Innov8tif Solutions which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of Innov8tif Solutions.

4.9 Material contracts

As at the LPD, Innov8tif Solutions has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years preceding the date of this Circular.

4.10 Material litigation

As at the LPD, Innov8tif Solutions is not involved in any material litigation, claims or arbitration and the directors of Innov8tif Solutions confirmed that there are no proceedings pending or threatened involving Innov8tif Solutions, or of any facts likely to give rise to any such proceedings.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

4.11 Financial information

A summary of the key financial information of Innov8tif Solutions Group based on the audited financial statements for the past 3 FYEs 31 December as well as the unaudited financial statements for the 9-month FPE 30 September 2023 (from 1 January 2023 to 30 September 2023) and 9-month FPE 30 September 2024 (from 1 January 2024 to 30 September 2024) are set out as below for information.

Innov8tif Solutions Group	Audited			Unaudited	
	FYE 31 December 2021 (RM)	FYE 31 December 2022 (RM)	FYE 31 December 2023 (RM)	9-month FPE 30 September 2023 (RM)	9-month FPE 30 September 2024 (RM)
Revenue	10,830,793	12,654,408	14,586,923	8,281,365	13,382,311
PBT / (LBT)	592,978	620,970	405,131	(1,992,006)	1,706,263
PAT / (LAT)	537,733	520,964	535,785	(1,992,204)	1,506,732
Share capital	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Shareholders' fund / NA	5,731,643	5,661,588	5,255,242	3,245,888	6,664,506
Total borrowings	574,794	507,020	2,365,366	-	2,191,378
Number of shares in issue	562,500	562,500	562,500	562,500	562,500
EPS / (LPS)	0.96	0.93	0.95	(3.54)	2.68
NA per share	10.19	10.07	9.34	5.77	11.85
Current ratio (times)	4.70	3.47	2.32	2.93	1.56
Gearing (times)	0.10	0.09	0.45	-	0.33

Financial commentary

FYE 31 December 2023 compared to FYE 31 December 2022

Revenue increased by RM1.93 million or 15.27% from RM12.65 million for the FYE 31 December 2022 to RM14.59 million for the FYE 31 December 2023. This was mainly due to an increase in demand for the eKYC services in Malaysia.

PAT increased by RM0.01 million or 2.84% from RM0.52 million for FYE 31 December 2022 to RM0.53 million for the FYE 31 December 2023. This was mainly due to increase in revenue as set out above.

The increase in PAT was partially offset by an increase in staff costs of RM0.69 million, from RM5.79 million for the FYE 31 December 2022 to RM6.48 million for the FYE 31 December 2023, mainly due to salary increment.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

FYE 31 December 2022 compared to FYE 31 December 2021

Revenue increased by RM1.82 million or 16.84% from RM10.83 million for the FYE 31 December 2021 to RM12.65 million for the FYE 31 December 2022. This was mainly due to an increase in demand for the eKYC services in Cambodia.

PAT decreased by RM0.02 million or 3.12% from RM0.54 million for FYE 31 December 2021 to RM0.52 million for the FYE 31 December 2022. This was mainly due to increase in staff costs of RM1.53 million for 16 additional staff, from RM4.25 million for the FYE 31 December 2021 to RM5.79 million for the FYE 31 December 2022.

9-month FPE 30 September 2024 compared to 9-month FPE 30 September 2023

Revenue increased by RM5.10 million or 61.60% from RM8.28 million for the 9-month FPE 30 September 2023 to RM13.38 million for the 9-month FPE 30 September 2024. This was mainly due to an increase in demand for the eKYC services in Malaysia.

PAT of RM1.51 million was recorded for 9-month FPE 30 September 2024 as compared to a LAT of RM1.99 million for the 9-month FPE 30 September 2023. The PAT recorded was mainly due to increase in revenue as set out above.

NA

The changes in Innov8tif Solutions Group's NA are as follows:

	Amount (RM)
As at 31 December 2021 / 1 January 2022	5,731,643
Effect of adoption of Malaysian Financial Reporting Standards ("MFRS")*	(620,087)
Total comprehensive profit for the year	520,964
Foreign currency translation	29,068
As at 31 December 2022 / 1 January 2023	5,661,588
Total comprehensive profit for the year	535,785
Foreign currency translation	57,869
Dividend	(1,000,000)
As at 31 December 2023 / 1 January 2024	5,255,242
Total comprehensive profit for the period	1,506,732
Foreign currency translation	(97,468)
As at 30 September 2024	6,664,506

* The financial statements of the Innov8tif Solutions Group were prepared in accordance with Malaysian Private Entities Reporting Standard (MPERS). Upon the Acquisition of 51% Innov8tif Holdings, the audited financial statements of the Innov8tif Solutions Group were adjusted to be prepared based on the MFRS, to be in line with the accounting standard adopted by Revenue.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

5. Brief information on Innov8tif Technology

5.1 History and principal activities

Innov8tif Technology was incorporated in Malaysia as a private limited company on 5 May 2014 under the Companies Act 1965. Innov8tif Technology commenced its operations on 5 May 2014 and is principally involved in information technology and event marketing business.

The principal market of Innov8tif Technology is Malaysia. Innov8tif Technology derived its revenue entirely from Malaysia for the past 3 financial years.

5.2 Share Capital

As at the LPD, the issued share capital of Innov8tif Technology is RM10,000 comprising 10,000 ordinary shares.

5.3 Directors

As at the LPD, the Directors of Innov8tif Solutions are Law Tien Soon, Lee Chin Seong and Soh Peng Nam.

5.4 Shareholders

As at the LPD, the shareholder of Innov8tif Technology are as follows:

Shareholders	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Innov8tif Solutions	Malaysia	10,000	100.00	-	-
Innov8tif Holdings	Malaysia	-	-	(2)10,000	100.00
Revenue Group Berhad	Malaysia	-	-	(3)10,000	100.00
Innov8tif Consortium Sdn Bhd	Malaysia	-	-	(3)10,000	100.00
Law Tien Soon	Malaysian	-	-	(4)10,000	100.00
Lee Chin Seong	Malaysian	-	-	(4)10,000	100.00
Soh Peng Nam	Malaysian	-	-	(4)10,000	100.00
Securemetric Berhad	Malaysia	-	-	(4)10,000	100.00
Law Seeh Key	Malaysian	-	-	(5)10,000	100.00

Notes:

- (1) Computed based on 10,000 ordinary shares in Innov8tif Technology as at the LPD.
- (2) Deemed interested pursuant to its interest in Innov8tif Solutions pursuant to Section 8 of the Act.
- (3) Deemed interested pursuant to their interest in Innov8tif Holdings pursuant to Section 8 of the Act.
- (4) Deemed interested pursuant to their interest in Innov8tif Consortium Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested pursuant to his interest in Securemetric Berhad pursuant to Section 8 of the Act.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

5.5 Subsidiary and associated company

As at the LPD, Innov8tif Technology does not have any subsidiaries or associated companies.

5.6 Type of assets owned

Based on the audited financial statements of Innov8tif Technology for the FYE 31 December 2023, the total assets of Innov8tif Technology amounted to RM0.85 million, which comprise of the following:

Assets	Audited FYE 31 December 2023 (RM'000)
Property, plant and equipment	*
Deferred tax assets	104
Trade receivables ⁽¹⁾	665
Cash and bank balances	78
Total assets	847

Notes:

* Less than RM1,000.

(1) Trade receivables represents 78.51% of the total assets. Trade receivable ageing analysis as at 31 December 2023 is as follows:

	Within credit period	Exceeding credit period (past due days)				Total
		1 – 30	31 – 60	61 – 90	Over 90	
Net receivables as at 31 December 2023 (RM'000)	400	-	-	-	265	665
(+) Accumulated impairment losses (RM'000)	-	-	-	-	24	24
Gross trade receivables as at 31 December 2023 (RM'000)	400	-	-	-	289	689

Subsequent to 31 December 2023 and up to the LPD, Innov8tif Technology collected RM0.64 million, which represented approximately 92.74% of the gross trade receivables as at 31 December 2023.

5.7 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by Innov8tif Technology that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of Innov8tif Technology.

5.8 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Innov8tif Technology which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of Innov8tif Technology.

5.9 Material contracts

As at the LPD, Innov8tif Technology has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years preceding the date of this Circular.

5.10 Material litigation

As at the LPD, Innov8tif Technology is not involved in any material litigation, claims or arbitration and the directors of Innov8tif Technology confirmed that there are no proceedings pending or threatened involving Innov8tif Technology, or of any facts likely to give rise to any such proceedings.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

5.11 Financial information

A summary of the key financial information of Innov8tif Technology based on the audited financial statements for the past 3 FYEs 31 December as well as the unaudited financial statements for the 9-month FPE 30 September 2023 (from 1 January 2023 to 30 September 2024) and 9-month FPE 30 September 2024 (from 1 January 2024 to 30 September 2024) are set out as below for information.

Innov8tif Technology	Audited			Unaudited	
	FYE 31 December 2021 (RM)	FYE 31 December 2022 (Restated) (RM)	FYE 31 December 2023 (RM)	9-month FPE 30 September 2023 (RM)	9-month FPE 30 September 2024 (RM)
Revenue	952,000	906,000	1,308,700	613,700	1,200,000
PBT / (LBT)	150,392	(16,743)	181,210	(249,899)	260,736
PAT / (LAT)	150,392	(16,743)	285,074	(249,899)	260,736
Share capital	10,000	10,000	10,000	10,000	10,000
Shareholders' fund / (NL)	(624,806)	(645,905)	(360,831)	(873,584)	(100,095)
Total borrowings	-	-	-	-	-
Number of shares in issue	10,000	10,000	10,000	10,000	10,000
EPS / (LPS)	15.04	(1.67)	28.51	(24.99)	26.07
NL per share	(62.48)	(64.59)	(36.08)	(87.36)	(10.01)
Current ratio (times)	0.50	0.46	0.62	0.28	0.78
Gearing (times)	-	-	-	-	-

Financial commentary

FYE 31 December 2023 compared to FYE 31 December 2022

Revenue increased by RM0.40 million or 44.45% from RM0.91 million for the FYE 31 December 2022 to RM1.31 million for the FYE 31 December 2023. This was mainly due to an increase in demand for the eKYC and product customisation services in Malaysia.

PAT of RM0.29 million was recorded for FYE 31 December 2023 as compared to a LAT of RM0.02 million for the FYE 31 December 2022. The PAT recorded was mainly due to increase in revenue as set out above.

FYE 31 December 2022 compared to FYE 31 December 2021

Revenue decreased by RM0.05 million or 4.83% from RM0.95 million for the FYE 31 December 2021 to RM0.91 million for the FYE 31 December 2022. This was mainly due to a slight decrease in the demand for the eKYC services.

LAT of RM0.02 million was recorded for FYE 31 December 2022 as compared to a PAT of RM0.15 million for the FYE 31 December 2021. The LAT recorded was mainly due to decrease in gross profit of RM0.16 million due to increase in the software development costs.

9-month FPE 30 September 2024 compared to 9-month FPE 30 September 2023

Revenue increased by RM0.59 million or 95.54% from RM0.61 million for the 9-month FPE 30 September 2023 to RM1.20 million for the 9-month FPE 30 September 2024. This was mainly due to an increase in demand for the eKYC services in Malaysia.

PAT of RM0.26 million was recorded for 9-month FPE 30 September 2024 as compared to a LAT of RM0.25 million for the 9-month FPE 30 September 2023. The PAT recorded was mainly due to increase in revenue as set out above.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

6. Brief information on Innov8tif SG

6.1 History and principal activities

Innov8tif SG was incorporated in Singapore as a private limited company on 16 April 2014 under the Companies Act 1967 of Singapore. Innov8tif SG commenced its operations on 16 April 2014 and is principally involved in providing IT consultancy and computer services activities.

The principal market of Innov8tif SG is Singapore. Innov8tif SG derived its revenue entirely from Singapore for the past 3 financial years.

6.2 Share Capital

As at the LPD, the issued share capital of Innov8tif SG is SGD10,000 comprising 10,000 ordinary shares.

6.3 Directors

As at the LPD, the Directors of Innov8tif SG are Law Tien Soon, Lee Chin Seong, Soh Peng Nam and Yu Keng Ing.

6.4 Shareholders

As at the LPD, the shareholder of Innov8tif SG are as follows:

Shareholders	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Innov8tif Solutions	Malaysia	10,000	100.00	-	-
Innov8tif Holdings	Malaysia	-	-	(2)10,000	100.00
Revenue Group Berhad	Malaysia	-	-	(3)10,000	100.00
Innov8tif Consortium Sdn Bhd	Malaysia	-	-	(3)10,000	100.00
Law Tien Soon	Malaysian	-	-	(4)10,000	100.00
Lee Chin Seong	Malaysian	-	-	(4)10,000	100.00
Soh Peng Nam	Malaysian	-	-	(4)10,000	100.00
Securemetric Berhad	Malaysia	-	-	(4)10,000	100.00
Law Seeh Key	Malaysian	-	-	(5)10,000	100.00

Notes:

- (1) Computed based on 10,000 ordinary shares in Innov8tif SG as at the LPD.
- (2) Deemed interested pursuant to its interest in Innov8tif Solutions pursuant to Section 8 of the Act.
- (3) Deemed interested pursuant to their interest in Innov8tif Holdings pursuant to Section 8 of the Act.
- (4) Deemed interested pursuant to their interest in Innov8tif Consortium Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested pursuant to his interest in Securemetric Berhad pursuant to Section 8 of the Act.

6.5 Subsidiary and associated company

As at the LPD, Innov8tif SG does not have any subsidiaries or associated companies.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

6.6 Type of assets owned

Based on the unaudited financial statements of Innov8tif SG for the FYE 31 December 2023, the total assets of Innov8tif SG amounted to SGD 0.33 million, which comprise of the following:

Assets	Unaudited FYE 31 December 2023 (SGD'000)
Trade and other receivables	
- Trade receivables ⁽¹⁾	244
- Other receivables	4
Cash and cash equivalents	82
Total assets	330

Note:

(1) Trade receivables represents 73.94% of the total assets. Trade receivables ageing analysis as at 31 December 2023 is as follows:

	Within credit period	Exceeding credit period (past due days)				Total
		1 – 30	31 – 60	61 – 90	Over 90	
Trade receivables as at 31 December 2023 (SGD'000)	26	170	-	-	48	244

Subsequent to 31 December 2023 and up to the LPD, Innov8tif SG collected SGD 0.20 million, which represented approximately 80.74% of the gross trade receivable as at 31 December 2023.

6.7 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by Innov8tif SG that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of Innov8tif SG.

6.8 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Innov8tif SG which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of Innov8tif SG.

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6.9 Material contracts

As at the LPD, Innov8tif SG has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years preceding the date of this Circular.

6.10 Material litigation

As at the LPD, Innov8tif SG is not involved in any material litigation, claims or arbitration and the directors of Innov8tif SG confirmed that there are no proceedings pending or threatened involving Innov8tif SG, or of any facts likely to give rise to any such proceedings.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

6.11 Financial information

A summary of the key financial information of Innov8tif SG based on the unaudited financial statements for the past 3 FYEs 31 December, 9-month FPE 30 September 2023 (from 1 January 2023 to 30 September 2023) and FPE 30 September 2024 (from 1 January 2024 to 30 September 2024) are set out as below for information.

Innov8tif SG	Unaudited ⁽¹⁾				
	FYE 31 December 2021 (SGD)	FYE 31 December 2022 (SGD)	FYE 31 December 2023 (SGD)	9-month FPE 30 September 2023 (SGD)	9-month FPE 30 September 2024 (SGD)
Revenue	613,758	725,801	1,151,738	385,775	670,368
PBT / (LBT)	100,831	100,859	86,407	(113,926)	117,969
PAT / (LAT)	96,472	92,781	78,213	(113,926)	101,048
Share capital	10,000	10,000	10,000	10,000	10,000
Shareholders' fund / NA	158,294	251,075	329,288	137,148	430,336
Total borrowings	-	-	-	-	-
Number of shares in issue	10,000	10,000	10,000	10,000	10,000
EPS / (LPS)	9.65	9.28	7.82	(11.39)	10.10
NA per share	15.83	25.11	32.93	13.71	43.03
Current ratio (times)	3.36	2.86	352.05	146.95	25.10
Gearing (times)	-	-	-	-	-

Note:

(1) Innov8tif SG is exempted from statutory audit under the Companies Act of Singapore.

Financial commentary

FYE 31 December 2023 compared to FYE 31 December 2022

Revenue increased by SGD 0.44 million or 58.69% from SGD 0.73 million for the FYE 31 December 2022 to SGD 1.15 million for the FYE 31 December 2023. This was mainly due to an increase in demand for the eKYC services in Singapore.

Despite the increase in revenue, Innov8tif SG's PAT decreased by SGD 0.01 million or 15.70% from SGD 0.09 million for the FYE 31 December 2022 to SGD 0.08 million for FYE 31 December 2023. This was mainly due to decrease in gross profit of SGD 0.04 million arising from increase in cost of purchases and materials consumed which includes, among others, increased software licensing fees and development costs.

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FYE 31 December 2022 compared to FYE 31 December 2021

Revenue increased by SGD 0.11 million or 18.26% from SGD 0.61 million for the FYE 31 December 2021 to SGD 0.73 million for the FYE 31 December 2022. This was mainly due to an increase in overall demand for the eKYC services in Singapore.

Despite the increase in revenue, Innov8tif SG's PAT decreased by SGD 3,691 or 3.83% from SGD 0.10 million for the FYE 31 December 2021 to SGD 0.09 million for FYE 31 December 2022. This was mainly due to increase in staff costs by SGD 0.01 million for an additional staff.

9-month FPE 30 September 2024 compared to 9-month FPE 30 September 2023

Revenue increased by SGD 0.28 million or 73.77% from SGD 0.39 million for the 9-month FPE 30 September 2023 to SGD 0.67 million for the 9-month FPE 30 September 2024. This was mainly due to an increase in demand for the eKYC in Singapore.

PAT of RM0.10 million was recorded for 9-month FPE 30 September 2024 as compared to a LAT of RM0.11 million for the 9-month FPE 30 September 2023. The PAT recorded was mainly due to increase in revenue as set out above.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

7. Brief information on Innov8tif KH

7.1 History and principal activities

Innov8tif KH was incorporated in Cambodia as a private limited liability company on 19 September 2023 under the Law on Commercial Enterprises 2005. Innov8tif KH commenced its operations on 19 September 2023 and is principally involved in Information technology consultation services.

The principal market of Innov8tif KH is Cambodia. Innov8tif KH derived its revenue entirely from Cambodia.

7.2 Share Capital

As at the LPD, the issued share capital of Innov8tif KH is KHR 80,000,000 comprising 1,000 ordinary shares.

7.3 Directors

As at the LPD, the Directors of Innov8tif KH are Lee Chin Seong and Soh Peng Nam.

7.4 Shareholders

As at the LPD, the shareholder of Innov8tif KH are as follows:

Shareholders	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Innov8tif Holdings	Malaysia	1,000	100.00	-	-
Revenue Group	Malaysia	-	-	(2)1,000	100.00
Berhad					
Innov8tif Consortium	Malaysia	-	-	(2)1,000	100.00
Sdn Bhd					
Law Tien Soon	Malaysian	-	-	(3)1,000	100.00
Lee Chin Seong	Malaysian	-	-	(3)1,000	100.00
Soh Peng Nam	Malaysian	-	-	(3)1,000	100.00
Securemetric	Malaysia	-	-	(3)1,000	100.00
Berhad					
Law Seeh Key	Malaysian	-	-	(4)1,000	100.00

Notes:

- (1) Computed based on 1,000 ordinary shares in Innov8tif KH as at the LPD.
- (2) Deemed interested pursuant to their interest in Innov8tif Holdings pursuant to Section 8 of the Act.
- (3) Deemed interested pursuant to their interest in Innov8tif Consortium Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested pursuant to his interest in Securemetric Berhad pursuant to Section 8 of the Act.

7.5 Subsidiary and associated company

As at the LPD, Innov8tif KH does not have any subsidiaries or associated companies.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

7.6 Type of assets owned

Based on the unaudited financial information of Innov8tif KH for the financial period from 19 September 2023 (date of incorporation) to 30 September 2024, the total assets of Innov8tif KH amounted to USD 0.04 million, which comprise of the following:

Assets	Unaudited Financial period from 19 September 2023 (date of incorporation) to 30 September 2024 (USD)
Intangible assets	344
Trade receivables ⁽¹⁾	1,473
Deposit and prepayment	9,196
Tax prepayment	251
Amount owing by Innov8tif Holdings Sdn Bhd	14,532
Cash and bank balances	19,381
Total assets	45,177

Note:

(1) Trade receivables represents 3.26% of the total assets. Trade receivable ageing analysis as at 30 September 2024 is as follows:

	Within credit period	Exceeding credit period (past due days)				Total
		1 – 30	31 – 60	61 – 90	Over 90	
Trade receivables as at 30 September 2024 (USD)	1,473	-	-	-	-	1,473

Subsequent to 30 September 2024 and up to the LPD, Innov8tif KH collected USD1,473, which represented the entire trade receivable as at 30 September 2024.

7.7 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by Innov8tif KH that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of Innov8tif KH.

7.8 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Innov8tif KH which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of Innov8tif KH.

7.9 Material contracts

As at the LPD, Innov8tif KH has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years preceding the date of this Circular.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

7.10 Material litigation

As at the LPD, Innov8tif KH is not involved in any material litigation, claims or arbitration and the directors of Innov8tif KH confirmed that there are no proceedings pending or threatened involving Innov8tif KH, or of any facts likely to give rise to any such proceedings.

7.11 Financial information

A summary of the key financial information of Innov8tif KH based on the unaudited financial information for the financial period from 19 September 2023 (date of incorporation) to 30 September 2024, are set out as below for information.

Innov8tif KH	Unaudited
	Financial period from 19 September 2023 (date of incorporation) to 30 September 2024 (USD)
Revenue	14,740
LBT	(91)
LAT	(2,705)
Share capital	20,000
Shareholders' fund / NA	18,288
Total borrowings	-
Number of shares in issue	1,000
LPS	(2.71)
NA per share	18.29
Current ratio (times)	1.67
Gearing (times)	-

There was no comparative financial information available for the financial period from 19 September 2023 (date of incorporation) to 30 September 2024 as Innov8tif KH was incorporated on 19 September 2023.

Financial commentary**Financial period from 19 September 2023 (date of incorporation) to 30 September 2024**

Innov8tif KH recorded a revenue of USD 0.01 million for the financial period from 19 September 2023 (date of incorporation) to 30 September 2024. This was derived from its eKYC business.

The Group recorded a LAT of USD 2,705 for the financial period from 19 September 2023 (date of incorporation) to 30 September 2024. The LAT recorded was mainly due to the gross profit of USD 5,465 partially set out by legal and professional fees amounted to approximately USD 2,448.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

8. Brief information on Xendity

8.1 History and principal activities

Xendity was incorporated in Malaysia as a private limited company on 1 November 2017 under the Act. Xendity commenced its operations on 1 November 2017 and is principally involved in software research and development.

The principal market of Xendity is Malaysia. Xendity derived its revenue entirely from Malaysia for the past 3 financial years.

8.2 Share Capital

As at the LPD, the issued share capital of Xendity is RM10,955,949 comprising 10,955,949 ordinary shares.

8.3 Directors

As at the LPD, the Directors of Xendity are Law Tien Soon, Lee Chin Seong, and Soh Peng Nam.

8.4 Shareholders

As at the LPD, the shareholder of Xendity are as follows:

Shareholders	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Innov8tif Holdings	Malaysia	10,955,949	100.00	-	-
Revenue Group	Malaysia	-	-	(2)10,955,949	100.00
Berhad					
Innov8tif Consortium	Malaysia	-	-	(2)10,955,949	100.00
Sdn Bhd					
Law Tien Soon	Malaysian	-	-	(3)10,955,949	100.00
Lee Chin Seong	Malaysian	-	-	(3)10,955,949	100.00
Soh Peng Nam	Malaysian	-	-	(3)10,955,949	100.00
Securemetric	Malaysia	-	-	(3)10,955,949	100.00
Berhad					
Law Seeh Key	Malaysian	-	-	(4)10,955,949	100.00

Notes:

- (1) Computed based on 10,955,949 ordinary shares in Xendity as at the LPD.
- (2) Deemed interested pursuant to their interest in Innov8tif Holdings pursuant to Section 8 of the Act.
- (3) Deemed interested pursuant to their interest in Innov8tif Consortium Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested pursuant to his interest in Securemetric Berhad pursuant to Section 8 of the Act.

8.5 Subsidiary and associated company

As at the LPD, Xendity does not have any subsidiaries or associated companies.

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APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

8.6 Type of assets owned

Based on the audited financial statements of Xendity for the FYE 31 March 2024, the total assets of Xendity amounted to RM4.23 million, which comprise of the following:

Assets	Audited FYE 31 March 2024 (RM'000)
Equipment	32
Intangible assets	292
Deferred tax assets	626
Trade receivables ⁽¹⁾	2,263
Other receivables and deposits	420
Tax recoverable	4
Cash and bank balances	618
Total assets	4,255

Note:

(1) Trade receivables represents 53.18% of the total assets. Trade receivable ageing analysis as at 31 March 2024 is as follows:

	Within credit period	Exceeding credit period (past due days)				Total
		1 – 30	31 – 60	61 – 90	Over 90	
Net trade receivables as at 31 March 2024 (RM'000)	290	221	312	187	1,253	2,263
(+) Accumulated impairment losses (RM'000)	45	35	264	244	1,110	1,698
Gross trade receivables as at 31 March 2024 (RM'000)	335	256	576	431	2,363	3,961

Subsequent to 31 March 2024 and up to the LPD, Xendity collected RM2.98 million, which represented approximately 75.21% of the trade receivable as at 31 March 2024.

8.7 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by Xendity that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of Xendity.

8.8 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Xendity which, upon becoming due or enforceable, may have a material impact on the financial position or the financial performance of Xendity.

8.9 Material contracts

As at the LPD, Xendity has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years preceding the date of this Circular.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

8.10 Material litigation

As at the LPD, Xendity is not involved in any material litigation, claims or arbitration and the directors of Xendity confirmed that there are no proceedings pending or threatened involving Xendity, or of any facts likely to give rise to any such proceedings.

8.11 Financial information

A summary of the key financial information of Xendity based on the audited financial statements for the past 3 FYEs 31 December as well as the unaudited financial information for 6-month FPE 30 September 2023 (from 1 April 2022 to 30 September 2023) and 6-month FPE 30 September 2024 (from 1 April 2023 to 30 September 2024) are set out as below for information.

	Audited			Unaudited	
	6-month FPE 31 December 2021 (RM)	15-month FPE 31 March 2023 (RM)	FYE 31 March 2024 (RM)	6-month FPE 30 September 2023 (RM)	6-month FPE 30 September 2024 (RM)
Xendity					
Revenue	1,152,888	4,419,725	4,513,923	2,173,250	1,686,371
PBT / (LBT)	(2,349,213)	(3,766,547)	(2,028,534)	(1,027,650)	632,232
PAT / (LAT)	(2,349,213)	(3,784,322)	(1,402,170)	(1,027,650)	632,232
Share capital	2,541,697	10,955,949	10,955,949	10,955,949	10,955,949
Shareholders' fund / NA / (NL)	(1,567,314)	3,062,616	1,660,446	3,106,111	2,292,678
Total borrowings	-	-	-	-	-
Number of shares in issue	2,541,697	10,955,949	10,955,949	10,955,949	10,955,949
EPS / (LPS)	(0.92)	(0.35)	(0.13)	(0.09)	0.06
NA / (NL) per share	(0.62)	0.28	0.15	0.28	0.21
Current ratio (times)	0.56	1.72	1.27	2.38	1.53
Gearing (times)	-	-	-	-	-

Financial commentary

FYE 31 March 2024 compared to 15-month FPE 31 March 2023

Revenue increased by RM0.09 million or 2.13% from RM4.42 million for the 15-month FPE 31 March 2023 to RM4.51 million for the FYE 31 March 2024. On an annualised basis, the revenue for the 15-month FPE 31 March 2023 was RM3.54 million and accordingly, the revenue for FYE 31 March 2024 represented an increase of approximately RM0.98 million or 27.66%. This was mainly due to an increase in demand for the eKYC services in Malaysia.

LAT decreased by RM2.38 million or 62.95% from RM3.78 million for the 15-month FPE 31 March 2023 to RM1.40 million for FYE 31 March 2024. This was mainly due to decrease in administrative expenses of RM1.60 million which mainly arising from decrease of staff costs for 9 staff.

APPENDIX II – INFORMATION ON THE INNOV8TIF HOLDINGS GROUP

15-month FPE 31 March 2023 compared to 6-month FPE 31 December 2021

Revenue increased by RM3.27 million or 283.36% from RM1.15 million for the 6-month FPE 31 December 2021 to RM4.42 million for the 15-month FPE 31 March 2023. On an annualised basis, the revenue for the 15-month FPE 31 March 2023 was RM3.54 million while the revenue for the 6-month FPE 31 December 2021 was RM2.31 million. Accordingly, the revenue for 15-month FPE 31 March 2023 represented an increase of approximately RM1.23 million or 53.34%. This was mainly due to an increase in demand for the eKYC services in Malaysia.

LAT increased by RM1.44 million or 61.09% from RM2.35 million for the 6-month FPE 31 December 2021 to RM3.78 million for 15-month FPE 31 March 2023. This was mainly due to the increase in amortisation of development cost of RM2.60 million. The increase of LAT was partially set off by decrease in net impairment loss on financial assets of RM1.17 million.

6-month FPE 30 September 2024 compared to 6-month FPE 30 September 2023

Revenue decreased by RM0.48 million or 22.40% from RM2.17 million for the 6-month FPE 30 September 2023 to RM1.69 million for the 6-month FPE 30 September 2024. This was mainly due to a decrease in demand for the eKYC services in Malaysia.

PAT of RM0.63 million was recorded for 6-month FPE 30 September 2024 as compared to a LAT of RM1.03 million for the 6-month FPE 30 September 2023. The PAT recorded was mainly decrease in amortisation of research and development of RM0.93 million.

NA / (NL)

The changes in Xendity's NA / (NL) are as follows:

	Amount (RM)
As at 31 December 2021 / 1 January 2022	(1,567,314)
Total comprehensive loss for the period	(3,784,322)
Issuance of shares*	8,414,252
As at 31 March 2023 / 1 April 2024	3,062,616
Total comprehensive loss for the year	(1,402,170)
As at 31 March 2024 / 1 April 2024	1,660,446
Total comprehensive profit for the period	632,232
As at 30 September 2024	2,292,678

* On 16 January 2023, Xendity increased its issued and paid-up share capital from RM2.54 million to RM10.96 million by way of issuance of 8,414,252 new ordinary shares in Xendity to Xendity Pte. Ltd. At the material time, Xendity was a wholly-owned subsidiary of Xendity Pte. Ltd.

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APPENDIX III – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors, collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

The information relating to the Purchaser has been obtained from Datasonic and the sole responsibility of the Board is limited to ensuring that such information is accurately reproduced in the Circular and the Board accepts no further or other responsibility in respect of such information.

2. CONSENT AND CONFLICT OF INTEREST**2.1 TA Securities**

TA Securities, being the Principal Adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

TA Securities has confirmed that there is no conflict of interest that exists or any circumstances which would or is likely to give rise to a possible conflict of interests in relation to its role as the Principal Adviser for the Proposed Disposal.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

As at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

Contingent liabilities

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

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4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:

- (i) Constitution of the Company;
- (ii) audited consolidated financial statements of Revenue for the 15-month FPE 30 September 2023 and FYE 30 September 2024;
- (iii) audited financial statements of Innov8tif Holdings Group for the past 3 financial years and the unaudited financial statements of Innov8tif Holdings Group up to September 2024;
- (iv) SSA; and
- (v) the letter of consents referred to in **Section 2** of **Appendix III** of this Circular.

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APPENDIX III – FURTHER INFORMATION

5. SEGMENTAL INFORMATION

Based on Revenue's audited consolidated financial statements for the past 4 financial years, the details of the operating segments are as follows:

Segments	Revenue				GP		
	FYE 30 September 2024 (RM'000)	15-month FPE 30 September 2023 (RM'000)	FYE 30 June 2022 (RM'000)	FYE 30 June 2021 (RM'000)	FYE 30 September 2024 (RM'000)	15-month FPE 30 September 2023 (RM'000)	FYE 30 June 2021 (RM'000)
EDC terminals	25,487	39,298	46,022	55,891	6,755	9,038	25,439
Electronic transaction processing ⁽⁴⁾	10,546	16,232	22,305	17,786	7,173	9,199	11,971
Solutions & services ⁽²⁾	28,372	13,461	12,996	⁽¹⁾ 12,600	19,594	3,567	⁽¹⁾ 6,864
Digital payment services ⁽³⁾	320,067	459,916	408,222	-	3,032	2,866	-
Others	2,953	3,026	620	-	541	2,060	-
Total	387,425	531,933	490,165	86,277	37,095	26,730	44,274

The PAT / (LAT) contribution from each business segments is not applicable as the Group only analyses its segmental results based on revenue and GP.

Notes:

- (1) Included digital payment services.
- (2) The financial performance of Innov8tif Holdings Group formed part of the solutions & services segment.
- (3) Digital payment services segment is the largest revenue contributor to the Group. This segment mainly consists of distribution and sale of prepaid airline top-ups. The revenue associated with this segment is recognised on a gross basis. The cost associated with the purchase of relevant inventories (such as prepaid airline top-ups) are subject to negotiation with the vendors. The Group will be able to earn a higher GP if the Group manage to negotiate for better discounts. The Group plans to expand this segment with increased transaction volume and inventories.

APPENDIX III – FURTHER INFORMATION

- (4) Electronic transaction processing contributed the highest GP margin among the operating segments. The Group acts in the capacity of an agent rather than as the principal for this segment hence the revenue recognised is the net amount of commission earned by the Group. The Group plans to expand this segment by onboarding more merchants / client.

For avoidance of doubt, due to the differing revenue recognition methods applied to each segment, electronic transaction processing appears to have a higher GP margin compared to digital payment services. In electronic transaction processing, the Group recognises revenue on a net basis, reflecting only the commission earned as an agent, which results in a higher margin. In contrast, digital payment services recognise revenue on a gross basis, as the Group acts as the principal in the sale of digital payment services. This method includes the total transaction value, which also factors in the associated costs of purchasing inventories, leading to a lower GP margin.

Both electronic transaction processing and digital payment services remain the Group's primary focus areas, rather than the segments that rely on one-off contracts such as the EDC terminal and solutions & services segments.

Financial commentary:

EDC terminals

The Group's revenue from EDC terminals had decreased by 54.40% to RM25.49 million in the FYE 30 September 2024 from RM55.89 million in FYE 30 June 2021. The GP derived from EDC terminals had decreased by 73.45% to RM6.76 million in the FYE 30 September 2024 from RM25.44 million in FYE 30 June 2021. The decrease in the revenue and GP from this segment was mainly due to lower sale of EDC terminals, lower average selling price per EDC terminal as well as lower rental rate per EDC terminal.

Electronic transaction processing

The Group's revenue from electronic transaction processing had increased by 25.41% to RM22.31 million in the FYE 30 June 2022 from RM17.79 million in FYE 30 June 2021, mainly due to an overall wider adoption of e-commerce transactions. The Group's revenue from electronic transaction processing had decreased by 52.72% to RM10.55 million in the FYE 30 September 2024 from RM22.31 million in the FYE 30 June 2022, mainly due to a lower average value per transaction processed.

In tandem with the revenue, the Group's GP from electronic transaction processing had increased by 18.06% to RM14.13 million in FYE 30 June 2022 from RM11.97 million in the FYE 30 June 2021, followed by a decrease of 49.25% to RM7.17 million in the FYE 30 September 2024.

APPENDIX III – FURTHER INFORMATION

Solutions & services

The Group's revenue from solutions & services had increased by 125.17% to RM28.37 million in the FYE 30 September 2024 from RM12.60 million in FYE 30 June 2021. Despite the increase in revenue, the GP from solutions & services had decreased by 48.03% to RM3.57 million in the 15-month FPE 30 September 2023 from RM6.86 million in FYE 30 June 2021, which was mainly due to completion of the Group's information technology development projects during the FYE 30 June 2022. The GP from solutions & services had increased by 449.31% to RM19.59 million in the FYE 30 September 2024 from RM3.57 million in the 15-month FPE 30 September 2023, which was mainly due to the 12 months contribution of Innov8tif Holdings' financial performance for the FYE 30 September 2024 as compared to its 4 months contribution (since the acquisition in June 2023) for the 15-month FPE 30 September 2023.

Digital payment services

The Group's revenue from digital payment services had increased by 12.66% to RM459.92 million in the 15-month FPE 30 September 2023 from RM408.22 million in FYE 30 June 2022, followed by a decrease by 30.41% to RM320.07 million in the FYE 30 September 2024. The revenue generated from this segment was mainly depend on the usage of such services by the end users. Notwithstanding the foregoing, the GP from digital payment services had increased by 42.55% to RM3.03 million in the FYE 30 September 2024 from RM2.13 million in FYE 30 June 2022. The increase in GP from digital payment services was mainly due to the change in the product mix and the rebate obtained from the suppliers via volume purchase.

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INNOV8TIF HOLDINGS SDN. BHD.

[Registration No. 202301002158 (1496077 - K)]
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD**

1 OCTOBER 2023 TO 30 SEPTEMBER 2024
(In Ringgit Malaysia)

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

INOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

CONTENTS	PAGE(S)
Statement by directors	1
Independent auditors' report	2 - 5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9 – 10
Notes to the financial statements	11 - 31

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS BY DIRECTORS

The directors of **INNOV8TIF HOLDINGS SDN. BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as of 30 September 2024 and of the financial performance and the cash flows of the Group for the financial period 1 October 2023 to 30 September 2024.

Signed on behalf of the Board



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

12.0 JAN 2025

Registration No.: 202301002158 (1496077 - K)



MORISON LC PLT (LLP0032572-LCA)
Chartered Accountants (AF 002469)
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Innov8tif Holdings Sdn. Bhd., which comprise the statement of financial position as at 30 September 2024 of the Group, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial period 1 October 2023 to 30 September 2024, and notes to the financial statements, as set out on pages 6 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group as at 30 September 2024, and of the financial performance and the cash flows of the Group for the financial period 1 October 2023 to 30 September 2024 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

Registration No.: 202301002158 (1496077 - K)

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. 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 that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the director are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Registration No.: 202301002158 (1496077 - K)

Auditors' responsibilities for the audit of the financial statements (continued)

- 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 that may cast significant doubt on the Group's ability to continue 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 disclosures in the financial statements of the Group 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements 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.

Registration No.: 202301002158 (1496077 - K)

Other Matter

This report is made solely to the Board of Directors of the Company, as a body, in conformity with the group audit instructions issued on 9 October 2024 for the purpose of the group audit of ultimate holding company, Revenue Group Berhad and for no other purpose. Our report should not be distributed to or used by parties other than the intended users. We do not assume responsibility to any other person for the content of this report.



**MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants**



**LIM WAN YINN
03262/04/2025 J
Chartered Accountant**

Petaling Jaya
20 January 2025

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 30 SEPTEMBER 2024
(With comparative figures for the financial period 1 June 2023 to 30 September 2023)

		Group	
	Note	2024 RM	2023 RM
Revenue	1	23,816,542	3,306,509
Cost of sales		(7,025,162)	(2,071,824)
Gross profit		16,791,380	1,234,685
Other incomes	2	771,662	12,534
Administrative expenses		(10,879,559)	(3,507,734)
Other operating expenses		(1,177,826)	(2,076,550)
Profit/(loss) from operations		5,505,657	(4,337,065)
Finance costs	4	(81,271)	(14,522)
Profit/(loss) before tax	5	5,424,386	(4,351,587)
Income tax expense	6	(138,038)	-
Profit/(loss) for the period		5,286,348	(4,351,587)
Other comprehensive profit/(loss) for the period, net of tax		-	-
Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period		5,286,348	(4,351,587)

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

		Group	
	Note	2024 RM	2023 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	252,695	183,884
Right-of-use assets	8	2,118,394	2,394,907
Intangible assets	9	14,555,196	14,282,396
Deferred tax assets	10	930,353	-
Total Non-Current Assets		17,856,638	16,861,187
Current Assets			
Trade receivables	11	4,732,339	3,368,813
Other receivables and deposits	12	2,139,431	847,015
Contract assets		602,501	-
Amount due from immediate holding company	13	3,600	3,600
Tax recoverable		-	32,000
Fixed deposit with a licensed bank	14	534,068	519,741
Cash and bank balances		5,217,611	2,551,308
Total Current Assets		13,229,550	7,322,477
Total Assets		31,086,188	24,183,664
EQUITY			
Share capital	15	60,500,000	60,500,000
Reserves	16	(37,460,559)	(42,439,149)
Total Equity		23,039,441	18,060,851
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	17	1,952,169	2,191,377
Current Liabilities			
Trade payables	18	936,900	1,504,523
Other payables and accrued expenses	19	1,732,883	1,689,024
Lease liabilities	17	239,209	234,369
Contract liabilities		2,230,623	503,520
Provision for taxation		954,963	-
Total Current Liabilities		6,094,578	3,931,436
Total Liabilities		8,046,747	6,122,813
Total Equity and Liabilities		31,086,188	24,183,664

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 1 OCTOBER 2023 TO 30 SEPTEMBER 2024
(With comparative figures for the financial period 1 June 2023 to 30 September 2023)

	Attributable to owners of the Company				
	Non-distributable		Distributable		
	Share capital	Merger reserves	(Accumulated losses)/	Retained earnings	Total equity
	RM	RM	RM	RM	RM
Group					
At 1 June 2023	60,500,000	70,747	(37,532,386)	(630,190)	22,408,171
Loss for the period, representing total comprehensive loss for the period	-	-	-	(4,351,587)	(4,351,587)
Foreign currency translation differences	-	4,267	-	-	4,267
At 30 September 2023	60,500,000	75,014	(37,532,386)	(4,981,777)	18,060,851
At 1 October 2023	60,500,000	75,014	(37,532,386)	(4,981,777)	18,060,851
Profit for the year, representing total comprehensive income for the year	-	-	-	5,286,348	5,286,348
Foreign currency translation differences	-	(307,758)	-	-	(307,758)
At 30 September 2024	60,500,000	(232,744)	(37,532,386)	304,571	23,039,441

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)**STATEMENTS OF CASH FLOWS**
FOR THE FINANCIAL PERIOD 1 OCTOBER 2023 TO 30 SEPTEMBER 2024
(With comparative figures for the financial period 1 June 2023 to 30 September 2023)

	Group	
	2024	2023
	RM	RM
Cash Flows From/(Used In) Operating Activities		
Profit/(Loss) before tax	5,424,386	(4,351,587)
Adjustments for:		
Amortisation of right-of-use assets	276,513	96,877
Amortisation of intangible assets	732,593	693,762
Bad debts written off	693	-
Depreciation of property, plant and equipment	136,557	42,642
(Reversal)/Allowance of impairment loss on trade receivables	(623,816)	1,170,629
Gain on disposal of property, plant and equipment	-	(3,264)
Interest expense	81,271	14,522
Interest income	(16,720)	(9,270)
Unrealised (gain)/loss on foreign exchange	(82,637)	43,495
Operating profit/(loss) before working capital changes	5,928,840	(2,302,194)
Changes in working capital:		
Trade receivables	(750,248)	926,278
Other receivables and deposits	(1,292,416)	(63,499)
Contract assets	(602,501)	-
Contract liabilities	1,727,103	844,537
Trade payables	(475,141)	126,267
Other payables and accrued expenses	43,859	121,950
Cash generated from/(used in) operations	4,579,496	(346,661)
Tax paid	(81,428)	(21,060)
Net cash from/(used in) operating activities	4,498,068	(367,721)
Cash Flows Used In Investing Activities		
Acquisition of intangible assets	(1,005,393)	-
Advances to immediate holding company	-	(3,600)
Purchase of property, plant and equipment	(205,341)	(51,409)
Proceed from disposal of property, plant and equipment	-	3,548
Interest received	16,720	9,270
Net cash used in investing activities	(1,194,014)	(42,191)

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD 1 OCTOBER 2023 TO 30 SEPTEMBER 2024 (CONT'D)
(With comparative figures for the financial period 1 June 2023 to 30 September 2023)

	Group	
	2024	2023
	RM	RM
Cash Flows Used In Financing Activity		
Interest paid	(81,271)	(14,522)
Repayment of lease liabilities	<u>(234,368)</u>	<u>(67,518)</u>
Net cash used in financing activity	<u>(315,639)</u>	<u>(231,598)</u>
Net increase/(decrease) in cash and cash equivalents	2,988,415	(491,952)
Cash and cash equivalents at the beginning of period	3,071,049	3,558,734
Effect of exchange rate changes on cash and cash equivalents	<u>(307,785)</u>	<u>4,267</u>
Cash and cash equivalents at the end of financial period	<u>5,751,679</u>	<u>3,071,049</u>
Cash and cash equivalents at the end of financial period comprise:		
Fixed deposit with a licensed bank	534,068	519,741
Cash and bank balances	<u>5,217,611</u>	<u>2,551,308</u>
	<u>5,751,679</u>	<u>3,071,049</u>

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 1 OCTOBER 2023 TO 30 SEPTEMBER 2024**

GENERAL INFORMATION

Details of the company and the subsidiary companies are as follows:

Name of entity	Effective ownership interest and voting interest		Principal place of business/Country of incorporation	Principal activities
	2024 %	2023 %		
Innov8tif Holdings Sdn. Bhd.	N/A	N/A	Malaysia	Investment holdings
Innov8tif Solutions Sdn. Bhd.	100	100	Malaysia	Involved in ICT system development, development and maintenance service with software trading and services
Innov8tif Technology Sdn. Bhd.	100	100	Malaysia	Engaged in information technology and event marketing business
Innov8tif Solutions Pte. Ltd.*	100	100	Singapore	Provide IT consultancy and computer services activities
Innov8tif Solutions Co., Ltd.*	100	-	Cambodia	Engaged in information technology consultation services.
Xendity Sdn. Bhd.	100	100	Malaysia	Engaged in business of development of software and programming activities

* Subsidiary not audited by Morison LC PLT. Subsidiary company without audited financial statements and auditors' reports but the unaudited financial statements of the subsidiary company adopted by the Group for the purpose of the consolidated financial statements of the Group.

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

1. REVENUE

	Group	
	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Revenue from contracts with customers	<u>23,816,542</u>	<u>3,306,509</u>
Timing of revenue:		
- Over time	<u>23,816,542</u>	<u>3,306,509</u>

Revenue represents invoiced value of services rendered less discounts allowed to customers.

Management expects that the remaining unsatisfied performance obligation as disclosed below will be recognised as revenue in the next year.

	Group	
	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Contract assets	602,501	-
Contract liabilities	<u>2,230,623</u>	<u>503,520</u>

The contract assets represent services that have been performed and satisfied but have not yet been billed.

The contract liabilities primarily relate to the advance consideration received from customers for maintenance and support, software renewal and annual developer license fee, which the revenues are recognised overtime during the provision of such services.

2. OTHER INCOMES

	Group	
	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Gain on disposal of property, plant and equipment	-	3,264
Gain on unrealised foreign exchange	82,637	-
Grant income	23,961	-
Interest income	16,720	9,270
Miscellaneous income	24,528	-
Reversal of impairment losses on trade receivables	<u>623,816</u>	<u>-</u>
	<u>771,662</u>	<u>12,534</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

3. STAFF COSTS

	Group	
	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Directors' defined contribution plans	136,898	38,048
Directors' fees	72,000	-
Directors' remuneration and other emoluments	2,355,039	369,813
Directors' social security contribution	1,805	419
Staff defined contribution plans	810,812	258,629
Staff social security contributions	73,810	26,595
Wages, salaries, bonus and allowances	5,104,567	2,418,703
	<u>8,554,931</u>	<u>3,112,207</u>

4. FINANCE COST

	Group	
	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Leases interests	<u>81,271</u>	<u>14,522</u>

5. PROFIT/(LOSS) BEFORE TAXATION

	Group	
	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Profit/(Loss) before tax is stated after charging/(crediting):		
Allowance of impairment loss on trade receivables	-	1,170,629
Amortisation of intangible assets	732,593	693,762
Amortisation of right-of-use assets	276,513	96,877
Auditors' remunerations	86,000	-
Bad debts written off	693	-
Depreciation of property, plant and equipment	136,557	42,642
Loss on realised foreign exchange	31,470	29,145
Loss on unrealised foreign exchange	-	43,495

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

6. INCOME TAX EXPENSE

	Group	
	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Current tax:		
Current year	1,068,391	-
Deferred tax (Note 10):		
Current year	(930,353)	-
Income tax credit	<u>138,038</u>	<u>-</u>

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

	<u>1/10/2023</u> <u>to</u> <u>30/09/2024</u> RM	<u>01/06/2023</u> <u>to</u> <u>30/09/2023</u> RM
Profit/(Loss) before tax	<u>5,424,386</u>	<u>(4,351,587)</u>
Taxation at Malaysian tax rate of 24%	1,301,853	(1,044,381)
Tax effect of expenses not deductible for tax purposes	173,859	468,778
Income no taxable	(339,335)	-
Deferred tax assets not recognised	-	575,691
Utilisation of deferred tax assets not recognised in prior period	<u>(998,339)</u>	<u>(88)</u>
	<u>138,038</u>	<u>-</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings RM	Office equipment RM	Computer hardware RM	Computer software RM	Leasehold improvements RM	Total RM
Group Cost						
1 June 2023	125,697	54,571	524,032	5,211	41,894	751,405
Additions	5,010	-	9,399	-	37,000	51,409
Disposal	(5,690)	-	-	-	-	(5,690)
As of 30 September 2023	125,017	54,571	533,431	5,211	78,894	797,124
As of 1 October 2023	125,017	54,571	533,431	5,211	78,894	797,124
Additions	56,000	9,876	88,317	1,643	49,505	205,341
Currency translation differences	-	-	(1,299)	-	-	(1,299)
As of 30 September 2024	181,017	64,447	620,449	6,854	128,399	1,001,166
Accumulated depreciation						
1 June 2023	108,546	41,842	387,666	5,204	32,746	576,004
Charge for the period	5,121	3,071	31,040	-	3,410	42,642
Disposal	(5,406)	-	-	-	-	(5,406)
As of 30 September 2023	108,261	44,913	418,706	5,204	36,156	613,240
As of 1 October 2023	108,261	44,913	418,706	5,204	36,156	613,240
Charge for the period	19,790	7,830	87,739	258	20,940	136,557
Currency translation differences	-	-	(1,297)	(29)	-	(1,326)
As of 30 September 2024	128,051	52,743	505,148	5,433	57,096	748,471
Net carrying amount						
As of 30 September 2024	52,966	11,704	115,301	1,421	71,303	252,695
As of 30 September 2023	16,756	9,658	114,725	7	42,738	183,884

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The depreciation rate for the current period are as follows :-

	<u>%</u>
Furniture and fittings	20
Office Equipment	20
Computer hardware	33.33
Computer software	33.33
Leasehold improvements	20

8. RIGHT-OF-USE ASSETS

	Premises RM
Group Cost	
At 1 June 2023	308,782
Additions	2,460,070
Termination of lease contracts	<u>(171,641)</u>
At 30 September 2023/1 October 2023	2,597,211
Termination of lease contracts	<u>(137,140)</u>
At 30 September 2024	<u>2,460,071</u>
Accumulated amortisation	
At 1 June 2023	277,068
Charge for the financial period	96,877
Termination of lease contracts	<u>(171,641)</u>
At 30 September 2023/1 October 2023	202,304
Charge for the financial period	276,513
Termination of lease contracts	<u>(137,140)</u>
At 30 September 2024	<u>341,677</u>
Carrying amount	
At 30 September 2024	<u>2,118,394</u>
At 30 September 2023	<u>2,394,907</u>

	2024	2023
The remaining useful lives for the current period are as follows :-		
	<u>Months</u>	<u>Months</u>
Premises - Unit E-05-01	-	1
Premises - Level 9-01, Wisma Conlay	93	105

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

9. INTANGIBLE ASSETS

	Goodwill RM	Software RM	Research and development RM	Total RM
Group				
2023				
Cost				
At 1 June 2023/1 September 2023	13,549,803	125,987	4,374,847	18,050,637
Additions	-	-	1,005,393	1,005,393
At 30 September 2024	<u>13,549,803</u>	<u>125,987</u>	<u>5,380,240</u>	<u>19,056,030</u>
Accumulated depreciation				
At 1 June 2023	-	125,987	2,948,492	3,074,479
Charge for the financial period	-	-	693,762	693,762
At 30 September 2023	-	125,987	3,642,254	3,768,241
At 1 October 2023	-	125,987	3,642,254	3,768,241
Charge for the financial period	-	-	732,593	732,593
At 30 September 2024	<u>-</u>	<u>125,987</u>	<u>4,374,847</u>	<u>4,500,834</u>
Carrying amount				
At 30 September 2024	<u>13,549,803</u>	<u>-</u>	<u>1,005,393</u>	<u>14,555,196</u>
At 30 September 2023	<u>13,549,803</u>	<u>-</u>	<u>732,593</u>	<u>14,282,396</u>

	2024	2023
The remaining useful lives for the current period are as follows :-		
	<u>Months</u>	<u>Months</u>
Research and development	-	2 - 9

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

10. DEFERRED TAX ASSETS

	Group	
	<u>30/09/2024</u>	<u>30/09/2023</u>
	RM	RM
At beginning of financial period	-	-
Transfer to profit or loss	930,353	-
At end of financial period	930,353	-

The deferred tax assets recognised in financial statements as shown above after appropriate offsetting are as follows:

	Group	
	<u>30/09/2024</u>	<u>30/09/2023</u>
	RM	RM
Deferred tax assets	1,477,950	1,608,393
Deferred tax liability	(547,597)	(579,584)
Deferred tax assets recognised/not recognised in prior year	930,353	1,028,809

Deferred tax assets recognised in financial statements are in respect of the tax effects of the following:

	Group	
	<u>30/09/2024</u>	<u>30/09/2023</u>
	RM	RM
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Unabsorbed capital allowances	2,144	27,141
Unused tax losses	424,725	744,174
Lease liabilities	525,931	582,179
Contract liabilities	525,150	244,460
Unrealised loss on foreign exchange	-	10,439
Offsetting	(547,597)	(579,584)
Deferred tax assets recognised/not recognised (after offsetting)	930,353	1,028,809
Deferred tax liabilities (before offsetting)		
Temporary differences arising from:		
Property, plant and equipment	22,054	4,806
Right-of-use assets	508,415	574,778
Unrealised gain foreign exchange	17,128	-
Offsetting	(547,597)	(579,584)
Deferred tax liabilities (after offsetting)	-	-

Registration No.: 202301002158 (1496077 - K)

10. DEFERRED TAX ASSETS (CONT'D)

The tax effects of deductible temporary differences, unabsorbed capital allowance and unused tax losses which would give rise to net deferred tax asset are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowance can be utilised. As of 30 September 2024, the estimated amount of unused tax losses and unabsorbed capital allowances for which no deferred tax assets are recognised in the financial statements due to uncertainty of their realisation, is as follows:

	Group	
	<u>30/09/2024</u>	<u>30/09/2023</u>
	RM	RM
Unused tax losses	1,769,690	3,100,725
Unabsorbed capital allowance	<u>8,935</u>	<u>113,088</u>
	<u>1,778,625</u>	<u>3,213,813</u>

The unutilised capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective companies, subjects to same business source and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the respective companies up to the following financial years.

	Group	
	<u>30/09/2024</u>	<u>30/09/2023</u>
	RM	RM
Year of assessment 2033	<u>1,769,690</u>	<u>3,100,725</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

11. TRADE RECEIVABLES

	Group	
	2024 RM	2023 RM
Trade receivables	5,837,398	5,097,688
Less: Accumulated impairment losses	<u>(1,105,059)</u>	<u>(1,728,875)</u>
	<u>4,732,339</u>	<u>3,368,813</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Movements in the impairment loss on trade receivables during the financial period are as follows:

	Group	
	2024 RM	2023 RM
At 1 October 2023/1 June 2023	1,728,875	558,246
Reversal of impairment loss	(623,816)	(5,948)
Impairment loss recognised	<u>-</u>	<u>1,176,577</u>
At 30 September 2024/30 September 2023	<u>1,105,059</u>	<u>1,728,875</u>

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

	Gross amount RM	Loss allowance RM	Net amount RM
2024			
Neither past due nor impaired	1,237,828	(39,126)	1,198,702
Past due:			
Less than 30 days	918,935	(104,012)	814,923
31 to 60 days	408,327	(72,956)	335,371
61 to 90 days	513,688	(130,858)	382,830
91 to 120 days	334,887	(64,561)	270,326
More than 121 days	2,379,034	(648,847)	1,730,187
Total past due	4,554,871	(1,021,234)	3,533,637
Individually impaired	<u>44,699</u>	<u>(44,699)</u>	<u>-</u>
	<u>5,837,398</u>	<u>(1,105,059)</u>	<u>4,732,339</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

11. TRADE RECEIVABLES (CONT'D)

	Gross amount RM	Loss allowance RM	Net amount RM
2023			
Neither past due nor impaired	990,777	(315,497)	675,280
Past due:			
Less than 30 days	464,862	(133,758)	331,104
31 to 60 days	63,449	(97)	63,352
61 to 90 days	9,390	(25)	9,365
More than 121 days	3,561,611	(1,271,899)	2,289,712
Total past due	5,090,089	(1,721,276)	3,368,813
Individually impaired	7,599	(7,599)	-
	<u>5,097,688</u>	<u>(1,728,875)</u>	<u>3,368,813</u>

The Group has applied a provision matrix in calculating loss allowance for trade receivables at an amount equal to lifetime ECL. The Group estimated the loss allowance on trade receivables by applying an ECL rate at each reporting period. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of general economic conditions of the industry and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

12. OTHER RECEIVABLES AND DEPOSITS

	Group	
	2024	2023
	RM	RM
Other receivables	1,387,742	846,583
Prepayments	103,472	-
Deposits	648,217	432
	<u>2,139,431</u>	<u>847,015</u>

13. AMOUNT DUE FROM IMMEDIATE HOLDING COMPANY

The amount due from immediate holding company is unsecured, interest free and repayable on demand.

14. FIXED DEPOSIT WITH A LICENSED BANK

Fixed deposit with a licensed bank earns interest at rate of 2.75% (2023: 2.76%) per annum and has maturity period of 3 months (2023: 3 months).

15. SHARE CAPITAL

	Group			
	2024		2023	
	Number of shares Units	Amount RM	Number of shares Units	Amount RM
Issued and fully paid				
Ordinary shares:				
At beginning and end of financial year/period	<u>1,407,000</u>	<u>60,500,000</u>	<u>1,407,000</u>	<u>60,500,000</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

16. RESERVES

	Group	
	2024 RM	2023 RM
Reserve		
Merger reserve (a)	(37,532,386)	(37,532,386)
Translation reserve (b)	(232,744)	75,014
Retained earnings/(Accumulated losses)	304,571	(4,981,777)
	<u>(37,460,559)</u>	<u>(42,439,149)</u>

(a) Merger reserve

The merger reserve arose from the merger acquisition of Innov8tif Solutions Sdn. Bhd. by the Group.

(b) Translation reserve

The translation reserve arose from foreign currency translation from Singapore Dollar and US Dollar to Ringgit Malaysia.

17. LEASE LIABILITIES

	Group	
	2024 RM	2023 RM
At beginning of period	2,425,746	33,194
Additions	-	2,460,070
Accretion of interest (Note 4)	81,271	14,522
Payment of interest expense	(81,271)	(14,522)
Payment of principal	<u>(234,368)</u>	<u>(67,518)</u>
At end of year/period	<u>2,191,378</u>	<u>2,425,746</u>
Presented as :		
Current liabilities	239,209	234,369
Non-current liabilities	<u>1,952,169</u>	<u>2,191,377</u>
	<u>2,191,378</u>	<u>2,425,746</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

17. LEASE LIABILITIES (CONT'D)

The maturity analysis of right-of-use lease liabilities as of the end of financial year/period

	Group	
	2024	2023
	RM	RM
Repayable within one year	312,240	315,632
Repayable within one to two years	312,240	312,240
Repayable within two to five years	944,526	936,720
Repayable more than five years	944,526	1,264,572
	<u>2,513,532</u>	<u>2,829,164</u>
Less: Future finance charges	<u>(322,154)</u>	<u>(403,418)</u>
Present value of right-of-use lease liabilities	<u>2,191,378</u>	<u>2,425,746</u>

18. TRADE PAYABLES

The credit terms granted to the Group ranged from 30 days (2023: 30 days) depending on the terms of the contracts.

19. OTHER PAYABLES AND ACCRUED EXPENSES

	Group	
	2024	2023
	RM	RM
Other payables	1,554,297	1,133,431
Accrued expenses	178,586	40,530
Deferred revenue	-	515,063
	<u>1,732,883</u>	<u>1,689,024</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1 October 2024/ 1 June 2023 RM	Financing cash flow RM	New finance lease (Note 16) RM	At 30 September RM
2024				
Lease liabilities	2,425,746	(234,368)	-	2,191,378
2023				
Lease liabilities	33,194	(67,518)	2,460,070	2,425,746

21. 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 has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group 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 either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The payment for key management personnel compensation during the financial period is stated in Note 3.

Registration No.: 202301002158 (1496077 - K)

22. 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 following table analyses the financial assets and 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 amortised cost	
	2024 RM	2023 RM
Group		
Financial assets		
Trade receivables	4,732,339	3,368,813
Other receivables and deposits	2,035,959	847,015
Amount due from immediate holding company	3,600	3,600
Fixed deposit with a licensed bank	534,068	519,741
Cash and bank balances	5,217,611	2,551,308
Financial liabilities		
Lease liabilities	2,191,378	2,425,746
Trade payables	936,900	1,504,523
Other payables and accrued expenses	1,732,883	1,173,961

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group'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.

Registration No.: 202301002158 (1496077 - K)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

The Group have 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 deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Company assesses whether any of the receivables are credit impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Credit risk concentration profile

At the end of the financial period, there was no significant concentration of credit risk. The Group perform ongoing evaluation of its customers and related parties' financial position and requires no collateral from them.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from mismatches of the maturities of financial assets and liabilities.

The Group's funding requirements and liquidity risks 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.

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2024						
Financial liabilities:						
Trade payables	936,900	936,900	936,900	-	-	-
Other payables and accrued expenses	1,732,883	1,732,883	1,732,883	-	-	-
Lease liabilities	2,191,378	2,513,532	312,240	312,240	944,526	944,526
	<u>4,897,715</u>	<u>5,219,869</u>	<u>3,018,577</u>	<u>312,240</u>	<u>944,526</u>	<u>944,526</u>
2023						
Financial liabilities:						
Trade payables	1,504,523	1,504,523	1,504,523	-	-	-
Other payables and accrued expenses	1,173,961	1,173,961	1,173,961	-	-	-
Lease liabilities	2,425,746	2,829,164	315,632	312,240	936,720	1,264,572
	<u>5,104,230</u>	<u>5,507,648</u>	<u>2,994,116</u>	<u>312,240</u>	<u>936,720</u>	<u>1,264,572</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Fair values of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short-term nature of these financial instruments.

	Fair value of financial instruments not carried at fair value Level 2 RM	Carrying amount RM
2024		
Financial liability		
Lease liabilities	1,871,754	2,191,378
2023		
Financial liability		
Lease liabilities	2,034,787	2,425,746

Registration No.: 202301002158 (1496077 - K)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(iv) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transaction that are denominated in foreign currencies such as United States Dollar ("USD") and Singapore Dollar ("SGD").

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

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:

	USD RM	Denominated in SGD RM	Total RM
2024			
Trade receivables	6,052	205,212	211,264
Other receivables and deposits	38,802	18,959	57,761
Cash and bank balances	79,609	1,213,372	1,292,981
Trade payables	(67,893)	(2,567)	(70,460)
Other payables and accruals	(60)	-	(60)
	<u>56,510</u>	<u>1,434,976</u>	<u>1,491,486</u>
2023			
Trade receivables	-	173,398	173,398
Other receivables and deposits	-	13,958	13,958
Cash and bank balances	-	293,975	293,975
Trade payables	-	(2,791)	(2,791)
	<u>-</u>	<u>478,540</u>	<u>478,540</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No.: 202301002158 (1496077 - K)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(iv) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

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

Currency	Change in Currency rate	Effect on profit before tax	
		2024 RM	2023 RM
USD	Strengthen 10% (2023: 10%)	5,651	-
	Weakened 10% (2023: 10%)	(5,651)	-
SGD	Strengthen 10% (2023: 10%)	143,498	47,854
	Weakened 10% (2023: 10%)	<u>(143,498)</u>	<u>(47,854)</u>

23. SUBSEQUENT EVENTS AFTER FINANCIAL YEAR ENDED

On 4 November 2024, Revenue Group Berhad entered into Shares Sale Agreement (SSA) with Datasonic Group Berhad for the proposed disposal of its entire 51.00% equity interest in Innov8tif Holdings Sdn. Bhd. for a cash consideration of RM40,000,000

INNOV8TIF HOLDINGS SDN. BHD.

[Company No. 202301002158 (1496077 - K)]
(Incorporated in Malaysia)

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD
18 JANUARY 2023 (DATE OF INCORPORATION)
TO 31 DECEMBER 2023
(In Ringgit Malaysia)**

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

CONTENTS	PAGE(S)
Directors' report	1 - 6
Statement by directors	7
Declaration by the directors primarily responsible for the financial management of the Company	8
Independent auditors' report	9 - 12
Statements of profit or loss and other comprehensive income	13
Statements of financial position	14 - 15
Statements of changes in equity	16
Statements of cash flows	17 - 19
Notes to the financial statements	20 - 54

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **INNOV8TIF HOLDINGS SDN. BHD.** hereby submitting their report together with the audited financial statements of the Group and of the Company for the financial period 18 January 2023 (date of incorporation) to 31 December 2023.

INCORPORATION AND PRINCIPAL ACTIVITY

The Company was incorporated on 18 January 2023. The principal activity of the Company is investment holdings. The principal activities of the subsidiary companies are disclosed in Note 14 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial period are as follows:

	The Group RM	The Company RM
Loss before tax	(1,336,202)	(58,006)
Income tax credit	<u>428,214</u>	<u>-</u>
Loss for the financial period	<u>(907,988)</u>	<u>(58,006)</u>
Attributable to:		
Owners of the Company	<u>(907,988)</u>	<u>(58,006)</u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the date of incorporation as the Company does not have any distributable reserves.

RESERVES AND PROVISIONS

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

Company No.: 202301002158 (1496077 - K)

ISSUE OF SHARES AND DEBENTURES

The Company was incorporated on 18 January 2023 with an issued and paid-up of RM1 share capital consisting of 1 ordinary shares of RM1 each.

During the financial period, the issued and paid-up capital of the Company was increase from RM1 comprising 1 ordinary shares of RM1 each to RM60,500,000, comprising 1,407,000 ordinary shares of RM42.9993 by way of the:

- i. allotment of 999,999 new ordinary shares amounting to RM42,999,999 to its corporate shareholder, Innov8tif Consortium Sdn. Bhd. pursuant to a Directors' resolution dated 9 February 2023. The issued and paid-up capital of the Company was increase from RM1 comprising 1 ordinary shares of RM1 each to RM43,000,000, comprising 1,000,000 ordinary shares of RM43 each.
- ii. issuance of 407,000 new ordinary shares by way of capitalisation of amount owing to the shareholder, Innov8tif Consortium Sdn. Bhd. of RM17,500,000 pursuant to a Directors' resolution dated 26 April 2023. The issued and paid-up capital of the Company was increase from RM43,000,000 comprising 1,000,000 ordinary shares of RM43 each to RM60,500,000, comprising 1,407,000 ordinary shares of RM42.9993 each.

These new ordinary shares rank pari passu with the existing ordinary shares of the Company.

The Company did not issue any new debentures during the financial period.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial period, there were no unissued shares of the Company under options.

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 proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that adequate allowance had been made for doubtful debt and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

Company No.: 202301002158 (1496077 - K)

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the directors is not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of 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) 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; or
 - (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.
- (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 period which secures the liability of any other person; and
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

DIRECTORS

The directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Soh Peng Nam*	(First director)
Lee Chin Seong*	(Appointed on 19 January 2023)
Leong Seng Wui	(Appointed on 26 May 2023)
Teh Chee Hoe	(Appointed on 26 May 2023)
Hor Weng Kuan	(Appointed on 26 May 2023)
Law Tien Soon*	(Appointed on 19 January 2023 and resigned on 26 May 2023)
Yong Kim Fui	(Appointed on 19 January 2023 and resigned on 26 May 2023)

Company No.: 202301002158 (1496077 - K)

DIRECTORS (CONT'D)

* Directors of the Company and its subsidiary companies

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

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 and at the end of the financial period.

DIRECTORS' BENEFITS

Since the date of incorporation, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the directors or with a firm of which the directors is a member, or with a company in which the directors has a substantial financial interest.

Details of directors' remuneration paid or payable to the directors of the Group during the financial period are as follows:

	RM
Directors' remuneration and other emoluments	998,089
Directors' fees	72,000
Directors' defined contribution plans	128,598
Directors' social security contributions	3,476
	<u>1,202,163</u>

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS, AND AUDITORS

There were 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.

HOLDING COMPANY

The ultimate holding company is Revenue Group Berhad which is incorporated in Malaysia. Revenue Group Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

Company No.: 202301002158 (1496077 - K)

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 14 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial period 18 January 2023 (date of incorporation) to 31 December 2023 are RM34,000 and RM10,000 respectively.

Company No.: 202301002158 (1496077 - K)

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

This report was approved by the Board of Directors on **15 FEB 2024**

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

15 FEB 2024

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **INNOV8TIF HOLDINGS SDN. BHD.** state that, in their opinion, the accompanying financial statements 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 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the period 18 January 2023 (date of incorporation) to 31 December 2023.

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

15 FEB 2024

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

**DECLARATION BY THE DIRECTORS PRIMARILY RESPONSIBLE FOR THE
FINANCIAL MANAGEMENT OF THE COMPANY**

I, **SOH PENG NAM**, the director primarily responsible for the financial management of **INNOV8TIF HOLDINGS SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.



SOH PENG NAM

Subscribed and solemnly declared by the
abovenamed **SOH PENG NAM** at
PETALING JAYA in the state of Selangor
Darul Ehsan on **15 FEB 2024**

Before me,



COMMISSIONER FOR OATHS
No. 11-2B, Jalan PJU 1/3F,
Sunwaymas Commercial Centre,
47301 Petaling Jaya, Selangor



MORISON LC PLT (LLP0032572-LCA)
Chartered Accountants (AF 002469)
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INNOV8TIF HOLDINGS SDN. BHD.**

Company No.: 202301002158 (1496077 - K)
(Incorporated in Malaysia)

Report on The Financial Statements

Opinion

We have audited the financial statements of **INNOV8TIF HOLDINGS SDN. BHD.**, which comprise the statements of financial position of the Group and of the Company as of 31 December 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period 18 January 2023 (date of incorporation) to 31 December 2023, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 54.

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 of 31 December 2023, and of their financial performance and of their cash flows for the period 18 January 2023 (date of incorporation) to 31 December 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis For Opinion

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

Independence and Other Ethical Responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INNOV8TIF HOLDINGS SDN. BHD.**

Company No.: 202301002158 (1496077 - K)
(Incorporated in Malaysia)

Information Other Than The Financial Statements And Auditors' Report Thereon

The directors of the Company is responsible for the other information. The other information comprises the Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, 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 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 determines 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 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 intends 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 these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INNOV8TIF HOLDINGS SDN. BHD.**

Company No.: 202301002158 (1496077 - K)
(Incorporated in Malaysia)

Auditors' Responsibilities For The Audit Of The Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of 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 that may cast significant doubt on the Group's or the Company's ability to continue 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 disclosures 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 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INNOV8TIF HOLDINGS SDN. BHD.**

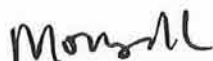
Company No.: 202301002158 (1496077 - K)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in note 14 to the financial statements.

Other Matter

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 towards any other person for the contents of this report.



MORISON LC PLT
202206000028(LLP0032572-LCA)
Chartered Accountants (AF 002469)



LIM WAN YINN
No. 03262/04/2025 J
Partner of the firm

Petaling Jaya
15 FEB 2024

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 18 JANUARY 2023 (DATE OF INCORPORATION)
TO 31 DECEMBER 2023**

	Note	The Group 18/1/2023 to 31/12/2023 RM	The Company 18/1/2023 to 31/12/2023 RM
Revenue	5	18,243,758	-
Cost of sales		(6,477,362)	-
Gross profit		11,766,396	-
Other income	6	495,361	-
Administrative expenses		(10,601,937)	(58,006)
Other operating expenses		(2,951,566)	-
Finance costs	8	(44,456)	-
Loss before tax	9	(1,336,202)	(58,006)
Income tax credit	10	428,214	-
Loss for the period		(907,988)	(58,006)
Other comprehensive loss for the period, net of tax		-	-
Total comprehensive loss for the period		(907,988)	(58,006)
Loss for the financial period attributable to:			
Owners of the Company		(907,988)	(58,006)
Total comprehensive loss for the financial period attributable to:			
Owners of the Company		(907,988)	(58,006)

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		The Group	The Company
		2023	2023
	Note	RM	RM
ASSETS			
Non-Current Assets			
Plant and equipment	11	270,887	-
Intangible assets	12	212,271	-
Right-of-use assets	13	2,323,400	-
Investment in subsidiaries company	14	-	60,500,000
Deferred tax assets	15	752,772	-
Goodwill	16	14,620,948	-
Total Non-Current Assets		18,180,278	60,500,000
Current Assets			
Trade receivables	17	5,784,574	-
Other receivables, deposits and prepayments	18	1,315,342	-
Amount due from related company	19	3,600	-
Fixed deposits with a licensed bank	20	523,343	-
Cash and bank balances		3,221,080	19,324
Total Current Assets		10,847,939	19,324
TOTAL ASSETS		29,028,217	60,519,324

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (CONT'D)

	Note	The Group 2023 RM	The Company 2023 RM
EQUITY AND LIABILITIES			
Share capital	21	60,500,000	60,500,000
Exchange translation reserve		90,312	-
Merger reserves	22	(37,370,855)	-
Accumulated losses		(1,907,988)	(58,006)
Total equity		<u>21,311,469</u>	<u>60,441,994</u>
Non-Current Liability			
Lease liabilities	23	<u>2,132,358</u>	<u>-</u>
Total Non-Current Liability		<u>2,132,358</u>	<u>-</u>
Current Liabilities			
Trade payables	24	1,503,477	-
Other payables and accrued expenses	25	2,103,477	53,730
Amount due to a subsidiary	26	-	23,600
Contract liabilities	27	1,653,444	-
Lease liabilities	23	233,008	-
Provision for taxation		90,984	-
Total Current Liabilities		<u>5,584,390</u>	<u>77,330</u>
Total Liabilities		<u>7,716,748</u>	<u>77,330</u>
TOTAL EQUITY AND LIABILITIES		<u>29,028,217</u>	<u>60,519,324</u>

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 18 JANUARY 2023 (DATE OF INCORPORATION) TO 31 DECEMBER 2023**

		Attributable to owners of the Company				
		Non-distributable				
Note	Share capital RM	Translation reserve RM	Merger reserves RM	Accumulated losses RM	Total RM	
The Group						
At date of incorporation	1	-	-	-	1	
Issuance of shares	60,499,999	-	-	-	60,499,999	
Foreign currency translation	-	90,312	-	-	90,312	
Acquisition of subsidiaries	-	-	(37,370,855)	-	(37,370,855)	
Total comprehensive loss for the period	-	-	-	(907,988)	(907,988)	
Dividend	-	-	-	(1,000,000)	(1,000,000)	
As at 31 December 2023	60,500,000	90,312	(37,370,855)	(1,907,988)	21,311,469	
The Company						
At date of incorporation	1	-	-	-	1	
Issuance of shares	60,499,999	-	-	-	60,499,999	
Total comprehensive loss for the period	-	-	-	(58,006)	(58,006)	
As at 31 December 2023	60,500,000	-	-	(58,006)	60,441,994	

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

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

**FOR THE FINANCIAL PERIOD 18 JANUARY 2023 (DATE OF INCORPORATION)
TO 31 DECEMBER 2023**

	The Group 2023 RM	The Company 2023 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax	(1,336,202)	(58,006)
Adjustments for:		
Amortisation of right-of-use asset	203,997	-
Amortisation of intangible assets	1,387,525	-
Depreciation of plant and equipment	119,071	-
Loss on impairment of trade receivables	1,204,702	-
Gain on disposal of plant and equipment	(3,265)	-
Interest expenses	44,456	-
Interest income	(44,676)	-
Unrealised loss on foreign exchange	32,024	-
Operating Profit/(Loss) Before Working Capital Changes	1,607,632	(58,006)
Increase in:		
Trade receivables	(1,484,509)	-
Other receivables, deposits and prepayments	(636,816)	-
Increase/(decrease) in:		
Trade payables	754,833	-
Other payables and accrued expenses	(218,214)	53,730
Contract liabilities	983,151	-
Cash From/(Used In) Operating Activities	1,006,077	(4,276)
Income tax paid	(84,905)	-
Net cash From/(Used In) Operating Activities	921,172	(4,276)

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

**FOR THE FINANCIAL PERIOD 18 JANUARY 2023 (DATE OF INCORPORATION)
TO 31 DECEMBER 2023 (CONT'D)**

	The Group 2023 RM	The Company 2023 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of plant and equipment	(189,659)	-
Proceed from disposal of plant and equipment	3,550	-
Net cash inflow from acquisition of subsidiary	4,556,595	-
Investment in subsidiary	-	(1)
Interest received	44,676	-
Advances to related company	(3,600)	-
Net Cash From/(Used In) Investing Activities	4,411,562	(1)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Dividend paid	(1,000,000)	-
Interest expense	(44,456)	-
Repayment of term loan	(436,946)	-
Repayment of lease liabilities	(164,779)	-
Advances from a subsidiaries	-	23,600
Net Cash (Used In)/From Financing Activities	(1,646,181)	23,600
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,686,553	19,323
CASH AND CASH EQUIVALENTS AT DATE OF ACQUISITION/INCORPORATION	1	1
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	57,869	-
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	3,744,423	19,324

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

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD 18 JANUARY 2023 (DATE OF INCORPORATION)
TO 31 DECEMBER 2023 (CONT'D)**

	The Group 2023 RM	The Company 2023 RM
Cash and cash equivalents comprise:		
Fixed deposit with a licensed banks	523,343	-
Cash and bank balances	<u>3,221,080</u>	<u>19,324</u>
	<u>3,744,423</u>	<u>19,324</u>

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

Company No.: 202301002158 (1496077 - K)

INNOV8TIF HOLDINGS SDN. BHD.

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD 31 DECEMBER 2023**

1. CORPORATE INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company was incorporated on 18 January 2023. The principal activity of the Company is investment holdings.

The principal activity of the subsidiary companies is disclosed in Note 14.

The registered office of the Company is located at 24-10, Stellar Suites, Jalan Puteri 4/7, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan.

The principal place of business of the Company is located at Level 9-02, Wisma Conlay, No.1, Jalan USJ10/1, 47620 Subang Jaya, Selangor Darul Ehsan.

The ultimate holding company is Revenue Group Berhad which is incorporated in Malaysia. Revenue Group Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), the currency of the primary economic environment in which the Company operates (its functional currency).

The financial statements of the Group and of the Company have been authorised for issuance by the Directors on 15 February 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of Compliance

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

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

Company No.: 202301002158 (1496077 - K)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(a) Statement of Compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company has not applied the following new 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 annual periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The directors anticipate that the abovementioned amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the material accounting policy information. Historical cost is generally based on the fair value of the consideration given in exchange for assets, liabilities and goods and services.

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Basis of Consolidation

(a) Subsidiary company

Investments in subsidiaries are measured in the Company's statement of financial position at cost less accumulated impairment losses

(b) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group except for those business combinations which were accounted using merger method of accounting.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a gain on bargain purchase is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill arising from business combination

Goodwill arising from business combination represents the excess of cost of the acquisition over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at costs less any accumulated impairment losses.

Functional and presentation currency

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

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis over its useful economic life. The principal annual rates used are as follows:

Furniture and fittings	20%
Office equipment	20%
Computer hardware	33.33%
Computer software	33.33%
Leasehold improvements	20%

Intangible Assets

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any.

The development expenditure is amortised on a straight-line method over a period of 3 years when the services are ready for sale or use.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (“FVTPL”).

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (ii) below).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

(i) *Amortised cost and effective interest method (Cont'd)*

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated investment in quoted unit trust and other investment as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss from other financial assets are recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other operating income” or “other operating expenses” line item.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses (“ECL”) on trade receivables, other receivables and deposits, amount owing from related company, fixed deposit as well as cash and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The Group and the Company consider past loss experience, timing of billing and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Probability of default

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 365 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Company No.: 202301002158 (1496077 - K)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Revenue recognition

Revenue from services rendered

The Group recognises revenue from services rendered which consist of software and system maintenance and support, software development, programming, subscription and license fee.

Customers' subscription to the software and system maintenance and support services sometimes includes the provision of subscription and license fees, as well as devices. The provision of devices is exclusively for the use of the Group's maintenance services and does not represent distinct services or goods. Therefore, it is accounted for as a single performance obligation satisfied over time. Revenue is recognised over the period the services are rendered.

The amount of revenue recognised is the amount allocated to the satisfied performance obligation, net of discounts and taxes applicable to the revenue.

Leases

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined as follows:

	<u>Months</u>
Premises	105 months

The lease liabilities are initially measured at the present value of the lease payments that are paid at commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. Low value assets are those assets valued at less than RM20,000 each when purchased new. The Group recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

Lessor accounting

The Group recognises lease payments received from rental of machineries under operating leases as income on a straight-line basis over the lease term as part of revenue.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits 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.

Company No.: 202301002158 (1496077 - K)

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the Group 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 end of the reporting period. 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.

(a) Critical judgements in applying the accounting policies

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

Satisfaction of performance obligations in relation to contracts with customers

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

The Group recognises revenue over time in the following circumstances:

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

(b) 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:

Company No.: 202301002158 (1496077 - K)

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

Useful lives of plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of plant and equipment and ROU assets. The carrying amount at the reporting date for plant and equipment and ROU assets are disclosed in Notes 11 and 13 respectively.

Discount rate used in leases

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

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 16.

Company No.: 202301002158 (1496077 - K)

4. **CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(b) **Key sources of estimation uncertainty (Cont'd)**

Provision for expected credit loss of financial assets at amortised cost

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss are disclosed in Note 17.

5. **REVENUE**

The Group
18/01/2023
to
31/12/2023
RM

Revenue from contracts with customers:

Timing of revenue :

- Over time 18,243,758

Revenue from services rendered which consist of software and system maintenance and support, software development, programming, subscription and license fee. The services not yet provided is recorded as contract liability (see note 27) and recognised as revenue over the period when the services are rendered.

6. **OTHER INCOME**

The Group
18/01/2023
to
31/12/2023
RM

Gain on disposal of property, plant and equipment	3,265
Grant income	447,420
Interest income	<u>44,676</u>
	<u>495,361</u>

Company No.: 202301002158 (1496077 - K)

7. STAFF COSTS

	The Group <u>18/01/2023</u> to <u>31/12/2023</u> RM
Directors' defined contribution plans	128,598
Directors' remuneration and other emoluments	998,089
Directors' social security contribution	3,476
Staff defined contribution plans	704,871
Staff social security contributions	71,026
Wages, salaries, bonus and allowances	<u>6,186,572</u>
	<u>8,092,632</u>

8. FINANCE COSTS

	The Group <u>18/01/2023</u> to <u>31/12/2023</u> RM
Lease interest	36,222
Term loan interest	<u>8,234</u>
	<u>44,456</u>

9. LOSS BEFORE TAX

Loss before tax is stated after charging/(crediting):

	The Group <u>18/01/2023</u> to <u>31/12/2023</u> RM	The Company <u>18/01/2023</u> to <u>31/12/2023</u> RM
Auditors' remuneration – current year	34,000	10,000
Auditors' remuneration – underprovision in previous year	2,000	-
Amortisation of right-of-use asset	203,997	-
Amortisation of intangible assets	1,387,525	-
Depreciation of property and equipment	119,071	-
Directors' fees	72,000	-
Incorporation fees	2,600	2,600
Loss on impairment on trade receivables	1,204,702	-
Expenses relating to short term leases	75,913	-
Realised loss on foreign exchange	4,247	-
Unrealised loss on foreign exchange	<u>32,024</u>	<u>-</u>

Company No.: 202301002158 (1496077 - K)

10. INCOME TAX CREDIT

	The Group 18/01/2023 to 31/12/2023 RM	The Company 18/01/2023 to 31/12/2023 RM
Current tax:		
Current year	162,830	-
Underprovision in prior year	198	-
	163,028	-
Deferred tax (Note 15):		
Current year	(591,242)	-
Income tax credit	(428,214)	-

A reconciliation of income tax credit applicable to loss before tax at the applicable statutory income tax rate to income tax credit at the effective income tax rate of the Group and of the Company is as follows:

	The Group 18/01/2023 to 31/12/2023 RM	The Company 18/01/2023 to 31/12/2023 RM
Loss before tax	(1,336,202)	(58,006)
Tax at the statutory tax rate of 24%	(320,688)	(13,921)
Effect of expenses not deductible for tax purposes	76,275	13,921
Income not taxable	(36,213)	-
Utilisation of deferred tax assets	(147,786)	-
Underprovision of current tax in prior year	198	-
Income tax credit for the financial period	(428,214)	-

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 202301002158 (1496077 - K)

11. PLANT AND EQUIPMENT

The Group	Office equipment RM	Furniture and fittings RM	Computer hardware RM	Computer software RM	Leasehold improvement RM	Total RM
2023						
Cost						
At 18 January 2023 (date of incorporation)	-	-	-	-	-	-
Acquisition of subsidiary companies	54,571	125,698	506,802	5,211	41,893	734,175
Addition	-	61,010	42,144	-	86,505	189,659
Disposal	-	(5,690)	-	-	-	(5,690)
As at 31 December 2023	54,571	181,018	548,946	5,211	128,398	918,144
Accumulated depreciation						
At 18 January 2023 (date of incorporation)	-	-	-	-	-	-
Acquisition of subsidiary companies	38,004	102,113	359,015	5,204	29,255	533,591
Charge for the financial period	9,211	16,331	81,859	-	11,670	119,071
Disposal	-	(5,405)	-	-	-	(5,405)
As at 31 December 2023	47,215	113,039	440,874	5,204	40,925	647,257
Net carrying amount						
At 31 December 2023	7,356	67,979	108,072	7	87,473	270,887

Company No.: 202301002158 (1496077 - K)

12. INTANGIBLE ASSETS

	Software RM	Research and development RM	Total RM
The Group			
2023			
Cost			
At 18 January 2023 (date of incorporation)	-	-	-
Acquisition of subsidiary companies	125,987	4,374,847	4,500,834
At 31 December 2023	<u>125,987</u>	<u>4,374,847</u>	<u>4,500,834</u>
Accumulated amortisation			
At 18 January 2023 (date of incorporation)	-	-	-
Acquisition of subsidiary companies	125,987	2,775,051	2,901,038
Charge for the financial period	-	1,387,525	1,387,525
At 31 December 2023	<u>125,987</u>	<u>4,162,576</u>	<u>4,288,563</u>
Net carrying amount			
At 31 December 2023	<u>-</u>	<u>212,271</u>	<u>212,271</u>

13. RIGHT-OF-USE ASSETS

	The Group RM
Premises	
2023	
Cost	
At 18 January 2023 (date of incorporation)	-
Acquisition of subsidiary companies	308,781
Additions	2,460,071
Termination of lease contracts	(308,781)
At 31 December 2023	<u>2,460,071</u>
Accumulated amortisation	
At 18 January 2023 (date of incorporation)	-
Acquisition of subsidiary companies	241,455
Charge for the financial period	203,997
Termination of lease contracts	(308,781)
At 31 December 2023	<u>136,671</u>
Net carrying amount	
At 31 December 2023	<u>2,323,400</u>

The remaining useful lives for the current period are as follows:-

	Months
Premises- Level 9-01, Wisma Conlay	102

Company No.: 202301002158 (1496077 - K)

14. INVESTMENT IN SUBSIDIARIES COMPANY

	The Company RM
Unquoted shares - at cost	
At 18 January 2023 (date of incorporation)	-
Addition during the period	60,500,000
At 31 December 2023	60,500,000

The details of the subsidiary companies are as follows:

Name of company	Place of Business/ Country of Incorporation	Effective ownership interest	Principal activities
		31.12.2023 %	
Innov8tif Solutions Sdn. Bhd.	Malaysia	100	Engaged in ICT system development, development and maintenance service with software trading and services.
Xendity Sdn. Bhd.*	Malaysia	100	Engaged in the business of development of software and programming activities.
<u>Held through</u> <u>Innov8tif</u> <u>Solutions Sdn.</u> <u>Bhd.</u>			
Innov8tif Technology Sdn. Bhd.	Malaysia	100	Engaged in information technology and event marketing business.
Innov8tif Technology Pte. Ltd #	Singapore	100	Provide IT consultancy and computer services activities.

*The financial information of the subsidiary was unaudited as at 31 December 2023.

#Subsidiary not audited by Morison LC PLT. Subsidiary company without audited financial statements and auditors' reports but the unaudited financial statements of the subsidiary company adopted by the Group for the purpose of the consolidated financial statements of the Group.

(a) Acquisition in Innov8tif Solutions Sdn. Bhd.

On 25 January 2023, the Company acquired 562,500 shares, representing 100% equity interest in Innov8tif Solutions Sdn. Bhd. from Innov8tif Consortium Sdn. Bhd. with consideration of RM43,000,000 which to be satisfied by allotment and issuance of 999,999 new ordinary shares of the Company to the shareholder Innov8tif Consortium Sdn. Bhd. in exchange for shares of the Innov8tif Solutions Sdn. Bhd.

Company No.: 202301002158 (1496077 - K)

14. INVESTMENT IN SUBSIDIARIES COMPANY (CONT'D)

(a) Acquisition in Innov8tif Solutions Sdn. Bhd. (Cont'd)

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

(i) Fair value of consideration transferred

	RM
Non-cash consideration, representing total consideration transferred	<u>43,000,000</u>

(ii) Assets acquired and liabilities assumed at the date of acquisition

	RM
Plant and equipment	147,647
Right-of-use assets	67,326
Deferred tax assets	161,530
Trade receivables	3,164,264
Other receivables	269,351
Fixed deposit with a licensed bank	2,039,530
Cash and bank balances	2,365,770
Trade payables	(592,373)
Other payables	(771,084)
Tax payable	(13,060)
Contract liability	(670,293)
Term loan	(436,946)
Lease liability	<u>(70,074)</u>
Total identifiable net assets acquired, at fair value	<u>5,661,588</u>

(ii) Net cash inflow arising from acquisition of subsidiary company

	RM
Purchase consideration paid in cash	-
Cash and bank acquired	<u>4,405,300</u>
Net cash inflows on acquisition of subsidiary company	<u>4,405,300</u>

(iii) Merger reserves arising from business combination

	RM
Fair value of consideration transferred	43,000,000
Total identified net assets acquired	<u>(5,661,588)</u>
Merger reserves	<u>37,338,412</u>

Company No.: 202301002158 (1496077 - K)

14. INVESTMENT IN SUBSIDIARY COMPANY (CONT'D)

(b) Acquisition in Xendity Sdn. Bhd.

On 10 May 2023, the Company acquired 10,955,949 shares, representing 100% equity interest in Xendity Sdn. Bhd. with consideration of RM17,500,000 which to be satisfied by allotment and issuance of 407,000 new ordinary shares of the Company to Innov8tif Consortium Sdn. Bhd. by way of capitalisation of shareholder's advance.

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

(i) Fair value of consideration transferred

	RM
Non-cash consideration, representing total consideration transferred	<u>17,500,000</u>

(ii) Assets acquired and liabilities assumed at the date of acquisition

	RM
Plant and equipment	52,937
Intangible assets	1,599,796
Trade receivables	2,335,973
Other receivables	409,373
Cash and bank balances	151,295
Trade payables	(119,717)
Other payables	<u>(1,550,605)</u>
Total identifiable net assets acquired, at fair value	<u>2,879,052</u>

(iii) Net cash inflow arising from acquisition of subsidiary company

	RM
Purchase consideration paid in cash	-
Cash and bank acquired	<u>151,295</u>
Net cash inflows on acquisition of subsidiary company	<u>151,295</u>

(iv) Goodwill arising from business combination

	RM
Fair value of consideration transferred	17,500,000
Total identified net assets acquired	<u>(2,879,052)</u>
Goodwill arising on acquisition	<u>14,620,948</u>

Company No.: 202301002158 (1496077 - K)

15. DEFERRED TAX ASSETS

	The Group 2023 RM
At beginning of financial period	-
Acquisition of subsidiary companies	161,530
Transfer to profit or loss	591,242
At end of financial period	<u>752,772</u>

The deferred tax assets recognised in financial statements as shown above after appropriate offsetting are as follows:

	The Group 2023 RM
Deferred tax assets	1,340,277
Deferred tax liability	(587,505)
Deferred tax assets recognised	<u>752,772</u>

Deferred tax assets recognised in financial statements are in respect of the tax effects of the following:

	The Group 2023 RM
Deferred tax assets (before offsetting)	
Temporary differences arising from:	
Unused tax losses	368,077
Unrealised foreign exchange	7,686
Deferred revenue	20,640
Lease liabilities	567,688
Contract liabilities	376,186
Offsetting	(587,505)
Deferred tax assets recognised	<u>752,772</u>
Deferred tax liabilities (before offsetting)	
Temporary differences arising from:	
Property, plant and equipment	587,505
Offsetting	(587,505)
Deferred tax liabilities (after offsetting)	<u>-</u>

Company No.: 202301002158 (1496077 - K)

16. GOODWILL

	The Group 2023 RM
Cost	
At 18 January (date of incorporation)	-
Addition through business combination (Note 14(b)(iv))	<u>14,620,948</u>
At 31 December	<u>14,620,948</u>
Net carrying amount	
At 31 December	<u>14,620,948</u>

- a. Goodwill has been allocated to the Group's cash generating units ("CGU") identified according to business segment as follows:

	The Group 2023 RM
Information technology (IT) services	<u>14,620,948</u>

- b. Impairment test for goodwill

The recoverable amounts of the CGUs are determined based on value-in-use calculations using cash flow projections from financial forecasts with key assumptions approved by management.

Information technology (IT) services

The recoverable amount of CGUs in information technology segment were based on its value-in-use, determined by discounting future cash flows generated.

Value-in-use was determined by discounting the 5 years projected cash flows and terminal value expected to be generated from continuing use of the CGU and was based on the following key assumptions;

- Cashflows were projected for 5 years and expected to grow continuously based on expected revenue from information technology (IT) services;
- Budgeted growth rates range from 14% to 18% per annum;
- Terminal growth rate of 2.5% per annum; and
- A pre-tax discount of 9.4% was applied in determining the recoverable amount of the unit.

Company No.: 202301002158 (1496077 - K)

16. GOODWILL (CONT'D)

c. Sensitivity analysis is presented as follows:

The management believes that a reasonably possible change in any of the above the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

17. TRADE RECEIVABLES

	The Group 2023 RM
Trade debtors	7,801,876
Less: Accumulated impairment losses	<u>(2,017,302)</u>
At 31 December	<u>5,784,574</u>

The Group's and the Company's normal trade credit terms range from 90 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

Movements in the impairment losses on trade receivables during the financial period are as follows:

	The Group 2023 RM
At 18 January (date of incorporation)	-
Acquisition of subsidiary companies	558,246
Impairment loss on trade receivables	<u>1,459,056</u>
	<u>2,017,302</u>

Company No.: 202301002158 (1496077 - K)

17. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing as at the end of the reporting year are as follows:

	Gross amount RM	Loss allowance RM	Carrying amount RM
The Group			
31.12.2023			
Not past due	2,424,647	(567)	2,424,080
Past due:			
Less than 30 days	1,272,143	(186,339)	1,085,804
31 to 60 days	368,731	(78,427)	290,304
60 to 90 days	723,324	(386,256)	337,068
More than 90 days	3,005,432	(1,358,114)	1,647,318
	<u>5,369,630</u>	<u>(2,009,136)</u>	<u>3,360,494</u>
	7,794,277	(2,009,703)	5,784,574
Individually impaired	<u>7,599</u>	<u>(7,599)</u>	<u>-</u>
	<u>7,801,876</u>	<u>(2,017,302)</u>	<u>5,784,574</u>

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2023 RM
Other receivables	432
Deposits	491,061
Prepayments	<u>823,849</u>
	<u>1,315,342</u>

19. AMOUNT DUE FROM RELATED COMPANY

The amount due from related company is unsecured, interest-free and repayable on demand.

20. FIXED DEPOSIT WITH A LICENSED BANKS

The fixed deposit pledged with a licensed banks of the Group earns an interest at effective interest rate of 2.75% per annum and have maturity period ranging 3 months.

Company No.: 202301002158 (1496077 - K)

21. **SHARE CAPITAL**

	The Company 2023	
	Number of shares Units	Amount RM
Issued and fully paid		
Ordinary shares:		
At beginning of financial period	1	1
Issued during the period	<u>1,406,999</u>	<u>60,499,999</u>
At end of financial period	<u>1,407,000</u>	<u>60,500,000</u>

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitle to one vote per ordinary shares at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. **MERGER RESERVES**

The merger reserve represents the difference between the carrying value of the investment in subsidiary company and the share capital of the subsidiary companies acquired upon consolidation under the merger accounting principle.

23. **LEASE LIABILITIES**

	The Group 2023 RM
At 18 January (date of incorporation)	-
Acquisition of subsidiary companies	70,074
Additions	2,460,071
Accretion of interest (Note 8)	36,222
Payment of interest	(36,222)
Payment of principal	<u>(164,779)</u>
At 31 December	<u>2,365,366</u>
Minimum lease liabilities repayments:	
Within 1 year	312,240
Later than 1 year but not later than 2 years	312,240
Later than 2 years but not later than 5 years	936,720
More than 5 years	<u>1,186,512</u>
	<u>2,747,712</u>
Less: Future finance charges	<u>(382,346)</u>
	<u>2,365,366</u>

Company No.: 202301002158 (1496077 - K)

23. LEASE LIABILITIES (CONT'D)

Present value of minimum lease liabilities repayments:

Within 1 year	233,008
Later than 1 year but not later than 2 years	241,312
Later than 2 years but not later than 5 years	776,775
More than 5 years	<u>1,114,271</u>

2,365,366

Analysed by

Current portion	233,008
Non-current portion	<u>2,132,358</u>

2,365,366

24. TRADE PAYABLES

The credit term granted to the Group ranged from 30 days depending on the terms of the contracts.

25. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group 2023 RM	The Company 2023
Other payables	1,862,415	1,730
Accrued expenses	<u>241,062</u>	<u>52,000</u>
	<u>2,103,477</u>	<u>53,730</u>

26. AMOUNT DUE TO A SUBSIDIARY COMPANY

The amount due to a subsidiary company is unsecured, interest-free and repayable on demand.

27. CONTRACT LIABILITIES

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following years:-

	The Group 2023 RM
Within 1 year	1,649,543
Between 1 and 2 years	<u>3,901</u>
	<u>1,653,444</u>

Company No.: 202301002158 (1496077 - K)

28. DIVIDENDS

	2023 RM
The Group	
Dividends recognised as distribution by a subsidiary company to its ordinary shareholders	
In respect of the financial period ended 31 December 2023: An interim final single tier dividend of RM1.78 per share amounting to RM1,000,000 is declared and paid on 20 January 2023	<u>1,000,000</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No. 202301002158 (1496077 - K)

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 18 January RM	Financing cash flow RM	Non-cash changes	New lease liabilities RM	Others (i) RM	At 31 December RM
The Group 2023						
Term loan	-	(436,946)	-	-	436,946	-
Lease liabilities	-	(164,779)	2,460,071	2,460,071	70,074	2,365,366

(i) Others is arising from the acquisition of subsidiary companies

Company No.: 201101030830 (958965 - W)

30. RELATED PARTY TRANSACTION

(a) Identifying Related Parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. 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 Company either directly or indirectly. The key management personnel comprise the directors and management personnel of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company 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 to the financial statements, the significant related party transactions of the Company are as follows:

	2023 RM
Transactions with subsidiary companies	
Sale of services	3,306,740
Purchase of services	<u>(1,145,000)</u>

(c) Key Management Personnel Compensation

The payment for key management personnel compensation during the financial year is stated in Note 7 and Note 9.

31. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Company No.: 201101030830 (958965 - W)

31. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of Financial Instruments (Cont'd)

	At amortised cost	
	The Group	The Company
	2023	2023
	RM	RM
Financial assets		
Trade receivables	5,784,574	-
Other receivables and deposits	491,493	-
Amount due from related company	3,600	-
Fixed deposits with licensed banks	523,343	-
Cash and bank balances	3,221,080	19,324
Financial liabilities		
Trade payables	1,503,477	-
Other payables and accrued expenses	2,103,477	53,730
Amount due to a subsidiary	-	23,600
Lease liabilities	2,365,366	-

(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 the Company's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company's operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Group's and the Company's risk management seeks to minimise the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are disclosed below.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables.

Company No.: 201101030830 (958965 - W)

31. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

The Group and the Company have 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 deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts

At each reporting date, the Group and the Company assesses whether any of the receivables are credit impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Credit risk concentration profile

At the end of the financial year, there was no significant concentration of credit risk. The Group and the Company perform ongoing evaluation of its customers and related parties' financial position and requires no collateral from them.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position.

Company No. 202301002158 (1496077 - K)

31. FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	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
The Group						
2023						
Non-derivative financial liabilities						
Trade payables	1,503,477	-	-	-	1,503,477	1,503,477
Other payables and accrued expenses	2,103,477	-	-	-	2,103,477	2,103,477
Lease liabilities	312,240	312,240	936,720	1,186,512	2,747,712	2,365,366
	<u>3,919,194</u>	<u>312,240</u>	<u>936,720</u>	<u>1,186,512</u>	<u>6,354,666</u>	<u>5,972,320</u>
The Company						
2023						
Non-derivative financial liabilities						
Other payables and accrued expenses	53,730	-	-	-	53,730	53,730
Amount due to a subsidiary	23,600	-	-	-	23,600	23,600
	<u>77,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,330</u>	<u>77,330</u>

Company No.: 202301002158 (1496077 - K)

31. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk

(a) Foreign currency risk

The Group and the Company do not have foreign currency dominated financial assets and financial liabilities at the end of the reporting period.

(b) Interest rate risk

The Group's and the Company's lease liabilities 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 and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amount at the end of the reporting period was:

	2023
	RM
The Group	
Fixed rate instruments	
Fixed deposit with licensed banks	523,343
Lease liabilities	<u>2,365,366</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do 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.

Company No.: 202301002158 (1496077 - K)

31. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and bank balances approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

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

	The Group	
	Fair value of financial instruments not carried at fair value Level 2	Carrying amount
31.12.2023		
Financial liability		
Lease liability	1,992,568	2,365,366

(i) Level 1 fair value

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

(ii) 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.

(iii) Level 3 fair value

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

Company No.: 202301002158 (1496077 - K)

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

	2023 RM
The Group	
Lease liabilities	2,365,366
Less: Cash and cash equivalents	<u>(3,744,423)</u>
Net debt	<u>(1,379,057)</u>
Total equity	<u>21,311,469</u>
Gearing ratio (times)	<u>*</u>

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

* Gearing ratio is not applicable as the Group has sufficient cash and bank balances to settle the outstanding debt.

33. COMPARATIVE FIGURES

As the financial statements are drawn up for the first time, no comparative figures are presented.

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
[Company No. 201101030830 (958965 - W)]
(Incorporated in Malaysia)

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
(In Ringgit Malaysia)

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

CONTENTS	PAGE(S)
Directors' report	1 – 5
Statement by directors	6
Declaration by the directors primarily responsible for the financial management of the Company	7
Independent auditors' report	8 - 11
Statements of profit or loss and other comprehensive income	12
Statements of financial position	13 - 14
Statements of changes in equity	15 - 16
Statements of cash flows	17 - 19
Notes to the financial statements	20 - 74

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **INNOV8TIF SOLUTIONS SDN. BHD.**, hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are involved in the ICT system development, development and maintenance service with software trading and services.

The principal activities of the subsidiary companies are disclosed in Note 13 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit/(loss) before tax	405,131	(69,708)
Income tax credit	<u>130,654</u>	<u>54,635</u>
Profit/(loss) for the financial year	<u>535,785</u>	<u>(15,073)</u>
Attributable to:		
Owners of the Company	<u>535,785</u>	<u>(15,073)</u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, except for the adoption of Malaysian Financial Reporting Standards as disclosed in Note 2(a) to the financial statements.

DIVIDENDS

In respect of the financial year ended 31 December 2023, the Company has declared and paid a final single tier dividend amounting to RM1,000,000 on 20 January 2023.

Company No.: 201101030830 (958965 - W)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

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 proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debt and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or the amount of 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) 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; or

Company No.: 201101030830 (958965 - W)

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the directors are not aware of any circumstances: (Cont'd)
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; and
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Lee Chin Seong*
Law Tien Son*
Soh Peng Nam*
Yong Kim Fui (Resigned on 5 December 2023)

* Directors of the Company and its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is to Section 253 of the Companies Act, 2016 is
ion 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

According to the Register of Directors' Shareholdings required to be kept under the Companies Act, 2016, none of the directors who held office at the end of the financial year held any shares or debentures in the Company or its related corporation during the year under review.

Company No.: 201101030830 (958965 - W)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the directors or with a firm of which the directors is a member, or with a company in which the directors has a substantial financial interest.

Details of directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:

	Group and Company RM
Directors' remuneration and other emoluments	998,089
Directors' fees	72,000
Directors' defined contribution plans	128,598
Directors' social security contributions	3,476
	<u>1,202,163</u>

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS, AND AUDITORS

There were 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.

HOLDING COMPANIES

The directors regard Innov8tif Holdings Sdn Bhd. and Revenue Group Berhad, which are incorporated in Malaysia as immediate and ultimate holdings companies. Revenue Group Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 13 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 are RM24,000 and RM20,000 respectively.

Company No.: 201101030830 (958965 - W)

AUDITORS

The auditors, MORISON LC PLT, have indicated their willingness to continue in office.

This report was approved by the Board of Directors on **15 FEB 2024**

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

15 FEB 2024

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **INNOV8TIF SOLUTIONS SDN. BHD.** state that, in their opinion, the accompanying financial statements 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 of 31 December 2023 and of their financial performance and cash flows of the Group and of the Company for the year then ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

15 FEB 2024

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

**DECLARATION BY THE DIRECTORS PRIMARILY RESPONSIBLE FOR THE
FINANCIAL MANAGEMENT OF THE COMPANY**

I, **SOH PENG NAM**, the director primarily responsible for the financial management of **INNOV8TIF SOLUTIONS SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.




SOH PENG NAM

Subscribed and solemnly declared by the
abovenamed **SOH PENG NAM** at **PETALING
JAYA** in the state of Selangor Darul Ehsan on

15 FEB 2024

Before me,


COMMISSIONER FOR OATHS
No. 11-2B, Jalan PJU 1/3F,
Sunwaymas Commercial Centre,
47301 Petaling Jaya, Selangor



MORISON LC PLT (LLP0032572-LCA)
Chartered Accountants (AF 002469)
A-11-12, Menara Avenue,
Jalan PJU 1/39, Dataran Prima,
47301 Petaling Jaya, Selangor.
+603 7660 9380 / +603 7481 4288
morisonlc.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INNOV8TIF SOLUTIONS SDN. BHD.**

Company No.: 201101030830 (958965 - W)
(Incorporated in Malaysia)

Report on The Financial Statements

Opinion

We have audited the financial statements of **INNOV8TIF SOLUTIONS SDN. BHD.**, which comprise the statements of financial position of the Group and of the Company as of 31 December 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 12 to 74.

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 of 31 December 2023, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis For Opinion

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

Independence and Other Ethical Responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INNOV8TIF SOLUTIONS SDN. BHD.**

Company No.: 201101030830 (958965 - W)
(Incorporated in Malaysia)

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 Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, 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 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 determines 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 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 intends 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 these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INNOV8TIF SOLUTIONS SDN. BHD.**

Company No.: 201101030830 (958965 - W)
(Incorporated in Malaysia)

Auditors' Responsibilities For The Audit Of The Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of 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 that may cast significant doubt on the Group's or the Company's ability to continue 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 disclosures 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 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INNOV8TIF SOLUTIONS SDN. BHD.**

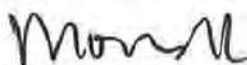
Company No.: 201101030830 (958965 - W)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in note 13 to the financial statements.

Other Matters

- (a) The financial statements of the Group and of the Company for the preceding financial year ended 31 December 2022 were audited by another firm of auditors are presented here merely for comparative purposes. The report issued by the predecessor auditors, which has dated 23 February 2023, expressed an unmodified opinion.
- (b) As stated in Note 2 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 January 2023 with a transition date of 1 January 2022. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2022 and 1 January 2022 and the statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 December 2022 and related disclosures. We were not engaged to report on these comparative information which are now presented in accordance with Malaysian Financial Reporting Standards and hence, it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2023 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2023 do not contain misstatements that materially affect the financial position as at 31 December 2023 and financial performance and cash flows for the year then ended.
- (c) This report is made solely to the member 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 towards any other person for the contents of this report.



MORISON LC PLT
202206000028(LLP0032572-LCA)
Chartered Accountants (AF 002469)



KIM WAN YINN
No. 03262/04/2025 J
Partner of the firm

Petaling Jaya
15 FEB 2024

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

		The Group		The Company	
	Note	2023 RM	2022 RM (Restated)	2023 RM	2022 RM (Restated)
Revenue	5	14,586,923	12,654,408	13,979,823	10,453,735
Cost of sales		<u>(5,451,513)</u>	<u>(5,330,432)</u>	<u>(5,650,397)</u>	<u>(3,790,872)</u>
Gross profit		9,135,410	7,323,976	8,329,426	6,662,863
Other income	6	505,331	213,798	493,986	189,010
Administrative expenses		(8,863,054)	(6,492,134)	(8,526,406)	(6,165,584)
Other operating expenses		(328,100)	(391,678)	(322,258)	(345,799)
Finance costs	8	<u>(44,456)</u>	<u>(32,992)</u>	<u>(44,456)</u>	<u>(32,992)</u>
Profit/(Loss) before tax	9	405,131	620,970	(69,708)	307,498
Income tax credit/(expense)	10	<u>130,654</u>	<u>(100,006)</u>	<u>54,635</u>	<u>(73,559)</u>
Profit/(Loss) for the year		535,785	520,964	(15,073)	233,939
Other comprehensive income/(loss) for the year, net of tax		-	-	-	-
Total comprehensive income/(loss) for the year		<u>535,785</u>	<u>520,964</u>	<u>(15,073)</u>	<u>233,939</u>
Income/(loss) for the financial year attributable to:					
Owners of the Company		<u>535,785</u>	<u>520,964</u>	<u>(15,073)</u>	<u>233,939</u>
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		<u>535,785</u>	<u>520,964</u>	<u>(15,073)</u>	<u>233,939</u>

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	The Group		The Company		01.01.2022 RM (Restated)
		31.12.2023 RM	31.12.2022 RM (Restated)	31.12.2023 RM	31.12.2022 RM (Restated)	
ASSETS						
Non-Current Assets						
Plant and equipment	11	231,868	147,647	231,766	146,080	146,388
Right-of-use assets	12	2,323,400	67,326	2,323,400	67,326	152,795
Investment in subsidiary companies	13	-	-	32,000	32,000	32,000
Deferred tax assets	14	455,212	161,530	351,348	161,530	182,029
Goodwill	15	-	-	-	-	-
Total Non-Current Assets		3,010,480	376,503	2,938,514	406,936	513,212
Current Assets						
Trade receivables	16	4,109,848	3,164,264	2,994,298	2,662,550	2,814,580
Other receivables, deposits and prepayments	17	905,019	269,153	891,104	256,057	248,136
Amount due from the subsidiaries	18	-	-	1,144,418	1,144,418	1,144,418
Amount due from immediate holding company	19	23,600	-	23,600	-	-
Amount due from related company	20	3,600	-	3,600	-	-
Tax recoverable		-	198	-	198	198
Fixed deposits with licensed banks	21	523,343	2,039,530	523,343	2,039,530	2,001,254
Cash and bank balances		2,122,141	2,365,770	1,760,030	1,313,846	1,939,263
Total Current Assets		7,687,551	7,838,915	7,340,393	7,416,599	8,147,849
TOTAL ASSETS		10,698,031	8,215,418	10,278,907	7,823,535	8,661,061

13

170

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**

Note	The Group		The Company	
	31.12.2023	31.12.2022 RM (Restated)	31.12.2023 RM (Restated)	31.12.2022 RM (Restated)
				01.01.2022 RM (Restated)
EQUITY AND LIABILITIES				
Share capital	22	4,500,000	4,500,000	4,500,000
Retained earnings	23	664,930	7,486	1,022,559
Exchange translation reserve		90,312	-	-
Total equity		5,255,242	4,507,486	5,522,559
Non-Current Liabilities				
Term loan	28	-	-	295,099
Lease liabilities	24	2,132,358	2,132,358	-
Total Non-Current Liabilities		2,132,358	2,132,358	295,099
Current Liabilities				
Trade payables	25	796,521	793,267	370,891
Other payables and accrued expenses	26	712,500	644,386	639,712
Amount due to a subsidiary	18	-	400,000	100,000
Contract liabilities	27	1,477,417	1,477,417	670,293
Term loan	28	-	-	141,847
Lease liabilities	24	233,008	233,008	70,074
Provision for taxation		90,985	90,985	13,060
Total Current Liabilities		3,310,431	3,639,063	2,005,877
Total Liabilities		5,442,789	5,771,421	2,300,976
TOTAL EQUITY AND LIABILITIES		10,698,031	10,278,907	7,823,535

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Group	Note	Share capital	Exchange translation reserve	Retained earnings	Total
As of 1 January 2022, as previously reported		4,500,000	3,375	1,228,268	5,731,643
Effect of adoption of MFRS (Note 34)		-	-	(620,087)	(620,087)
At 1 January 2022, restated		4,500,000	3,375	608,181	5,111,556
Total comprehensive income for the year (Restated)		-	-	520,964	520,964
Foreign currency translation		-	29,068	-	29,068
As of 31 December 2022		<u>4,500,000</u>	<u>32,443</u>	<u>1,129,145</u>	<u>5,661,588</u>
As of 1 January 2023, as previously reported		4,500,000	32,443	1,705,653	6,238,096
Effect of adoption of MFRS (Note 34)		-	-	(576,508)	(576,508)
As of 1 January 2023, restated		4,500,000	32,443	1,129,145	5,661,588
Total comprehensive loss for the year		-	-	535,785	535,785
Foreign currency translation		-	57,869	-	57,869
Dividends	28	-	-	(1,000,000)	(1,000,000)
As of 31 December 2023		<u>4,500,000</u>	<u>90,312</u>	<u>664,930</u>	<u>5,255,242</u>

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

The Company	Note	Share capital	Retained earnings	Total
As of 1 January 2022, as previously reported		4,500,000	1,390,249	5,890,249
Effect of adoption of MFRS (Note 34)		-	(601,629)	(601,629)
At 1 January 2022, restated		4,500,000	788,620	5,288,620
Total comprehensive income for the year (Restated)		-	233,939	233,939
As of 31 December 2022		4,500,000	1,022,559	5,522,559
As of 1 January 2023, as previously reported		4,500,000	1,565,096	6,065,096
Effect of adoption of MFRS (Note 34)		-	(542,537)	(542,537)
As of 1 January 2023, restated		4,500,000	1,022,559	5,522,559
Total comprehensive loss for the year		-	(15,073)	(15,073)
Dividends	28	-	(1,000,000)	(1,000,000)
As of 31 December 2023		4,500,000	7,486	4,507,486

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

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
		(Restated)		(Restated)
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Profit/(loss) before tax	405,131	620,970	(69,708)	307,498
Adjustments for:				
Amortisation of right-of-use asset	203,997	85,469	203,997	85,469
Depreciation of plant and equipment	101,754	111,318	100,094	109,494
Loss on impairment of trade receivables	(12,341)	23,685	(13,857)	5,821
Gain on disposal of plant and equipment	(3,265)	-	(3,265)	-
Interest expenses	44,456	32,992	44,456	32,992
Interest income	(42,175)	(42,795)	(42,144)	(42,723)
Unrealised loss on foreign exchange	32,024	-	32,024	-
Operating Profit Before Working Capital Changes	729,581	831,639	251,597	498,551
(Increase)/Decrease in:				
Trade receivables	(928,713)	(342,283)	(313,361)	146,209
Other receivables, deposits and prepayments	(635,866)	(8,659)	(635,047)	(7,921)
Increase/(Decrease) in:				
Trade payables	167,594	(34,812)	385,822	(81,780)
Other payables and accrued expenses	(58,584)	(27,674)	4,674	(770,871)
Due from the subsidiaries	-	-	300,000	100,000
Contract liabilities	807,124	(84,029)	807,124	(84,029)
Cash From/(Used In) Operating Activities	81,136	334,182	800,809	(199,841)
Income tax paid	(84,905)	(89,591)	(57,060)	(63,144)
Net cash (Used In)/From Operating Activities	(3,769)	244,591	743,749	(262,985)

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
		(Restated)		(Restated)
CASH FLOWS USED IN INVESTING ACTIVITIES				
Purchase of plant and equipment*	(186,260)	(109,491)	(186,065)	(109,186)
Proceed from disposal of plant and equipment	3,550	-	3,550	-
Advance to related company	(3,600)	-	(3,600)	-
Advance to immediate holding company	(23,600)	-	(23,600)	-
Interest received	42,175	42,795	42,144	42,723
Net Cash Used In Investing Activities	<u>(167,735)</u>	<u>(66,696)</u>	<u>(167,571)</u>	<u>(66,463)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES				
Dividend paid	(1,000,000)	-	(1,000,000)	-
Interest expense	(44,456)	(32,992)	(44,456)	(32,992)
Repayment of term loan	(436,946)	(137,848)	(436,946)	(137,848)
Repayment of lease liabilities	(164,779)	(86,853)	(164,779)	(86,853)
Net Cash Used In Financing Activities	<u>(1,646,181)</u>	<u>(257,693)</u>	<u>(1,646,181)</u>	<u>(257,993)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,817,685)	(79,798)	(1,070,003)	(587,141)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	4,405,300	4,456,030	3,353,376	3,940,517
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	57,869	29,068	-	-
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	<u>2,645,484</u>	<u>4,405,300</u>	<u>2,283,373</u>	<u>3,353,376</u>

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

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
		(Restated)		(Restated)
Cash and cash equivalents comprise:				
Fixed deposit with licensed banks	523,343	2,039,530	523,343	2,039,530
Cash and bank balances	2,122,141	2,365,770	1,760,030	1,313,846
	<u>2,645,484</u>	<u>4,405,300</u>	<u>2,283,373</u>	<u>3,353,376</u>

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

Company No.: 201101030830 (958965 - W)

INNOV8TIF SOLUTIONS SDN. BHD.

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 31 DECEMBER 2023**

1. CORPORATE INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The principal activities of the Company are involved in ICT system development, development and maintenance services with software trading and services.

The principal activity of the subsidiary companies is disclosed in Note 13.

The registered office of the Company is located at 24-10, Stellar Suites, Jalan Puteri 4/7, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan.

The principal place of business of the Company is located at Level 9-02, Wisma Conlay, No.1, Jalan USJ10/1, 47620 Subang Jaya, Selangor Darul Ehsan.

The immediate holding company and ultimate holdings company are Innov8tif Holdings Sdn. Bhd. and Revenue Group Berhad respectively, which are incorporated in Malaysia. Revenue Group Berhad is listed on the Main Market of Bursa Malaysia Securities Berhd.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), the currency of the primary economic environment in which the Company operates (its functional currency).

The financial statements of the Group and of the Company have been authorised for issuance by the Directors on 15 February 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of Compliance

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

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

Company No.: 201101030830 (958965 - W)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(a) Statement of Compliance (Cont'd)

Adoption of Malaysian Financial Reporting Standards

The Group's and the Company's financial statements for the financial year ended 31 December 2023 have been prepared in accordance with MFRSs for the first time. In the previous years, these financial statements were prepared in accordance with Malaysian Private Entities Reporting Standard.

The financial statements of the Group and of the Company for the financial year ended 31 December 2023 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. The MFRS Framework is effective for the Company from 1 January 2022 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant financial statements is on 1 January 2022.

The transition to MFRS framework did not result in significant changes in the accounting policies of the Company and have no significant effect on the financial performance or position of the Company, except as disclosed below:

Impact of initial application of MFRS 9 Financial Instruments

Impairment

In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss ("ECL") model. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit risk event to have occurred before credit losses are recognised. MFRS 9 requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and other receivables in certain circumstances.

The effects of the transition to MFRS Framework are presented in Note 34.

Impact of initial application of MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. MFRS 15 also requires revenue recognised to be disaggregated into categories that depict the nature, amount, timing and uncertainty of revenue and cash flows.

The effects of the transition to MFRS Framework are presented in Note 34.

Company No.: 201101030830 (958965 - W)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(a) Statement of Compliance (Cont'd)

Impact of initial application of MFRS 16 Leases

MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities, except for short-term leases and leases of low value assets. A lessee is required to recognise a right-of-use ("ROU") asset representing its rights to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

At the date of initial application, all ROU assets will be measured at an amount equal to the lease liabilities measured at present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application.

The effects of the transition to MFRS Framework are presented in Note 34.

Amendments to MFRSs in issue but not yet effective

The Group and the Company have not applied the following applicable 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 annual periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The directors anticipate that the abovementioned amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

Company No.: 201101030830 (958965 - W)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Accounting

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. Historical cost is generally based on the fair value of the consideration given in exchange for assets, liabilities and goods and services.

Basis of Consolidation

(i) Subsidiary company

Investments in subsidiaries are measured in the Company's statement of financial position at cost less accumulated impairment losses.

(ii) Business Combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group except for those business combinations which were accounted using merger method of accounting.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a gain on bargain purchase is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill arising from business combination

Goodwill arising from business combination represents the excess of cost of the acquisition over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at costs less any accumulated impairment losses.

Company No.: 201101030830 (958965 - W)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Functional and presentation currency

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

Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis over its useful economic life. The principal annual rates used for current and comparative years are as follows:

Furniture and fittings	20%
Office equipment	20%
Computer hardware	33.33%
Computer software	33.33%
Leasehold improvements	20%

Leases

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined as follows:

Premises	Over the lease period
----------	-----------------------

The lease liabilities are initially measured at the present value of the lease payments that are paid at commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. Low value assets are those assets valued at less than RM20,000 each when purchased new. The Group and the Company recognise the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

Company No.: 201101030830 (958965 - W)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Company No.: 201101030830 (958965 - W)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on trade receivables, other receivables and deposits, amount owing from related company, fixed deposit as well as cash and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise recognises lifetime ECL for trade receivables. The Group and the Company considers past loss experience, timing of billing and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Company No.: 201101030830 (958965 - W)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (*Cont'd*)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Probability of default

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 365 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Company No.: 201101030830 (958965 - W)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Revenue recognition

Revenue from services rendered

The Group recognises revenue from services rendered which consist of software and system maintenance and support, software development, programming, subscription and license fee.

Customers' subscription to the software and system maintenance and support services sometimes includes the provision of subscription and license fees, as well as devices. The provision of devices is exclusively for the use of the Group's maintenance services and does not represent distinct services or goods. Therefore, it is accounted for as a single performance obligation satisfied over time. Revenue is recognised over the period the services are rendered.

The amount of revenue recognised is the amount allocated to the satisfied performance obligation, net of discounts and taxes applicable to the revenue.

Company No.: 201101030830 (958965 - W)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits 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.

Statement of cash flows

The Group and the Company adopts the indirect method in the preparation of the statement of cash flows. Cash and cash equivalents comprises cash in hand, bank balances and short term fixed deposit.

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the Group 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 end of the reporting period. 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.

(a) Critical judgements in applying the accounting policies

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:

Satisfaction of performance obligations in relation to contracts with customers

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

The Group and the Company recognise revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performances as the Group and the Company perform;
- (b) the Group and the Company do not create an asset with an alternative use to the Group and the Company and has an enforceable right to payment for performance completed to date; or

Company No.: 201101030830 (958965 - W)

4. **CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(a) **Critical judgements in applying the accounting policies (Cont'd)**

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

The Group and the Company recognise revenue over time in the following circumstances: (Cont'd)

- (c) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

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

(b) **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 plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of plant and equipment and ROU assets. The carrying amount at the reporting date for plant and equipment and ROU assets are disclosed in Notes 11 and 12 respectively.

Discount rate used in leases

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

Company No.: 201101030830 (958965 - W)

4. **CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(b) **Key sources of estimation uncertainty (Cont'd)**

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with future tax planning strategies.

5. **REVENUE**

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
		(Restated)		(Restated)
Revenue from contracts with customers:				
Timing of revenue :				
- Over time	<u>14,586,923</u>	<u>12,654,408</u>	<u>13,979,823</u>	<u>10,453,735</u>

Revenue from services rendered which consist of software and system maintenance and support, subscription and license fee. The services not yet provided is recorded as contract liability (see note 26) and recognised as revenue over the period when the services are rendered.

6. **OTHER INCOME**

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	3,265	-	3,265	-
Grant income	447,420	19,261	447,420	19,261
Interest income	42,175	42,795	42,144	42,723
Realised gain on foreign exchange	<u>12,471</u>	<u>151,742</u>	<u>1,157</u>	<u>127,026</u>
	<u>505,331</u>	<u>213,798</u>	<u>493,986</u>	<u>189,010</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

7. STAFF COSTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Directors' defined contribution plans	128,598	781,735	128,598	781,735
Directors' remuneration and other emoluments	998,089	94,672	998,089	94,672
Directors' social security contribution	3,476	81,791	3,476	81,791
Staff defined contribution plans	550,683	459,998	436,555	363,338
Staff social security contributions	53,787	395,806	44,418	337,618
Wages, salaries, bonus and allowances	4,744,582	3,971,706	3,852,832	3,186,038
	<u>6,479,215</u>	<u>5,785,708</u>	<u>5,463,968</u>	<u>4,845,192</u>

8. FINANCE COSTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Lease interest	36,222	3,147	36,222	3,147
Term loan interest	8,234	29,845	8,234	29,845
	<u>44,456</u>	<u>32,992</u>	<u>44,456</u>	<u>32,992</u>

9. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is stated after charging/(crediting):

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
		(Restated)		(Restated)
Auditors' remuneration – current year	24,000	18,000	20,000	15,000
Auditors' remuneration – underprovision in previous year	2,000	-	2,000	-
Amortisation of right-of-use asset	203,997	85,469	203,997	85,469
Depreciation of property and equipment	101,754	111,318	100,094	109,494
Directors' fees	72,000	-	72,000	-
Loss on impairment on trade receivables	(12,341)	23,685	(13,857)	5,821
Rental of computer	67,566	-	67,566	-
Rental of office	8,347	7,281	4,500	552
Realised loss on foreign exchange	2,666	168,855	-	145,014
Unrealised loss on foreign exchange	32,024	-	32,024	-
	<u>32,024</u>	<u>-</u>	<u>32,024</u>	<u>-</u>

Company No.: 201101030830 (958965 - W)

10. INCOME TAX (CREDIT)/EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
		(Restated)		(Restated)
Current tax:				
Current year	162,830	79,507	134,985	53,060
Underprovision in prior year	198	-	198	-
	163,028	79,507	135,183	53,060
Deferred tax (Note 14):				
Current year	(293,682)	20,499	(189,818)	20,499
Income tax (credit)/expense	(130,654)	100,006	(54,635)	73,559

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

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
		(Restated)		(Restated)
Profit/(loss) before tax	405,131	620,970	(69,708)	307,498
Tax at the statutory tax rate of 24% (2022: 24%)	97,231	149,034	(16,730)	73,800
Effect of expenses not deductible for tax purposes	76,275	(19,296)	76,275	28,451
Income not taxable	(156,572)	(4,623)	(114,378)	(4,623)
Utilisation of deferred tax assets	(147,786)	(25,109)	-	(24,069)
Underprovision of tax in prior year	198	-	198	-
Income tax (credit)/expense for the financial year	(130,654)	100,006	(54,635)	73,559

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

11. PLANT AND EQUIPMENT

Group	Office equipment RM	Furniture and fittings RM	Computer hardware RM	Computer software RM	Leasehold improvement RM	Total RM
2023						
Cost						
At 1 January 2023	54,571	125,698	379,476	5,211	41,893	606,849
Addition	-	61,010	38,745	-	86,505	186,260
Disposal	-	(5,690)	-	-	-	(5,690)
At 31 December 2023	54,571	181,018	418,221	5,211	128,398	787,419
Accumulated depreciation						
At 1 January 2023	38,004	102,113	284,626	5,204	29,255	459,202
Charge for the financial year	9,211	16,331	64,542	-	11,670	101,754
Disposal	-	(5,405)	-	-	-	(5,405)
At 31 December 2023	47,215	113,039	349,168	5,204	40,925	555,551
Net carrying amount						
At 31 December 2023	7,356	67,979	69,053	7	87,473	231,868

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

11. PLANT AND EQUIPMENT (CONT'D)

Group	Office equipment RM	Furniture and fittings RM	Computer hardware RM	Computer software RM	Leasehold improvement RM	Total RM
2022						
Cost						
At 1 January 2022	54,157	124,248	271,849	5,211	41,893	497,358
Addition	414	1,450	107,627	-	-	109,491
At 31 December 2022	54,571	125,698	379,476	5,211	41,893	606,849
Accumulated depreciation						
At 1 January 2022	28,679	82,809	210,315	5,204	20,877	347,884
Charge for the financial year	9,325	19,304	74,311	-	8,378	111,318
At 31 December 2022	38,004	102,113	284,626	5,204	29,255	459,202
Net carrying amount						
At 31 December 2022	16,567	23,585	94,850	7	12,638	147,647
At 31 December 2021	25,478	41,439	61,534	7	21,016	149,474

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

11. PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment RM	Furniture and fittings RM	Computer hardware RM	Computer software RM	Leasehold improvement RM	Total RM
2023						
Cost						
At 1 January 2023	54,210	123,914	345,424	5,211	41,893	570,652
Addition	-	61,010	38,550	-	86,505	186,065
Disposal	-	(5,690)	-	-	-	(5,690)
At 31 December 2023	54,210	179,234	383,974	5,211	128,398	751,027
Accumulated depreciation						
At 1 January 2023	37,643	100,329	252,141	5,204	29,255	424,572
Charge for the financial year	9,211	16,331	62,882	-	11,670	100,094
Disposal	-	(5,405)	-	-	-	(5,405)
At 31 December 2023	46,854	111,255	315,023	5,204	40,925	519,261
Net carrying amount						
At 31 December 2023	7,356	67,979	68,951	7	87,473	231,766

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

11. PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment RM	Furniture and fittings RM	Computer hardware RM	Computer software RM	Leasehold improvement RM	Total RM
2022						
Cost						
At 1 January 2022	53,796	122,464	238,102	5,211	41,893	461,466
Addition	414	1,450	107,322	-	-	109,186
At 31 December 2022	54,210	123,914	345,424	5,211	41,893	570,652
Accumulated depreciation						
At 1 January 2022	28,318	81,237	179,442	5,204	20,877	315,078
Charge for the financial year	9,325	19,092	72,699	-	8,378	109,494
At 31 December 2022	37,643	100,329	252,141	5,204	29,255	424,572
Net carrying amount						
At 31 December 2022	16,567	23,585	93,283	7	12,638	146,080
At 31 December 2021	25,478	41,227	58,660	7	21,016	146,388

Company No.: 201101030830 (958965 - W)

12. **RIGHT-OF-USE ASSETS**

	The Group RM	The Company RM
Premises		
2023		
Cost		
At 1 January 2023	308,781	308,781
Additions	2,460,071	2,460,071
Termination of lease contracts	(308,781)	(308,781)
At 31 December 2023	<u>2,460,071</u>	<u>2,460,071</u>
Accumulated amortisation		
At 1 January 2023	241,455	241,455
Charge for the financial year	203,997	203,997
Termination of lease contracts	(308,781)	(308,781)
At 31 December 2023	<u>136,671</u>	<u>136,671</u>
Net carrying amount		
At 31 December 2023	<u>2,323,400</u>	<u>2,323,400</u>
2022		
Cost		
At 1 January 2022, as previously reported	-	-
Effect of adoption of MFRS 16 (Note 24)	308,781	308,781
At 1 January 2022/31 December 2022, restated	<u>308,781</u>	<u>308,781</u>
Accumulated amortisation		
At 1 January 2022, as previously reported	-	-
Effect of adoption of MFRS 16	155,986	155,986
At 1 January 2022, restated	<u>155,986</u>	<u>155,986</u>
Charge for the financial year, restated	85,469	85,469
At 31 December 2022, restated	<u>241,455</u>	<u>241,455</u>
Net carrying amount		
At 31 December 2022, restated	<u>67,326</u>	<u>67,326</u>
At 1 January 2022, restated	<u>152,795</u>	<u>152,795</u>

The remaining useful lives for the current year are as follows:-

Premises- Level 9-01, Wisma Conlay

102 months

Company No.: 201101030830 (958965 - W)

13. INVESTMENT IN SUBSIDIARY COMPANIES

	31.12.2023 RM	31.12.2022 RM	01.01.2022 RM
Unquoted shares - at cost	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>

Details of the subsidiary company is as follows:

Name of company	Place of Business/ Country of Incorporation	Effective ownership interest and voting interest			Principal activities
		31.12.2023	31.12.2022	01.01.2022	
		%	%	%	
Innov8tif Technology Sdn. Bhd.	Malaysia	100	100	100	Engaged in information technology and event marketing business.
Innov8tif Solutions Pte. Ltd. *	Singapore	100	100	100	Provide IT consultancy and computer services activities.

* Subsidiary not audited by Morison LC PLT. Subsidiary company without audited financial statements and auditors' report but the unaudited financial statements of the subsidiary company adopted by the Group for the purpose of the consolidated financial statements of the Group.

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

14. DEFERRED TAX ASSETS

	31.12.2023	The Group	01.01.2022	31.12.2023	The Company	01.01.2022
	RM	31.12.2022	RM	RM	31.12.2022	RM
		(Restated)	(Restated)		(Restated)	(Restated)
At beginning of financial year	161,530	182,029	-	161,530	182,029	-
Transfer to profit or loss	293,682	(20,499)	182,029	189,818	(20,499)	182,029
At end of financial year	<u>455,212</u>	<u>161,530</u>	<u>182,029</u>	<u>351,348</u>	<u>161,530</u>	<u>182,029</u>

The deferred tax assets recognised in financial statements as shown above after appropriate offsetting are as follows:

	31.12.2023	The Group	01.01.2022	31.12.2023	The Company	01.01.2022
	RM	31.12.2022	RM	RM	31.12.2022	RM
		(Restated)	(Restated)		(Restated)	(Restated)
Deferred tax assets	1,033,842	177,688	218,700	929,954	177,688	218,700
Deferred tax liability	(578,630)	(16,158)	(36,671)	(578,606)	(16,158)	(36,671)
Deferred tax assets recognised	<u>455,212</u>	<u>161,530</u>	<u>182,029</u>	<u>351,348</u>	<u>161,530</u>	<u>182,029</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

14. DEFERRED TAX ASSETS (CONT'D)

Deferred tax assets recognised in financial statements are in respect of the tax effects of the following:

	31.12.2023 RM	The Group 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)	31.12.2023 RM	The Company 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
Deferred tax assets (before offsetting)						
Temporary differences arising from:						
Unused tax losses	103,888	-	-	-	-	-
Unrealised foreign exchange	7,686	-	-	7,686	-	-
Lease liabilities	567,688	16,818	37,662	567,688	16,818	37,662
Contract liabilities	354,580	160,870	181,038	354,580	160,870	181,038
Offsetting	(578,630)	(16,158)	(36,671)	(578,606)	(16,158)	(36,671)
Deferred tax assets recognised	455,212	161,530	182,029	351,348	161,530	182,029
Deferred tax liabilities (before offsetting)						
Temporary differences arising from:						
Property, plant and equipment and right-of-use asset	578,630	16,158	36,671	578,606	16,158	36,671
Offsetting	(578,630)	(16,158)	(36,671)	(578,606)	(16,158)	(36,671)
Deferred tax liabilities (after offsetting)	-	-	-	-	-	-

The tax effects of deductible temporary differences, unabsorbed capital allowance and unused tax losses which would give rise to net deferred tax asset are not recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowance can be utilised. The estimated amount of unused tax losses and capital allowances for which deferred tax assets are not recognised in the financial statements due to uncertainty of their realisation, is as follows:

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

14. DEFERRED TAX ASSETS (CONT'D)

	31.12.2023 RM	The Group 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)	31.12.2023 RM	The Company 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
Unused tax losses	-	616,193	616,193	-	-	-

The unused tax losses are available for offset against future taxable profits of the group and of the company up to the following financial year.

	31.12.2023 RM	The Group 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)	31.12.2023 RM	The Company 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
Year of assessment 2029	432,867	616,193	616,193	-	-	-

Company No.: 201101030830 (958965 - W)

15. **GOODWILL**

	31.12.2023 RM	The Group 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
The Group			
At cost arising from acquisition of a subsidiary company	51,616	51,616	51,616
Less: Accumulated impairment loss	(51,616)	(51,616)	(51,616)
At end of the year	<u>-</u>	<u>-</u>	<u>-</u>

Movements in the impairment loss on goodwill on consolidation are as follows:

	31.12.2023 RM	The Group 31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
The Group			
At 1 January	51,616	51,616	51,616
Impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
At end of the year	<u>51,616</u>	<u>51,616</u>	<u>51,616</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201101030830 (958965 - W)

16. TRADE RECEIVABLES

	The Group	The Group	01.01.2022	31.12.2023	The Company	01.01.2022
	31.12.2022	31.12.2022	RM	RM	31.12.2022	RM
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Trade debtors	4,150,753	3,217,510	2,875,227	3,011,467	2,693,576	2,839,785
Less: Accumulated impairment losses	(40,905)	(53,246)	(29,561)	(17,169)	(31,026)	(25,205)
At 31 December	<u>4,109,848</u>	<u>3,164,264</u>	<u>2,845,666</u>	<u>2,994,298</u>	<u>2,662,550</u>	<u>2,814,580</u>

The Group's and the Company's normal trade credit terms range from 90 to 120 days (31.12.2022: 90 to 120 days; 1.1.2022: 90 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Movements in the impairment loss on trade receivables during the financial year are as follows:

	The Group	The Group	The Company
	31.12.2023	31.12.2022	31.12.2022
	RM	RM	RM
	(Restated)	(Restated)	(Restated)
At 1 January, as previously reported	-	-	-
Effect of adoption of MFRS 9	53,246	29,561	31,026
At 1 January, restated	<u>53,246</u>	<u>29,561</u>	<u>31,026</u>
Impairment loss on trade receivables	(12,341)	23,685	(13,857)
At 31 December	<u>40,905</u>	<u>53,246</u>	<u>17,169</u>
			<u>31,026</u>

Company No.: 201101030830 (958965 - W)

16. **TRADE RECEIVABLES (CONT'D)**

Analysis of the trade receivables ageing as at the end of the reporting year are as follows:

	Gross amount RM	Loss allowance RM	Carrying amount RM
The Group			
31.12.2023			
Not past due	2,424,647	(567)	2,424,080
Past due:			
Less than 30 days	841,234	(245)	840,989
31 to 60 days	209,159	(321)	208,838
60 to 90 days	-	-	-
More than 90 days	668,114	(32,173)	635,941
	<u>1,718,507</u>	<u>(32,739)</u>	<u>1,685,768</u>
	4,143,154	(33,306)	4,109,848
Individually impaired	<u>7,599</u>	<u>(7,599)</u>	<u>-</u>
	<u>4,150,753</u>	<u>(40,905)</u>	<u>4,109,848</u>
31.12.2022 (Restated)			
Not past due	1,719,943	(462)	1,719,481
Past due:			
Less than 30 days	239,269	(422)	238,847
31 to 60 days	12,618	(35)	12,583
60 to 90 days	125,570	(532)	125,038
More than 90 days	1,112,511	(44,196)	1,068,315
	<u>1,489,968</u>	<u>(45,185)</u>	<u>1,444,783</u>
	3,209,911	(45,647)	3,164,264
Individually impaired	<u>7,599</u>	<u>(7,599)</u>	<u>-</u>
	<u>3,217,510</u>	<u>(53,246)</u>	<u>3,164,264</u>

Company No.: 201101030830 (958965 - W)

16. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing as at the end of the reporting year are as follows: (Cont'd)

	Gross amount	Loss allowance	Carrying amount
The Group			
1.1.2022 (Restated)			
Not past due	802,261	(324)	801,937
Past due:			
Less than 30 days	1,510,506	(2,906)	1,507,600
31 to 60 days	119,611	(464)	119,147
60 to 90 days	21,872	(155)	21,717
More than 90 days	413,424	(18,159)	395,265
	<u>2,065,413</u>	<u>(21,684)</u>	<u>2,043,729</u>
	2,867,674	(22,008)	2,845,666
Individually impaired	<u>7,553</u>	<u>(7,553)</u>	<u>-</u>
	<u>2,875,227</u>	<u>(29,561)</u>	<u>2,845,666</u>
The Company			
31.12.2023			
Not past due	2,333,175	(567)	2,332,608
Past due:			
Less than 30 days	248,898	(245)	248,653
31 to 60 days	209,159	(321)	208,838
60 to 90 days	-	-	-
More than 90 days	212,636	(8,437)	204,199
	<u>670,693</u>	<u>(9,003)</u>	<u>661,690</u>
	3,003,868	(9,570)	2,994,298
Individually impaired	<u>7,599</u>	<u>(7,599)</u>	<u>-</u>
	<u>3,011,467</u>	<u>(17,169)</u>	<u>2,994,298</u>

Company No.: 201101030830 (958965 - W)

16. **TRADE RECEIVABLES (CONT'D)**

Analysis of the trade receivables ageing as at the end of the reporting year are as follows: (Cont'd)

	Gross amount	Loss allowance	Carrying amount
The Company 31.12.2022 (Restated)			
Not past due	1,234,509	(462)	1,234,047
Past due:			
Less than 30 days	239,269	(422)	238,847
31 to 60 days	12,618	(35)	12,583
60 to 90 days	125,570	(532)	125,038
More than 90 days	1,074,011	(21,976)	1,052,035
	<u>1,451,468</u>	<u>(22,965)</u>	<u>1,428,503</u>
	2,685,977	(23,427)	2,662,550
Individually impaired	<u>7,599</u>	<u>(7,599)</u>	<u>-</u>
	<u>2,693,576</u>	<u>(31,026)</u>	<u>2,662,550</u>
The Company 1.1.2022 (Restated)			
Not past due	766,820	(324)	766,496
Past due:			
Less than 30 days	1,510,506	(2,906)	1,507,600
31 to 60 days	119,611	(464)	119,147
60 to 90 days	21,872	(155)	21,717
More than 90 days	413,424	(13,803)	399,621
	<u>2,065,413</u>	<u>(17,328)</u>	<u>2,048,085</u>
	2,832,233	(17,652)	2,814,581
Individually impaired	<u>7,553</u>	<u>(7,553)</u>	<u>-</u>
	<u>2,839,786</u>	<u>(25,205)</u>	<u>2,814,581</u>

Company No.: 201101030830 (958965 - W)

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31.12.2023	31.12.2022	01.01.2022
	RM	RM	RM
		(Restated)	(Restated)
The Group			
Other receivables	432	432	432
Deposits	80,738	-	-
Prepayments	823,849	268,721	260,062
	<u>905,019</u>	<u>269,153</u>	<u>260,494</u>
The Company			
Other receivables	432	432	432
Deposits	66,823	-	-
Prepayments	823,849	255,625	247,704
	<u>891,104</u>	<u>256,057</u>	<u>248,136</u>

18. AMOUNT DUE FROM/(TO) THE SUBSIDIARIES

The amount due from/(to) the subsidiaries are unsecured, interest-free and repayable on demand.

19. AMOUNT DUE FROM IMMEDIATE HOLDING COMPANY

The amount due from immediate holding company is unsecured, interest-free and repayable on demand.

20. AMOUNT DUE FROM RELATED COMPANY

The amount due from related company is unsecured, interest-free and repayable on demand.

21. FIXED DEPOSIT WITH LICENSED BANKS

The fixed deposit pledged with a licensed banks of the Group and of the Company earn an interest at effective interest rate of 2.75% (2022: 1.80%) per annum and have maturity period of 3 months (2022: 3 Months).

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No. 201101030830 (958965 - W)

22. SHARE CAPITAL

	31.12.2023		31.12.2022		01.01.2021	
	Number of shares Units	Amount RM	Number of shares Units	Amount RM	Number of shares Units	Amount RM
Issued and fully paid						
Ordinary shares:						
At beginning of financial year	562,500	4,500,000	562,500	4,500,000	500,000	500,000
Issued during the year	-	-	-	-	62,500	4,000,000
At end of financial year	562,500	4,500,000	562,500	4,500,000	562,500	4,500,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time and are entitle to one vote per ordinary shares at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

23. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

Company No.: 201101030830 (958965 - W)

24. LEASE LIABILITIES

	31.12.2023 RM	31.12.2022 RM Restated	01.01.2022 RM Restated
The Group/The Company			
At 1 January, as previously reported	-	-	-
Effect of adopting MFRS 16 (Note 12)	-	156,927	308,781
At 1 January, restated	70,074	156,927	308,781
Additions	2,460,071	-	-
Accretion of interest (Note 8)	36,222	3,147	5,053
Payment of interest	(36,222)	(3,147)	(5,053)
Payment of principal	(164,779)	(86,853)	(151,854)
At 31 December	2,365,366	70,074	156,927
Minimum lease liabilities repayments:			
Within 1 year	312,240	70,900	90,000
Later than 1 year but not later than 2 years	312,240	-	70,900
Later than 2 years but not later than 5 years	936,720	-	-
More than 5 years	1,186,512	-	-
	2,747,712	79,900	160,900
Less: Future finance charges	(382,346)	(826)	(3,973)
	2,365,366	70,074	156,927
Present value of minimum lease liabilities repayments:			
Within 1 year	233,008	70,074	86,853
Later than 1 year but not later than 2 years	241,312	-	70,074
Later than 2 years but not later than 5 years	776,775	-	-
More than 5 years	1,114,271	-	-
	2,365,366	70,074	156,927
Analysed by			
Current portion	233,008	70,074	86,853
Non-current portion	2,132,358	-	70,074
	2,365,366	70,074	156,927

Company No.: 201101030830 (958965 - W)

25. TRADE PAYABLES

The credit term granted to the Group and to the Company ranged from 30 days depending on the terms of the contracts.

26. OTHER PAYABLES AND ACCRUED EXPENSES

	31.12.2023	The Group	
	RM	31.12.2022	01.01.2022
		RM	RM
Other payables	649,833	718,944	388,915
Accrued expenses	62,667	52,140	409,843
	<u>712,500</u>	<u>771,084</u>	<u>798,758</u>

	31.12.2023	The Company	
	RM	31.12.2022	01.01.2022
		RM	RM
Other payables	598,151	603,805	1,074,543
Accrued expenses	46,235	35,907	336,040
	<u>644,386</u>	<u>639,712</u>	<u>1,410,583</u>

27. CONTRACT LIABILITIES

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following years:

	31.12.2023	The Group and The Company	
	RM	31.12.2022	01.01.2022
		RM	RM
		Restated	Restated
Within 1 year	1,473,516	670,293	754,322
Between 1 and 2 years	3,901	-	-
	<u>1,477,417</u>	<u>670,293</u>	<u>754,322</u>

Company No.: 201101030830 (958965 - W)

28. TERM LOAN

	The Group and The Company		
	31.12.2023	31.12.2022	01.01.2022
	RM	RM	RM
<u>Secured</u>			
Non-current:			
Term loans	-	295,099	407,682
Current:			
Term loans	-	141,847	167,112
	<u>-</u>	<u>436,946</u>	<u>574,794</u>
Maturity of term loans:			
Not later than 1 year	-	141,847	167,112
Later than 1 year but not later than 2 years	-	295,099	141,847
Later than 2 years but not later than 5 years	-	-	265,835
	<u>-</u>	<u>436,946</u>	<u>574,794</u>

The weighted-average effective interest rates of the borrowings are as follows:

	31.12.2023	31.12.2022	01.01.2022
	%	%	%
Term loans	<u>-</u>	<u>8.64</u>	<u>7.40</u>

These term loans are secured by:

- Asset Sale Agreement for RM366,224 over Shariah compliant commodities determined by the bank.
- Letter of Guarantee from Credit Guarantee Corporation Malaysia Berhad under Portfolio Guarantee for RM175,000.
- Joint and several guarantees from certain Directors of company for RM300,000 together with interest.

Company No.: 201101030830 (958965 - W)

29. DIVIDENDS

The Group and The Company

**2023
RM**

Dividends recognised as distribution by the Company to the ordinary shareholders of the Company

In respect of the financial year ended 31 December 2023:
An interim final single tier dividend of RM1.78 per share amounting to RM1,000,000 is declared and paid on 20 January 2023

1,000,000

Company No. 201101030830 (958965 - W)

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 1 January RM	Financing cash flow RM	Non-cash changes New lease liabilities RM	At 31 December RM
The Group and the Company				
2023				
Term loan	436,946	(436,946)	-	-
Lease liabilities	70,074	(164,779)	2,460,071	2,365,366
2022				
Term loan	574,794	(137,848)	-	436,946
Lease liabilities	156,927	(86,853)	-	70,074

Company No.: 201101030830 (958965 - W)

31. RELATED PARTY TRANSACTION

(a) Identifying Related Parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. 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 Company either directly or indirectly. The key management personnel comprise the directors and management personnel of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company 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 to the financial statements, the significant related party transactions of the Company are as follows:

	2023 RM	2022 RM
Transactions with subsidiary companies		
Sale of services	3,306,740	425,600
Purchase of services	<u>(1,145,000)</u>	<u>-</u>

(c) Key Management Personnel Compensation

The payment for key management personnel compensation during the financial year is stated in Note 7 and Note 9.

32. 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.

Company No. 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of Financial Instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	The Group			At amortised cost			The Company	
	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2022	01.01.2022
	RM	RM	RM	RM	RM	RM	RM	RM
		(Restated)	(Restated)		(Restated)	(Restated)	(Restated)	(Restated)
Financial assets								
Trade receivables	4,109,848	3,164,264	2,845,666	2,994,298	2,662,550	2,814,580		
Other receivables and deposits	81,170	432	432	67,255	432	432		
Amount due from the subsidiaries	-	-	-	1,144,418	1,144,418	1,144,418		
Amount due from immediate holding company	23,600	-	-	23,600	-	-		
Amount due from penultimate holding company	3,600	-	-	3,600	-	-		
Fixed deposits with licensed banks	523,343	2,039,530	2,001,254	523,343	2,039,530	2,001,254		
Cash and bank balances	2,122,141	2,365,770	2,454,776	1,760,030	1,313,846	1,939,263		
Financial liabilities								
Trade payables	796,521	592,373	627,185	793,267	370,891	452,671		
Other payables and accrued expenses	712,500	771,084	798,758	644,386	639,712	1,410,583		
Amount due to a subsidiary	-	-	-	400,000	100,000	-		
Lease liabilities	2,365,366	70,074	156,927	2,365,366	70,074	156,927		

Company No.: 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company's operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Group's and the Company's risk management seeks to minimise the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are disclosed below.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables.

The Group and the Company have 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 deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group and the Company assesses whether any of the receivables are credit impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Company No.: 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

Credit risk concentration profile

At the end of the financial year, there was no significant concentration of credit risk. The Group and the Company perform ongoing evaluation of its customers and related parties' financial position and requires no collateral from them.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash to meet their working capital requirements. In addition, the Group and the Company strives to maintain available banking facilities of a reasonable level to its overall debt position.

Company No. 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

The Group						
01.01.2022 (Restated)						
Non-derivative financial liabilities						
Trade payables	627,185	-	-	-	627,185	627,185
Other payables and accrued expenses	798,758	-	-	-	798,758	798,758
Term loan	150,996	446,915	-	-	597,911	574,794
Lease liabilities	90,000	70,900	-	-	160,900	156,927
	1,666,939	517,815	-	-	2,184,754	2,157,664

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No. 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
The Group						
31.12.2022 (Restated)						
Non-derivative financial liabilities						
Trade payables	592,373	-	-	-	592,373	592,373
Other payables and accrued expenses	771,084	-	-	-	771,084	771,084
Term loan	446,915	-	-	-	446,915	436,946
Lease liabilities	70,900	-	-	-	70,900	70,074
	<u>1,881,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,881,272</u>	<u>1,870,477</u>

Company No. 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
The Group						
31.12.2023						
Non-derivative financial liabilities						
Trade payables	796,521	-	-	-	796,521	796,521
Other payables and accrued expenses	712,500	-	-	-	712,500	712,500
Lease liabilities	312,240	312,240	936,720	1,186,512	2,747,712	2,365,366
	<u>1,821,261</u>	<u>312,240</u>	<u>936,720</u>	<u>1,186,512</u>	<u>4,256,733</u>	<u>3,874,387</u>

Company No. 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations. (Cont'd)

The Company	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
01.01.2022 (Restated)						
Non-derivative financial liabilities						
Trade payables	452,671	-	-	-	452,671	452,671
Other payables and accrued expenses	1,410,583	-	-	-	1,410,583	1,410,583
Term loan	150,996	446,915	-	-	597,911	574,794
Lease liabilities	90,000	70,900	-	-	160,900	156,927
	<u>2,104,250</u>	<u>517,815</u>	<u>-</u>	<u>-</u>	<u>2,622,065</u>	<u>2,594,975</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No. 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations. (Cont'd)

The Company	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
31.12.2022 (Restated)						
Non-derivative financial liabilities						
Trade payables	370,891	-	-	-	370,891	370,891
Other payables and accrued expenses	639,712	-	-	-	639,712	639,712
Amount due to a subsidiary	100,000	-	-	-	100,000	100,000
Term loan	446,915	-	-	-	446,915	436,946
Lease liabilities	70,900	-	-	-	70,900	70,074
	<u>1,628,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,628,418</u>	<u>1,617,623</u>

Company No. 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations. (Cont'd)

The Company

31.12.2023

Non-derivative financial liabilities

Trade payables	793,267	-	-	-	-	793,267	793,267
Other payables and accrued expenses	644,386	-	-	-	-	644,386	644,386
Amount due to a subsidiary	400,000	-	-	-	-	400,000	400,000
Lease liabilities	312,240	312,240	936,720	1,186,512	2,747,712	2,365,366	2,365,366
	<u>2,149,893</u>	<u>312,240</u>	<u>936,720</u>	<u>1,186,512</u>	<u>4,585,365</u>	<u>3,548,078</u>	

Company No.: 201101030830 (958965 - W)

32. **FINANCIAL INSTRUMENTS (CONT'D)**

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

(ii) Market risk

(a) Foreign currency risk

The Group and the Company do not have foreign currency dominated financial assets and financial liabilities at the end of the reporting period.

(b) Interest rate risk

The Group's and the Company's lease liabilities 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 and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amount at the end of the reporting period was:

	31.12.2023	31.12.2022	01.01.2022
	RM	RM	RM
The Group and the Company			
Fixed rate instruments			
Lease liabilities	<u>2,365,366</u>	<u>70,074</u>	<u>156,927</u>
Floating rate instruments			
Term loan	<u>-</u>	<u>436,946</u>	<u>574,794</u>

Company No.: 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do 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 year would have increased/(decreased) the Company's profit before tax by RMNil (2022: RM4,369), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variable remain constant. The assumed movement in basis point 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 bank balances approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting or exposure to floating interest rate.

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

Company No.: 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

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

	The Group		The Company	
	Fair value of financial instruments not carried at fair value Level 2 RM	Carrying amount RM	Fair value of financial instruments not carried at fair value Level 2 RM	Carrying amount RM
01.01.2022				
Financial liability				
Lease liability	152,082	156,927	152,082	156,927
31.12.2022				
Financial liability				
Lease liability	68,809	70,074	68,809	70,074
31.12.2023				
Financial liability				
Lease liability	1,992,568	2,365,366	1,992,568	2,365,366

(i) Level 1 fair value

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

(ii) 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.

Company No.: 201101030830 (958965 - W)

32. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Level 3 fair value

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

33. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group'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 may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group'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:

	31.12.2023 RM	31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
The Group			
Term loan	-	436,946	574,794
Lease liabilities	2,365,366	70,074	156,927
	<u>2,365,366</u>	<u>507,020</u>	<u>731,721</u>
Less: Cash and cash equivalents	<u>(2,645,484)</u>	<u>(4,405,300)</u>	<u>(4,456,030)</u>
Net debt	<u>(280,118)</u>	<u>(3,898,280)</u>	<u>(3,724,309)</u>
Total equity	<u>5,255,242</u>	<u>5,661,588</u>	<u>5,111,556</u>
Gearing ratio (times)	<u>*</u>	<u>*</u>	<u>*</u>

Company No.: 201101030830 (958965 - W)

33. CAPITAL MANAGEMENT (CONT'D)

	31.12.2023 RM	31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
The Company			
Bank borrowing	-	436,946	574,794
Lease liabilities	2,365,366	70,074	156,927
	<u>2,365,366</u>	<u>507,020</u>	<u>731,721</u>
Less: Cash and cash equivalents	<u>(2,283,373)</u>	<u>(3,353,376)</u>	<u>(3,940,517)</u>
Net debt	<u>81,993</u>	<u>(2,846,356)</u>	<u>(3,208,796)</u>
Total equity	<u>4,507,485</u>	<u>5,522,559</u>	<u>5,288,620</u>
Gearing ratio (times)	<u>0.02</u>	<u>*</u>	<u>*</u>

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

* Gearing ratio is not applicable as the Group and the Company has sufficient cash and bank balances to settle the outstanding debt.

34. FIRST TIME ADOPTION OF MFRS FRAMEWORK

As mentioned in Note 2, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set on in Note 3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2023. Adjusted corresponding comparative information for the financial year ended 31 December 2022 and in the preparation of opening MFRSs statement of financial position at 1 January 2022 (the Group's date of transition to MFRSs) was presented.

In preparing the opening consolidated financial statement at 1 January 2022, the Group and the Company have adjusted amounts reported previously in financial statements prepared in accordance with MPERS. The effect of the transition from MPERS to MFRSs are set out as follows:

Company No.: 201101030830 (958965 - W)

34. FIRST TIME ADOPTION OF MFRS FRAMEWORK (CONT'D)

	As previously reported RM	Adjustments RM	As restated RM
The Group			
Statements Of Other			
Comprehensive Income For			
The Financial Year Ended 31			
December 2022			
Revenue	12,570,378	84,030	12,654,408
Administrative expenses	(6,867,007)	374,873	(6,492,134)
Other operating expenses	-	(391,678)	(391,678)
Finance cost	(29,845)	(3,146)	(32,992)
Income tax expense	(79,507)	(20,499)	(100,006)
The Company			
Statements Of Other			
Comprehensive Income For			
The Financial Year Ended 31			
December 2022			
Revenue	10,369,706	84,029	10,453,735
Administrative expenses	(6,510,092)	344,508	(6,165,584)
Other operating expenses	-	(345,799)	(345,799)
Finance cost	(29,845)	(3,147)	(32,992)
Income tax expense	(53,060)	(20,499)	(73,559)
The Group			
Statements Of Financial			
Position As At 31 December			
2022			
<u>Non-current assets</u>			
Right-of-use assets	-	67,326	67,326
Deferred tax assets	-	161,530	161,530
Goodwill	11,752	(11,752)	-
<u>Current assets</u>			
Trade receivables	3,217,509	(53,245)	3,164,264

Company No.: 201101030830 (958965 - W)

34. FIRST TIME ADOPTION OF MFRS FRAMEWORK (CONT'D)

	As previously reported RM	Adjustments RM	As restated RM
The Group (Cont'd)			
Statements Of Financial			
Position As At 31 December			
2022 (Cont'd)			
<u>Current liabilities</u>			
Contract liabilities	-	670,293	670,293
Lease liabilities	-	70,074	70,074
<u>Equity</u>			
Retained earnings	1,705,653	(576,508)	1,129,145
The Group			
Statements Of Financial			
Position As At 1 January 2022			
<u>Non-current assets</u>			
Right-of-use assets	-	152,795	152,795
Deferred tax assets	-	182,029	182,029
Goodwill	14,103	(14,103)	-
<u>Current assets</u>			
Trade receivables	2,875,225	(29,559)	2,845,666
<u>Non-Current liabilities</u>			
Lease liabilities	-	70,074	70,074
<u>Current liabilities</u>			
Contract liabilities	-	754,322	754,322
Lease liabilities	-	86,853	86,853
<u>Equity</u>			
Retained earnings	1,228,268	(620,087)	608,181

Company No.: 201101030830 (958965 - W)

34. FIRST TIME ADOPTION OF MFRS FRAMEWORK (CONT'D)

	As previously reported RM	Adjustments RM	As restated RM
The Company			
Statements Of Financial			
Position As At 31 December			
2022			
<u>Non-current assets</u>			
Right-of-use assets	-	67,326	67,326
Deferred tax assets	-	161,530	161,530
<u>Current assets</u>			
Trade receivables	2,693,576	(31,026)	2,662,550
<u>Current liabilities</u>			
Contract liabilities	-	670,293	670,293
Lease liabilities	-	70,074	70,074
<u>Equity</u>			
Retained earnings	1,565,096	(542,537)	1,022,559
The Company			
Statements Of Financial			
Position As At 1 January 2022			
<u>Non-current assets</u>			
Right-of-use assets	-	152,795	152,795
Deferred tax assets	-	182,029	182,029
<u>Current assets</u>			
Trade receivables	2,839,784	(25,204)	2,814,580
<u>Non-Current liabilities</u>			
Lease liabilities	-	70,074	70,074
<u>Current liabilities</u>			
Contract liabilities	-	754,322	754,322
Lease liabilities	-	86,853	86,853
<u>Equity</u>			
Retained earnings	1,390,249	(601,629)	788,620

Company No.: 201101030830 (958965 - W)

34. **FIRST TIME ADOPTION OF MFRS FRAMEWORK (CONT'D)**

	As previously reported RM	Adjustments RM	As restated RM
The Group			
Statements Of Cash Flows For			
Financial Year Ended 31			
December 2022			
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Profit before tax	556,892	64,079	620,970
Adjustments for:			
Amortisation of right-of-use asset	-	85,469	85,469
Impairment losses on trade receivables	-	23,685	23,685
Interest expenses	29,845	3,147	32,992
Decrease in:			
Contract liabilities	-	(84,029)	(84,029)
CASH FLOWS USED IN			
FINANCING ACTIVITIES			
Interest expense	(29,845)	(3,147)	(32,992)
Repayment of lease liabilities	-	(86,853)	(86,853)

Company No.: 201101030830 (958965 - W)

34. FIRST TIME ADOPTION OF MFRS FRAMEWORK (CONT'D)

	As previously reported RM	Adjustments RM	As restated RM
The Company			
Statements Of Cash Flows For			
Financial Year Ended 31			
December 2022			
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Profit before tax	227,907	79,591	307,498
Adjustments for:			
Amortisation of right-of-use asset	-	85,469	85,469
Expected credit loss on trade receivables	-	46	46
Impairment losses on trade receivables	-	5,775	5,775
Interest expenses	29,845	3,147	32,992
Decrease in:			
Contract liabilities	-	(84,029)	(84,029)
CASH FLOWS USED IN			
FINANCING ACTIVITIES			
Interest expense	(29,845)	(3,147)	(32,992)
Repayment of lease liabilities	-	(86,853)	(86,853)

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.
[Company No.: 201401015926 (1092012 - M)]
(Incorporated in Malaysia)

**DIRECTORS' REPORTS
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2023**
(In Ringgit Malaysia)

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

CONTENTS	PAGE(S)
Directors' report	1 - 5
Statement by directors	6
Declaration by the directors primarily responsible for the financial management of the Company	7
Independent auditors' report	8 - 11
Statement of profit or loss and other comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16 - 36

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **INNOV8TIF TECHNOLOGY SDN. BHD.** have pleasure in presenting their report and the audited financial statements of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are engaged in information technology and event marketing business.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial year are as follows:

	RM
Profit before tax	181,210
Income tax credit	<u>103,864</u>
Profit for the financial year	<u>285,074</u>

In the opinion of the directors, the results of operations of the Company during the financial year has not been substantially affected by any item, transaction or event of a material and unusual nature, except for the adoption of Malaysian Financial Reporting Standards as disclosed in Note 2(a) to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors does not recommend any payment of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

Company No.: 201401015926 (1092012 - M)

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements were prepared, the directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of allowance for doubtful debts in the financial statements 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 Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

Company No.: 201401015926 (1092012 - M)

OTHER STATUTORY INFORMATION (CONT'D)

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

- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; and
- (ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Law Tien Soon
Lee Chin Seong
Soh Peng Nam

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under the Companies Act, 2016, none of the directors who held office at the end of the financial year held any shares or debentures in the Company or its related corporation during the year under review.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the directors or with a firm of which the directors is a member, or with a company in which the directors have a substantial financial interest.

Company No.: 201401015926 (1092012 - M)

DIRECTORS' BENEFITS (CONT'D)

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby the directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

HOLDING COMPANIES

The directors regard Innov8tif Solutions Sdn. Bhd., Innov8tif Holdings Sdn. Bhd., and Revenue Group Berhad which are incorporated in Malaysia as immediate, intermediate and ultimate holding companies. Revenue Group Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were 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.

AUDITORS' REMUNERATION

The auditors' remuneration of the Company for the financial year ended 31 December 2023 is RM4,000.

Company No.: 201401015926 (1092012 - M)

AUDITORS

The auditors, MORISON LC PLT, have indicated their willingness to continue in office.

This report was approved by the Board of Directors on **15 FEB 2024**

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

15 FEB 2024

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **INNOV8TIF TECHNOLOGY SDN. BHD.** state that, in their opinion, the accompanying financial statements 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 Company as of 31 December 2023 and of its financial performance and cash flows of the Company for the year then ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

15 FEB 2024

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.

(Incorporated in Malaysia)

**DECLARATION BY THE DIRECTORS PRIMARILY RESPONSIBLE FOR THE
FINANCIAL MANAGEMENT OF THE COMPANY**

I, **SOH PENG NAM**, the director primarily responsible for the financial management of **INNOV8TIF TECHNOLOGY SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.



SOH PENG NAM

Subscribed and solemnly declared by the
abovenamed **SOH PENG NAM** at
PETALING JAYA in the state of Selangor
Darul Ehsan on

Before me,

15 FEB 2024



COMMISSIONER FOR OATHS

No. 11-2B, Jalan PJU 1/3F,
Sunwaymas Commercial Centre,
47301 Petaling Jaya, Selangor



MORISON LC PLT (LLP0032572-LCA)
Chartered Accountants (AF 002469)
A-11-12, Menara Avenue,
Jalan PJU 1/39, Dataran Prima,
47301 Petaling Jaya, Selangor.
+603 7660 9380 / +603 7481 4288
morisonlc.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF INNOV8TIF TECHNOLOGY SDN. BHD.

Company No.: 201401015926 (1092012 - M)
(Incorporated in Malaysia)

Report on The Financial Statements

Opinion

We have audited the financial statements of **INNOV8TIF TECHNOLOGY SDN. BHD.**, which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 12 to 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis For Opinion

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

Independence and Other Ethical Responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INNOV8TIF TECHNOLOGY SDN. BHD.**

Company No.: 201401015926 (1092012 - M)
(Incorporated in Malaysia)

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 Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities Of Directors For The Financial Statements

The directors of the Company are responsible for the preparation of financial statements 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 are necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INNOV8TIF TECHNOLOGY SDN. BHD.**

Company No.: 201401015926 (1092012 - M)
(Incorporated in Malaysia)

Auditors' Responsibilities For The Audit Of The Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements 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 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 that may cast significant doubt on the Company's ability to continue 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 disclosures in the financial statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INNOV8TIF TECHNOLOGY SDN. BHD.**

Company No.: 201401015926 (1092012 - M)
(Incorporated in Malaysia)

Other Matters

- (a) The financial statements of the Company for the preceding financial year ended 31 December 2022 were audited by another firm of auditors are presented here merely for comparative purposes. The report issued by the predecessor auditors, which has dated 2 February 2023, expressed an unmodified opinion.
- (b) As stated in Note 2 to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 January 2023 with a transition date of 1 January 2022. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statement of financial position as at 31 December 2022 and 1 January 2022 and the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2022 and related disclosures. We were not engaged to report on these comparative information which are now presented in accordance with Malaysian Financial Reporting Standards and hence, it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2023 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2023 do not contain misstatements that materially affect the financial position as at 31 December 2023 and financial performance and cash flows for the year then ended.
- (c) This report is made solely to the member 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 towards any other person for the contents of this report.



MORISON LC PLT
202206000028(LLP0032572-LCA)
Chartered Accountants (AF 002469)



LIM WAN YINN
No. 03262/04/2025 J
Partner of the firm

Petaling Jaya
15 FEB 2024

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	2023 RM	2022 RM (Restated)
Revenue	5	1,308,700	906,000
Cost of sales		<u>(993,120)</u>	<u>(732,121)</u>
Gross profit		315,580	173,879
Other income	6	8,690	19,530
Administrative expenses		(141,229)	(191,761)
Other operating expenses		<u>(1,831)</u>	<u>(18,391)</u>
Profit/(Loss) before tax	8	181,210	(16,743)
Income tax credit	9	<u>103,864</u>	<u>-</u>
Profit/(Loss) for the financial year		285,074	(16,743)
Other comprehensive income/(loss) for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the financial year		<u>285,074</u>	<u>(16,743)</u>

The accompanying Notes form an integral part of the Financial Statements.

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31.12.2023 RM	31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
ASSETS				
Non-Current Assets				
Property, plant and equipment	10	102	417	639
Deferred tax assets	11	103,864	-	-
Total Non-Current Assets		103,966	417	639
Current Assets				
Trade receivables	12	664,764	518,280	584,144
Cash and bank balances		78,052	37,459	32,610
Total Current Assets		742,816	555,739	616,754
TOTAL ASSETS		846,782	556,156	617,393
EQUITY AND LIABILITIES				
Share capital	13	10,000	10,000	10,000
Accumulated losses		(370,831)	(655,905)	(639,162)
Total Equity		(360,831)	(645,905)	(629,162)
Current Liabilities				
Trade payables	14	470	470	761
Other payables and accrued expenses	15	63,143	57,591	101,794
Amount owing to a holding company	16	1,144,000	1,144,000	1,144,000
Total Current Liabilities		1,207,613	1,202,061	1,246,555
TOTAL EQUITY AND LIABILITIES		846,782	556,156	617,393

The accompanying Notes form an integral part of the Financial Statements.

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital RM	Accumulated losses RM	Total RM
At 1 January 2022, as previously reported	10,000	(634,806)	(624,806)
Effect of adoption of MFRS (Note 20)	-	(4,356)	(4,356)
At 1 January 2022, restated	<u>10,000</u>	<u>(639,162)</u>	<u>(629,162)</u>
Total comprehensive loss for the financial year (Restated)	-	(16,743)	(16,743)
At 31 December 2022	<u>10,000</u>	<u>(655,905)</u>	<u>(645,905)</u>
At 1 January 2023, as previously reported	10,000	(633,685)	(623,685)
Effect of adoption of MFRS (Note 20)	-	(22,220)	(22,220)
At 1 January 2023, restated	<u>10,000</u>	<u>(655,905)</u>	<u>(645,905)</u>
Total comprehensive income for the financial year	-	285,074	285,074
At 31 December 2023	<u>10,000</u>	<u>(370,831)</u>	<u>(360,831)</u>

The accompanying Notes form an integral part of the Financial Statements.

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 RM	2022 RM (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	181,210	(16,743)
Adjustments for:		
Depreciation of property, plant and equipment	315	527
Loss on impairment on trade receivables	<u>1,516</u>	<u>17,864</u>
Operating Profit Before Working Capital Changes	183,041	1,648
(Increase)/Decrease in:		
Trade receivables	(148,000)	48,000
Increase/(Decrease) in:		
Trade payables	-	(291)
Other payables and accrued expenses	<u>5,552</u>	<u>(44,203)</u>
Net cash from operating activities	<u>40,593</u>	<u>5,154</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>-</u>	<u>(305)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,593	4,849
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>37,459</u>	<u>32,610</u>
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	<u><u>78,052</u></u>	<u><u>37,459</u></u>

The accompanying Notes form an integral part of the Financial Statements.

Company No.: 201401015926 (1092012 - M)

INNOV8TIF TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The principal activity of the Company is engaged in information technology and event marketing business.

The registered office and principal place of business of the Company is located at Level 9-02, Wisma Conlay, No.1, Jalan USJ10/1, 47620 Subang Jaya, Selangor Darul Ehsan.

The financial statements of the Company are presented in Ringgit Malaysia ("RM") which the Company's functional currency.

The financial statements of the Company have been authorised for issuance by the Directors on 15 February 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of Compliance

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

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

Adoption of Malaysian Financial Reporting Standards

The Company's financial statements for the financial year ended 31 December 2023 have been prepared in accordance with MFRSs for the first time. In the previous years, these financial statements were prepared in accordance with Malaysian Private Entities Reporting Standard.

Company No.: 201401015926 (1092012 - M)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(a) Statement of Compliance (Cont'd)

Adoption of Malaysian Financial Reporting Standards (Cont'd)

The financial statements of the Company for the financial year ended 31 December 2023 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. The MFRS Framework is effective for the Company from 1 January 2022 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant financial statements is on 1 January 2022.

The transition to MFRS framework did not result in significant changes in the accounting policies of the Company and have no significant effect on the financial performance or position of the Company, except as disclosed below:

Impact of initial application of MFRS 9 Financial Instruments

Impairment

In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss (“ECL”) model. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit risk event to have occurred before credit losses are recognised. MFRS 9 requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and other receivables in certain circumstances.

The effects of the transition to MFRS Framework are presented in Note 20.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Company No.: 201401015926 (1092012 - M)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(a) Statement of Compliance (Cont'd)

Amendments to MFRSs in issue but not yet effective

The Company has not applied the following applicable amendments to MFRSs that have been issued by the MASB but are not yet effective for the Company:

		Effective dates for annual periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The directors anticipate that the abovementioned amendments to MFRSs will be adopted in the annual financial statements of the Company when they become effective, if applicable, and that the adoption of the amendments to MFRSs will have no material impact on the financial statements of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets, liabilities and goods and services.

Company No.: 201401015926 (1092012 - M)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Functional and presentation currency

The financial statements of the Company are presented in Ringgit Malaysia (“RM”) which is also the Company’s functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis over its useful economic life. The principal annual rates used for current and comparative years are as follows:

Computer hardware	33%
Furniture and fittings	20%
Office equipment	20%

Statement of Cash Flows

The Company adopts the indirect method in the preparation of the statement of cash flows. Cash and cash equivalents comprises cash in hand and bank balances.

Revenue recognition

Revenue from services rendered

The Company recognises revenue from services rendered which consist of software and system maintenance and support, software development, programming, subscription and license fee.

Customers' subscription to the software and system maintenance and support services sometimes includes the provision of subscription and license fees, as well as devices. The provision of devices is exclusively for the use of the Company’s maintenance services and does not represent distinct services or goods. Therefore, it is accounted for as a single performance obligation satisfied over time. Revenue is recognised over the period the services are rendered.

The amount of revenue recognised is the amount allocated to the satisfied performance obligation, net of discounts and taxes applicable to the revenue.

Company No.: 201401015926 (1092012 - M)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Company No.: 201401015926 (1092012 - M)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

the amortised cost of a financial liability.

the amortised cost of a financial liability.

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. 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.

(i) Critical judgements in applying the Company's accounting policies

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

Satisfaction of performance obligations in relation to contracts with customers

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

Company No.: 201401015926 (1092012 - M)

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Company's accounting policies (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

The Company recognises revenue over time in the following circumstances:

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

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

(ii) 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:

a. Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line-basis over the assets' useful lives. The directors estimate the useful lives of these property, plant and equipment to be within 3 years to 5 years based on past experience with similar assets or/and common life expectancies of the industries.

b. Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with future tax planning strategies.

Company No.: 201401015926 (1092012 - M)

5. REVENUE

	2023 RM	2022 RM
Rendering of services recognised over time	<u>1,308,700</u>	<u>906,000</u>
Revenue from services rendered which consist of software and system maintenance and support.		

6. OTHER INCOME

	2023 RM	2022 RM
Gain on realised on foreign exchange	<u>8,690</u>	<u>19,530</u>

7. STAFF COSTS

	2023 RM	2022 RM
Staff defined contribution plans	114,128	96,660
Staff social security contributions	9,369	8,560
Wages, salaries, bonus and allowances	<u>869,623</u>	<u>744,121</u>

8. PROFIT/(LOSS) BEFORE TAX

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

	2023 RM	2022 RM (Restated)
Auditors' remuneration	4,000	3,800
Depreciation of plant and equipment	315	527
Loss on impairment of trade receivables	<u>1,516</u>	<u>17,864</u>

Company No.: 201401015926 (1092012 - M)

9. INCOME TAX CREDIT

	2023 RM	2022 RM
Deferred tax (Note 11)		
Current year	<u>(103,864)</u>	<u>-</u>

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

	2023 RM	2022 RM (Restated)
Profit/(loss) before tax	<u>181,210</u>	<u>(16,743)</u>
Tax at the statutory tax rate of 24% (2022: 24%)	43,490	(4,018)
Tax effect of expenses not deductible for tax purposes	432	4,018
Utilisation of deferred tax assets not recognised in prior year	<u>(147,786)</u>	<u>-</u>
Income tax credit	<u>(103,864)</u>	<u>-</u>

Company No.: 201401015926 (1092012 - M)

10. PLANT AND EQUIPMENT

	Computer hardware RM	Furniture and fittings RM	Office equipment RM	Total RM
2023				
Cost				
At 1 January 2023/31 December 2023	19,920	1,784	361	22,065
Accumulated depreciation				
At 1 January 2023	19,503	1,784	361	21,648
Charge for the financial year	315	-	-	315
At 31 December 2023	19,818	1,784	361	21,963
Net carrying amount				
At 31 December 2023	102	-	-	102
2022				
Cost				
At 1 January 2022	19,615	1,784	361	21,760
Additions	305	-	-	305
At 31 December 2022	19,920	1,784	361	22,065
Accumulated depreciation				
At 1 January 2022	19,188	1,572	361	21,121
Charge for the financial year	315	212	-	527
At 31 December 2022	19,503	1,784	361	21,648
Net carrying amount				
At 31 December 2022	417	-	-	417

Company No.: 201401015926 (1092012 - M)

11. DEFERRED TAX ASSETS

	2023 RM	2022 RM
At beginning of financial year	-	-
Transfer to profit or loss	103,864	-
At end of financial year	<u>103,864</u>	<u>-</u>

The deferred tax assets recognised in financial statements as shown above after appropriate offsetting are as follows:

	2023 RM	2022 RM
Deferred tax assets	103,888	-
Deferred tax liability	(24)	-
Deferred tax assets recognised	<u>103,864</u>	<u>-</u>

Deferred tax assets recognised in financial statements are in respect of the tax effects of the following:

	2023 RM	2022 RM
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Unused tax losses	103,888	-
Offsetting	(24)	-
Deferred tax assets recognised	<u>103,864</u>	<u>-</u>
Deferred tax liabilities (before offsetting)		
Temporary differences arising from:		
Property, plant and equipment	24	-
Offsetting	(24)	-
Deferred tax liabilities (after offsetting)	<u>-</u>	<u>-</u>

Company No.: 201401015926 (1092012 - M)

11. DEFERRED TAX ASSETS (CONT'D)

The tax effects of deductible temporary differences unused tax losses and capital allowances which would give rise to deferred tax asset are not recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowance can be utilised. The estimated amount of unused tax losses (before offsetting) for which deferred tax assets are not recognised in the financial statements, is as follows:

	2023 RM	2022 RM	2021 RM
Unused tax losses	<u>-</u>	<u>616,193</u>	<u>616,193</u>

The unused tax losses are available for offset against future taxable profits of the company to the following financial year.

	2023 RM	2022 RM	2021 RM
Year of assessment 2029	<u>432,867</u>	<u>616,193</u>	<u>616,193</u>

12. TRADE RECEIVABLES

	31.12.2023 RM	31.12.2022 RM (Restated)	01.01.2022 RM (Restated)
Third parties	288,500	50,000	38,500
Related party	<u>400,000</u>	<u>490,500</u>	<u>550,000</u>
	688,500	540,500	588,500
Less : Accumulated impairment losses	<u>(23,736)</u>	<u>(22,220)</u>	<u>(4,356)</u>
	<u>664,764</u>	<u>518,280</u>	<u>584,144</u>

The Company's normal trade credit terms range from 90 to 120 days (31.12.2022: 90 to 120 days; 1.1.2022: 90 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Movements in the impairment loss on trade receivables during the financial period are as follows:

Company No.: 201401015926 (1092012 - M)

12. TRADE RECEIVABLES (CONT'D)

	31.12.2023 RM	31.12.2022 RM (Restated)
At 1 January, as previously reported	-	-
Effect of adoption of MFRS 9	<u>22,220</u>	<u>4,356</u>
At 1 January, restated	22,220	4,356
Impairment loss recognised	<u>1,516</u>	<u>17,864</u>
At 31 December	<u>23,736</u>	<u>22,220</u>

Analysis of the trade receivables ageing as at the end of the reporting year are as follows:

	Gross amount RM	Loss allowance RM	Carrying amount RM
31.12.2023			
Not past due	400,000	-	400,000
Past due:			
More than 120 days	<u>288,500</u>	<u>(23,736)</u>	<u>264,764</u>
	<u>688,500</u>	<u>(23,736)</u>	<u>664,764</u>
31.12.2022			
Not past due	252,000	-	252,000
Past due:			
More than 120 days	<u>288,500</u>	<u>(22,220)</u>	<u>266,280</u>
	<u>540,500</u>	<u>(22,220)</u>	<u>518,280</u>
1.1.2022			
Not past due	550,000	-	550,000
Past due:			
More than 120 days	<u>38,500</u>	<u>(4,356)</u>	<u>34,144</u>
	<u>588,500</u>	<u>(4,356)</u>	<u>584,144</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Company No.: 201401015926 (1092012 - M)

13. SHARE CAPITAL

	31.12.2023		31.12.2022		1.1.2022	
	Number of shares	Amount RM	Number of shares	Amount RM	Number of shares	Amount RM
	Unit		Unit		Unit	
Ordinary shares issued and fully paid						
At beginning/end of financial year	10,000	10,000	10,000	10,000	10,000	10,000

The holder of ordinary shares is 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 residual assets of the Company.

Company No.: 201401015926 (1092012 - M)

14. TRADE PAYABLES

	31.12.2023	31.12.2022	01.01.2022
	RM	RM	RM
Third parties	<u>470</u>	<u>470</u>	<u>761</u>

Credit term of trade payables of the Company ranged from 30 days to 90 days (31.12.2022: 30 days to 90 days, 1.1.2022: 30 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

15. OTHER PAYABLES AND ACCRUED EXPENSES

	31.12.2023	31.12.2022	01.01.2022
	RM	RM	RM
Other payables	46,711	41,359	27,991
Accrued expenses	<u>16,432</u>	<u>16,232</u>	<u>73,803</u>
	<u>63,143</u>	<u>57,591</u>	<u>101,794</u>

16. AMOUNT OWING TO A HOLDING COMPANY

Amount due to a holding company, is arose from non-trade transactions, which is unsecured, interest free and repayable on demand.

17. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. 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 Company either directly or indirectly. The key management personnel comprise the directors and management personnel of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company entities directly or indirectly.

Company No.: 201401015926 (1092012 - M)

17. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere to the financial statements, the significant related party transactions of the Company are as follows:

	31.12.2023	31.12.2022
	RM	RM
Transaction with holding company:		
Sale of services	<u>1,145,000</u>	<u>856,000</u>

(c) Compensation of key management personnel

There is no payment made for key management personnel compensation during the financial year.

18. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and 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 amortised cost		
	31.12.2023	31.12.2022	01.01.2022
	RM	RM	RM
		(Restated)	(Restated)
Financial assets			
Trade receivables	664,764	518,280	584,144
Cash and bank balances	<u>78,052</u>	<u>37,459</u>	<u>32,610</u>
Financial liabilities			
Trade payables	470	470	761
Other payables and accrued expenses	63,143	57,591	101,794
Amount owing to a holding company	<u>1,144,000</u>	<u>1,144,000</u>	<u>1,144,000</u>

Company No.: 201401015926 (1092012 - M)

18. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Company's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Company's risk management seeks to minimise the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are disclosed below.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from its trade and other receivables. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

The Company 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 deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Company assesses whether any of the receivables are credit impaired.

The carrying amounts of the financial assets recorded on the statement of financial position at the end of the reporting period represents the Company's maximum exposure to credit risk.

Details regarding impairment losses for trade receivables is disclosed in Note 12.

Company No.: 201401015926 (1092012 - M)

18. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

Credit risk concentration profile

At the end of the financial year, there was no significant concentration of credit risk. The Company performs ongoing evaluation of its customers and related parties' financial position and requires no collateral from them.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Company actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash to meet their working capital requirements. In addition, the Company strives to maintain available banking facilities of a reasonable level to its overall debt position.

Company No.: 201401015926 (1092012 - M)

18. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Carrying Amount RM
31.12.2023			
Trade payables	470	470	470
Other payables and accrued expenses	63,143	63,143	63,143
Amount owing to a holding company	1,144,000	1,144,000	1,144,000
	<u>1,207,613</u>	<u>1,207,613</u>	<u>1,207,613</u>
31.12.2022			
Trade payables	470	470	470
Other payables and accrued expenses	57,591	57,591	57,591
Amount owing to a holding company	1,144,000	1,144,000	1,144,000
	<u>1,202,061</u>	<u>1,202,061</u>	<u>1,202,061</u>
1.1.2022			
Trade payables	761	761	761
Other payables and accrued expenses	101,794	101,794	101,794
Amount owing to a holding company	1,144,000	1,144,000	1,144,000
	<u>1,246,555</u>	<u>1,246,555</u>	<u>1,246,555</u>

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and bank balances approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting or exposure to floating interest rate.

Company No.: 201401015926 (1092012 - M)

19. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

20. FIRST-TIME ADOPTIONS OF MFRS FRAMWORK

As mentioned in Note 2, these are the first financial statements of the Company prepared in accordance with MFRSs.

The accounting policies set on in Note 3 have been applied in preparing the financial statements of the Company for the financial year ended 31 December 2023. Adjusted corresponding comparative information for the financial year ended 31 December 2022 and in the preparation of opening MFRSs statement of financial position at 1 January 2022 (the Company's date of transition to MFRSs) was presented.

In preparing the opening financial statement at 1 January 2022, the Company has adjusted amounts reported previously in financial statements prepared in accordance with MPERS. The effect of the transition from MPERS to MFRSs are set out as follows:

	As previously reported RM	Adjustments RM	As restated RM
Statements Of Profit Or Loss And Other Comprehensive Income For The Financial Year Ended 31 December 2022			
Other operating expenses	<u>(527)</u>	<u>(17,864)</u>	<u>(18,391)</u>
Statements Of Financial Position As At 31 December 2022			
<u>Current assets</u>			
Trade receivables	<u>540,500</u>	<u>(22,220)</u>	<u>518,280</u>

Company No.: 201401015926 (1092012 - M)

20. **FIRST-TIME ADOPTIONS OF MFRS FRAMEWORK (CONT'D)**

Statements Of Financial Position

As At 1 January 2022

Current assets

Trade receivables	<u>588,500</u>	<u>(4,356)</u>	<u>584,144</u>
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Statements Of Changes in

**Equity As At 31 December
2022**

Accumulated losses	<u>(633,685)</u>	<u>22,220</u>	<u>(655,905)</u>
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Statements Of Changes in

Equity As At 1 January 2022

Accumulated losses	<u>(634,806)</u>	<u>4,356</u>	<u>(639,162)</u>
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Statements Of Cash Flows For

**The Financial Year Ended 31
December 2022**

CASH FLOWS FROM

OPERATING ACTIVITIES

Profit/(loss) before tax	1,121	(17,864)	(16,743)
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Adjustments for:

Expected credit loss on trade
receivables

<u>-</u>	<u>17,864</u>	<u>17,864</u>
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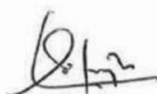
Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.

[Registration No. 201701039654 (1253826 - D)]
(Incorporated in Malaysia)

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**
(In Ringgit Malaysia)

These financial statements and reports of the Company with ~~Qualified~~ Unqualified Auditors' Report for the financial year end 31 March 2024 were circulated on



.....
Soh Peng Nam
Director

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

CONTENTS	PAGE(S)
Directors' report	1 - 5
Statement by directors	6
Declaration by the directors primarily responsible for the financial management of the Company	7
Independent auditors' report	8 - 11
Statement of profit or loss and other comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15 - 16
Notes to the financial statements	17 - 42

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **XENDITY SDN. BHD.**, hereby submit their report and the audited financial statements of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of development of software and programming activities.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial year are as follows:

	RM
Loss before tax	(2,028,534)
Income tax credit	<u>626,364</u>
Loss for the financial year	<u>(1,402,170)</u>

In the opinion of the directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors does not recommend any payment of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

Registration No. 201701039654 (1253826 - D)

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company were prepared, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debt and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or the amount of allowance for doubtful debts in the financial statements 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 Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Company misleading.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; and
 - (ii) any contingent liability of the Company which has arisen since the end of the financial year.

Registration No. 201701039654 (1253826 - D)

OTHER STATUTORY INFORMATION (CONT'D)

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the year from the end of the financial year to the date of this report are:

Lee Chin Seong	(Appointed on 10 May 2023)
Law Tien Soon	(Appointed on 10 May 2023)
Soh Peng Nam	(Appointed on 10 May 2023)
Leong Seng Wui	(Resigned on 10 May 2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under the Companies Act, 2016, none of the directors who held office at the end of the financial year held any shares or debentures in the Company or its related corporation during the year under review.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the directors or with a firm of which the directors is a member, or with a company in which the directors has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS, AND AUDITORS

There were 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.

Registration No. 201701039654 (1253826 - D)

HOLDING COMPANIES

The directors regard Innov8tif Holdings Sdn Bhd. and Revenue Group Berhad, as immediate and ultimate holdings companies which are incorporated in Malaysia. Revenue Group Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

AUDITORS' REMUNERATION

The auditors' remuneration of the Company for the financial year ended 31 March 2024 are RM18,000.

Registration No. 201701039654 (1253826 - D)

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

This report was approved by the Board of Directors on **27 SEP 2024**

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

27 SEP 2024

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **XENDITY SDN. BHD.** state that, in their opinion, the accompanying financial statements 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 Company as of 31 March 2024 and of its financial performance and its cash flows of the Company for the year then ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors,



SOH PENG NAM



LEE CHIN SEONG

Petaling Jaya

27 SEP 2024

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

**DECLARATION BY THE DIRECTORS PRIMARILY RESPONSIBLE FOR THE
FINANCIAL MANAGEMENT OF THE COMPANY**

I, **SOH PENG NAM**, the director primarily responsible for the financial management of **XENDITY SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.



SOH PENG NAM

Subscribed and solemnly declared by the
abovenamed **SOH PENG NAM** at **PETALING
JAYA** in the state of Selangor Darul Ehsan on **27 SEP 2024**

Before me,


COMMISSIONER FOR OATHS
No. 11-2B, Jalan PJU 1/3F,
Sunwaymas Commercial Centre,
47301 Petaling Jaya, Selangor



MORISON LC PLT (LLP0032572-LCA)
Chartered Accountants (AF 002469)
Level 11 - 01, Uptown No.3, Jalan SS 21/39, Damansara
Utama, 47400 Bandar Petaling Jaya, Selangor.

+603 7491 4419 morisonlc.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF XENDITY SDN. BHD.

Registration No. 201701039654 (1253826 - D)
(Incorporated in Malaysia)

Report on The Financial Statements

Opinion

We have audited the financial statements of **XENDITY SDN. BHD.**, which comprise the statement of financial position of the Company as at 31 March 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 12 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis For Opinion

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

Independence and Other Ethical Responsibilities

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

Registration No. 201701039654 (1253826 - D)

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 Directors' Report but does not include the financial statements of Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 the Directors' Report, 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 financial statements 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 determines is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

(Forward)

Registration No. 201701039654 (1253826 - D)

Auditors' Responsibilities For The Audit Of The Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements 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 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 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 that may cast significant doubt on the Company's ability to continue 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 disclosures in the financial statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

(Forward)

Registration No. 201701039654 (1253826 - D)

Other Matters

- (a) The financial statements of the Company for the preceding financial year ended 31 March 2023 were audited by another firm of auditors are presented here merely for comparative purposes. The report issued by the predecessor auditors, which has dated 28 July 2023, expressed an unmodified opinion.
- (b) This report is made solely to the member 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 towards any other person for the contents of this report.



MORISON LC PLT
202206000028 (LLP0032572-LCA)
Chartered Accountants (AF 002469)



LIM WAN YINN
No. 03262/04/2025 J
Partner of the firm

Petaling Jaya
Date : 27 September 2024

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

(With comparative figures from 1 January 2022 to 31 March 2023)

		1.4.2023 to 31.3.2024 (12 months) RM	1.1.2022 to 31.3.2023 (15 months) RM
	Note		
Revenue	5	4,513,923	4,419,725
Cost of sales		<u>(1,480,725)</u>	<u>(1,229,216)</u>
Gross profit		3,033,198	3,190,509
Other income		3,095	5,519
Administrative expenses		(2,416,194)	(4,011,344)
Other operating expenses		(1,709,576)	(2,696,877)
Net loss on impairment of financial asset		<u>(939,057)</u>	<u>(254,354)</u>
Loss before tax	7	(2,028,534)	(3,766,547)
Income tax credit/(expense)	8	<u>626,364</u>	<u>(17,775)</u>
Loss for the year		(1,402,170)	(3,784,322)
Other comprehensive loss for the year/period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the year/period		<u>(1,402,170)</u>	<u>(3,784,322)</u>

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

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	2024 RM	2023 RM
ASSETS			
Non-Current Assets			
Equipment	9	32,483	55,059
Intangible assets	10	291,635	1,773,237
Deferred tax assets	11	626,364	-
Total Non-Current Assets		<u>950,482</u>	<u>1,828,296</u>
Current Assets			
Trade receivables	12	2,262,550	2,050,922
Other receivables and deposits	13	420,005	409,373
Amount owing by immediate holding company	14	-	-
Tax recoverable		4,000	-
Cash and bank balances		<u>618,290</u>	<u>493,492</u>
Total Current Assets		<u>3,304,845</u>	<u>2,953,787</u>
TOTAL ASSETS		<u>4,255,327</u>	<u>4,782,083</u>
EQUITY AND LIABILITIES			
Share capital	15	10,955,949	10,955,949
Accumulated losses		<u>(9,295,503)</u>	<u>(7,893,333)</u>
Total Equity		<u>1,660,446</u>	<u>3,062,616</u>
Current Liabilities			
Trade payables	16	802,134	106,712
Other payables and accruals	17	1,606,006	263,956
Contract liabilities	18	170,331	436,063
Amount owing to ultimate holding company	19	-	817,511
Amount owing to related companies	20	<u>16,410</u>	<u>95,225</u>
Total Current Liabilities		<u>2,594,881</u>	<u>1,719,467</u>
TOTAL EQUITY AND LIABILITIES		<u>4,255,327</u>	<u>4,782,083</u>

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

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024
(With comparative figures from 1 January 2022 to 31 March 2023)

	Note	Share capital	Accumulated losses	Total
As of 1 January 2022		2,541,697	(4,109,011)	(1,567,314)
Total comprehensive loss for the period		-	(3,784,322)	(3,784,322)
Issuance of shares	15	8,414,252	-	8,414,252
As of 31 March 2023		<u>10,955,949</u>	<u>(7,893,333)</u>	<u>3,062,616</u>
As of 1 April 2023		10,955,949	(7,893,333)	3,062,616
Total comprehensive loss for the year		-	(1,402,170)	(1,402,170)
As of 31 March 2024		<u>10,955,949</u>	<u>(9,295,503)</u>	<u>1,660,446</u>

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

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024
(With comparative figures from 1 January 2022 to 31 March 2023)

	1.4.2023 to 31.3.2024 (12 months) RM	1.1.2022 to 31.3.2023 (15 months) RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax	(2,028,534)	(3,766,547)
Adjustments for:		
Depreciation of equipment	25,976	31,832
Amortisation of intangible assets	1,667,102	2,601,610
Impairment losses on trade receivables	939,057	254,354
Unrealised gain on foreign exchange	10,108	63,435
Operating Profit/(Loss) Before Working Capital Changes	613,709	(815,316)
(Increase)/Decrease in:		
Trade receivables	(1,150,685)	(935,093)
Other receivables and deposits	(10,632)	35,524
Increase/(Decrease) in:		
Trade payables	685,314	39,999
Other payables and accrued expenses	524,539	(421,488)
Amount owing to ultimate holding company	-	(209,778)
Amount owing to related companies	(78,815)	(1,776,385)
Contract liabilities	(265,732)	364,181
Cash From/(Used In) Operating Activities	317,698	(3,718,356)
Income tax paid	(4,000)	(17,775)
Net cash From/(Used In) Operating Activities	313,698	(3,736,131)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	(3,400)	(2,401)
Development cost incurred	(185,500)	(4,374,847)
Net cash Used In Operating Activities	(188,900)	(4,377,248)

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024 (CONT'D)
(With comparative figures from 1 January 2022 to 31 March 2023)

	1.4.2023 to 31.3.2024 (12 months) RM	1.1.2022 to 31.3.2023 (15 months) RM
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of ordinary shares	-	8,414,252
NET INCREASE IN CASH AND BANK BALANCES	124,798	300,873
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR/PERIOD	493,492	192,619
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR/PERIOD	618,290	493,492

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

Registration No. 201701039654 (1253826 - D)

XENDITY SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 31 MARCH 2024**

1. CORPORATE INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The principal activity of the Company is engaged in the business of development of software and programming activities.

The registered office of the Company is located at 123B, Jalan 25, Taman Melaka Raya, 75000 Melaka, Melaka.

The principal place of business of the Company is located at Level 9-02, Wisma Conlay, No.1, Jalan USJ10/1, 47620 Subang Jaya, Selangor Darul Ehsan.

The immediate holding company and ultimate holdings company are Innov8tif Holdings Sdn. Bhd. and Revenue Group Berhad respectively, which are incorporated in Malaysia. Revenue Group Berhad is listed on the Main Market of Bursa Malaysia Securities Berhd.

The financial statements of the Company are presented in Ringgit Malaysia (“RM”), the currency of the primary economic environment in which the Company operates (its functional currency).

The financial statements of the Company have been authorised for issuance by the Directors on 27 September 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of Compliance

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

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

Registration No. 201701039654 (1253826 - D)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Adoption of new and amended standards

During the financial year, the Company has adopted the following applicable amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these amendments to standards did not have any significant impact on the financial statements of the Company.

Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

The Company has adopted the amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 *Materiality Practice Statement* for the first time in the current financial year. The amendments change the requirements in MFRS 101 *Presentation of Financial Statements* with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Company’s financial statements but affect the disclosure of accounting policies.

Registration No. 201701039654 (1253826 - D)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

New and amendments to standards issued but not yet effective

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

		Effective dates for annual periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The directors anticipate that the abovementioned new MFRS and amendments to MFRSs will be adopted in the annual financial statements of the Company when they become effective, if applicable, and that the adoption of the new MFRS and amendments to MFRSs will have no material impact on the financial statements of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Accounting

The financial statements of the Company have been prepared under the historical cost unless otherwise indicated in the material accounting policy information. Historical cost is generally based on the fair value of the consideration given in exchange of assets, liabilities and goods and services.

Registration No. 201701039654 (1253826 - D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Revenue from contracts with customers

The Company recognises revenue from the following major sources:

(a) Sales of software

Revenue from the sales of software specified in the contract shall be recognised when control over the software is transferred to customer at point in time.

(b) Rendering of services

Revenue from system maintenance, subscription and license fee is recognised over the time in which the services are rendered because the customer received and uses the benefits simultaneously.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis over its useful economic life. The principal annual rates used are as follows:

Equipment	20%
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Intangible assets

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any.

The development expenditure is amortised on a straight-line method over a period of 3 years when the services are ready for sale or use.

Leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. Low value assets are those assets valued at less than RM20,000 each and when purchased new. The Company recognise the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

Registration No. 201701039654 (1253826 - D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Registration No. 201701039654 (1253826 - D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Registration No. 201701039654 (1253826 - D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Company recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (“ECL”) on trade receivables, other receivables and deposits as well as cash and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Registration No. 201701039654 (1253826 - D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

The Company recognises lifetime ECL for trade receivables. The Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For all other financial instruments, the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Probability of default

The Company considers the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

Registration No. 201701039654 (1253826 - D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Probability of default (Cont'd)

The Company considers that default has occurred when a financial asset is more than 365 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Company write-off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account

Cash and cash equivalents

The Company adopts the indirect method in the preparation of the statements of cash flow.

Cash and cash equivalents comprise cash in hand and bank balances that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

Registration No. 201701039654 (1253826 - D)

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. 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.

(a) Critical judgements in applying the accounting policies

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

Satisfaction of performance obligations in relation to contracts with customers

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

The Company recognise revenue over time in the following circumstances:

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

(a) 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 equipment and intangible assets

The Company regularly reviews the estimated useful lives of equipment and intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of equipment and intangible assets would increase the recorded depreciation and amortisation, and decrease the value of equipment and intangible assets. The carrying amount at the reporting date for equipment and intangible assets are disclosed in Notes 10 and 11 respectively.

Registration No. 201701039654 (1253826 - D)

4. **CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(b) **Key sources of estimation uncertainty (Cont'd)**

Provision for expected credit loss of financial assets at amortised cost

The Company uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss are disclosed in Note 13.

5. **REVENUE**

	1.4.2023 to 31.3.2024 RM	1.1.2022 to 31.3.2023 RM
	Note	
Rendering of services	4,513,923	4,419,725
Timing of revenue recognition		
- Point in time	3,685,250	4,419,725
- Over time	828,673	-
	<u>4,513,923</u>	<u>4,419,725</u>

Revenue from services rendered which consist of software and system maintenance and support, software development, subscription and license fee. The services not yet provided is recorded as contract liability (see note 18) and recognised as revenue over the period when the services are rendered.

Registration No. 201701039654 (1253826 - D)

6. STAFF COSTS

	1.4.2023 to 31.3.2024 RM	1.1.2022 to 31.3.2023 RM
Staff defined contribution plans	224,112	354,311
Staff social security contributions	21,804	28,105
Wages, salaries, bonus and allowances	<u>1,958,738</u>	<u>3,265,388</u>
	<u>2,204,654</u>	<u>3,647,804</u>

7. LOSS BEFORE TAX

Loss before tax is stated after charging:

	1.4.2023 to 31.3.2024 RM	1.1.2022 to 31.3.2023 RM
Amortisation of intangible assets	1,667,102	2,601,610
Auditors' remunerations	18,000	13,000
Depreciation of equipment	25,976	31,832
Net loss on impairment of financial asset	939,057	254,354
Realised loss on foreign exchange	6,390	-
Short term leases	15,306	-
Unrealised loss on foreign exchange	<u>10,108</u>	<u>63,435</u>

Registration No. 201701039654 (1253826 - D)

8. INCOME TAX (CREDIT)/EXPENSE

	1.4.2023 to 31.3.2024 RM	1.1.2022 to 31.3.2023 RM
Current tax:		
Under provision in prior period	-	17,775
Deferred tax (Note 11):		
Current year	(626,364)	-
Income tax (credit)/expense	(626,364)	17,775

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

	1.4.2023 to 31.3.2024 RM	1.1.2022 to 31.3.2023 RM
Loss before tax	(2,028,534)	(3,766,547)
Tax at the statutory tax rate of 24% (2023: 24%)	(486,848)	(908,237)
Effect of expenses not deductible for tax purposes	629,437	85,647
Utilisation of deferred tax assets not recognise in prior year	(768,953)	-
Deferred tax assets not recognised	-	822,590
Underprovision of deferred tax in prior year	-	17,775
	(626,364)	17,775

Registration No. 201701039654 (1253826 - D)

9. EQUIPMENT

	Computer equipment RM
Cost	
At 1 January 2022	124,925
Additions	<u>2,401</u>
As at 31 March 2023/1 April 2023	127,326
Additions	<u>3,400</u>
	<u>130,726</u>
 Accumulated depreciation	
At 1 January 2022	40,435
Charge for the financial period	<u>31,832</u>
As at 31 March 2023/1 April 2023	72,267
Charge for the financial year	<u>25,976</u>
	<u>98,243</u>
 Carrying amount	
At 31 March 2023	<u>55,059</u>
At 31 March 2024	<u>32,483</u>

Registration No. 201701039654 (1253826 - D)

10. INTANGIBLE ASSETS

	Research and development RM	Software RM	Total RM
Cost			
At 1 January 2022	-	125,987	125,987
Additions	4,374,847	-	4,374,847
As at 31 March 2023/1 April 2023	4,374,847	125,987	4,500,834
Additions	185,500	-	185,500
As at 31 March 2024	4,560,347	125,987	4,686,334
Accumulated depreciation			
At 1 January 2022	-	125,987	125,987
Amortisation for the financial period	2,601,610	-	2,601,610
As at 31 March 2023/1 April 2023	2,601,610	125,987	2,727,597
Amortisation for the financial year	1,667,102	-	1,667,102
As at 31 March 2024	4,268,712	125,987	4,394,699
Carrying amount			
At 31 March 2023	1,773,237	-	1,773,237
At 31 March 2024	291,635	-	291,635

11. DEFERRED TAX ASSETS

	2024 RM	2023 RM
At beginning of financial year	-	-
Transfer to profit or loss (Note 8)	626,364	-
At end of financial year	626,364	-

The deferred tax assets recognised in financial statements as shown above after appropriate offsetting are as follows:

	2024 RM	2023 RM
Deferred tax assets	627,145	-
Deferred tax liability	(781)	-
Deferred tax assets recognised	626,364	-

Registration No. 201701039654 (1253826 - D)

11. **DEFERRED TAX ASSETS (CONT'D)**

Deferred tax assets recognised in financial statements are in respect of the tax effects of the following:

	2024 RM	2023 RM
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Unused tax losses	586,266	-
Contract liabilities	40,879	-
Offsetting	<u>(781)</u>	<u>-</u>
Deferred tax assets recognised	<u>626,364</u>	<u>-</u>
Deferred tax liabilities (before offsetting)		
Temporary differences arising from:		
Property, plant and equipment	781	-
Offsetting	<u>(781)</u>	<u>-</u>
Deferred tax liabilities (after offsetting)	<u>-</u>	<u>-</u>

At the end of the reporting year, the Company has unused tax losses that are available for offsetting against future taxable profits, subject to the agreement with the tax authorities.

The details of unused tax losses are as follows:

	2024 RM	2023 RM
Unused tax losses	<u>2,442,775</u>	<u>2,667,720</u>

The unused tax losses are available for offset against future taxable profits of the Company up to the following year of assessment.

	2024 RM	2023 RM
Year of assessment 2028	-	20,791
Year of assessment 2029	-	24,848
Year of assessment 2030	360,386	539,692
Year of assessment 2032	1,094,600	1,094,600
Year of assessment 2033	<u>987,789</u>	<u>987,789</u>
	<u>2,442,775</u>	<u>2,667,720</u>

Registration No. 201701039654 (1253826 - D)

12. **TRADE RECEIVABLES**

	2024 RM	2023 RM
Trade receivables	3,960,961	2,810,276
Less: Accumulated impairment losses	<u>(1,698,411)</u>	<u>(759,354)</u>
	<u>2,262,550</u>	<u>2,050,922</u>

The Company's normal trade credit terms range from 30 to 90 days (2023: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Movements in the impairment loss on trade receivables during the financial year are as follows:

	2024 RM	2023 RM
At beginning of the financial year	759,354	505,000
Charge for the financial year	<u>939,057</u>	<u>254,354</u>
At end of the financial year	<u>1,698,411</u>	<u>759,354</u>

Analysis of the trade receivables ageing as at the end of the reporting year are as follows:

	Gross amount RM	Loss allowance RM	Carrying amount RM
2024			
Not past due	334,450	(45,574)	288,876
Past due:			
Less than 30 days	256,236	(34,916)	221,320
31 to 60 days	576,204	(264,173)	312,031
60 to 90 days	430,909	(244,022)	186,887
More than 90 days	2,326,062	(1,072,626)	1,253,436
	<u>3,589,411</u>	<u>(1,615,737)</u>	<u>1,973,674</u>
	3,923,861	(1,661,311)	2,262,550
Individually impaired	<u>37,100</u>	<u>(37,100)</u>	<u>-</u>
	<u>3,960,961</u>	<u>(1,698,411)</u>	<u>2,262,550</u>

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No. 201701039654 (1253826 - D)

12. TRADE RECEIVABLES (CONT'D)

	Gross amount RM	Loss allowance RM	Carrying amount RM
2023			
Not past due	693,102	-	693,102
Past due:			
Less than 30 days	188,308	-	188,308
31 to 60 days	473,664	-	473,664
60 to 90 days	-	-	-
More than 90 days	1,418,102	(722,254)	695,848
	<u>2,080,074</u>	<u>(722,254)</u>	<u>1,357,820</u>
	2,773,176	(722,254)	2,050,922
Individually impaired	<u>37,100</u>	<u>(37,100)</u>	<u>-</u>
	<u>2,810,276</u>	<u>(759,354)</u>	<u>2,050,922</u>

13. OTHER RECEIVABLES AND DEPOSITS

	2024 RM	2023 RM
Other receivables	919,176	-
Less: Accumulated impairment losses	<u>(919,176)</u>	<u>-</u>
	-	-
Deposits	<u>420,005</u>	<u>409,373</u>
	<u>420,005</u>	<u>409,373</u>

Movements in the impairment loss on other receivables during the financial year are as follows:

	2024 RM	2023 RM
At beginning of the financial year/period	-	-
Transfer from amount owing from immediate holding company	<u>919,176</u>	<u>-</u>
At end of the financial year/period	<u>919,176</u>	<u>-</u>

Registration No. 201701039654 (1253826 - D)

14. AMOUNT OWING BY IMMEDIATE HOLDING COMPANY

	2024 RM	2023 RM
Non-trade balances	-	919,176
Less: Accumulated impairment losses	-	(919,176)
	<u>-</u>	<u>-</u>

Movement on the impairment loss on amount owing by immediate holding company during the financial year are as follows:

	2024 RM	2023 RM
At beginning of the financial year/period	919,176	919,176
Transfer to other receivable	(919,176)	-
At end of the financial year/period	<u>-</u>	<u>-</u>

15. SHARE CAPITAL

	2024		2023	
	Number of shares Units	Amount RM	Number of shares Units	Amount RM
Issued and fully paid				
Ordinary shares:				
At beginning of the financial year/period	10,955,949	10,955,949	2,541,697	2,541,697
Issuance of shares	-	-	8,414,252	8,414,252
At end of the financial year/period	<u>10,955,949</u>	<u>10,955,949</u>	<u>10,955,949</u>	<u>10,955,949</u>

In previous financial period, the Company increase its issued and paid-up share capital from RM2,541,697 to RM10,955,949 by way of issuance of RM8,414,252 new ordinary shares at RM1 each for a cash consideration of RM8,414,252.

The new ordinary shares issued 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 regards to the Company's residual interests.

Registration No. 201701039654 (1253826 - D)

16. TRADE PAYABLES

The credit term granted the Company ranged from 30 days depending on the terms of the contracts.

17. OTHER PAYABLES AND ACCRUED EXPENSES

	2024 RM	2023 RM
Other payables	1,409,127	220,932
Accruals	<u>196,879</u>	<u>43,024</u>
	<u>1,606,006</u>	<u>263,956</u>

18. CONTRACT LIABILITIES

The unsatisfied performance obligation at the end of the reporting year are expected to be recognised in the following year:-

	2024 RM	2023 RM
Within 1 year	<u>170,331</u>	<u>436,063</u>

19. AMOUNT OWING TO ULTIMATE HOLDING COMPANY

The amount owing to ultimate holding company is unsecured, interest-free and repayable on demand. The amounts owing is to be settled in cash.

20. AMOUNT OWING TO RELATED COMPANIES

The amount to related companies is unsecured, interest-free and repayable on demand. The amounts owing is to be settled in cash.

21. RELATED PARTY TRANSACTION

(a) Identifying Related Parties

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

Registration No. 201701039654 (1253826 - D)

21. **RELATED PARTY TRANSACTION (CONT'D)**

(a) **Identifying Related Parties (Cont'd)**

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

(b) **Significant Related Party Transactions**

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. Related parties also include key management personnel.

22. **FINANCIAL INSTRUMENTS**

(a) **Classification of Financial Instruments**

The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost	
	2023	2022
	RM	RM
Financial assets		
Trade receivables	2,262,550	2,050,922
Other receivables and deposits	420,005	409,373
Cash and bank balances	618,290	493,492
Financial liabilities		
Trade payables	802,134	106,712
Other payables and accruals	1,606,006	263,956
Amount owing to ultimate holding company	-	817,511
Amount owing to related companies	16,410	95,225

Registration No. 201701039654 (1253826 - D)

22. FINANCIAL INSTRUMENTS (CONT’)

(b) Financial risk management objectives and policies

The Company’s financial risk management policy is to ensure that adequate financial resources are available for the development of the Company’s operations whilst managing its credit, liquidity and foreign currency risk. The Company’s operates within clearly defined guidelines that are approved by the Board and the Company’s policy is not to engage in speculative transactions.

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risk and liquidity risk.

The Company’s risk management seeks to minimise the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Company’s exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are disclosed below.

(i) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company’s exposure to credit risk arises principally from its receivables.

The Company 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 deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date. The Company assesses whether any of the receivables are credit impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Concentration profile

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Company monitors various portfolios to identify and assess risk concentration.

Registration No. 201701039654 (1253826 - D)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

Concentration profile (Cont'd)

The Company have major concentration of credit risk relates to the amount due from 3 customers (2023: 3 customers) receivables which constituted 75% (2023: 92%) of its trade receivable at the end of the reporting period.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meets its obligations. At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of the cash and bank balances in statements of financial position.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions. The Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

(ii) Foreign Currency risk

The currencies giving rise to the risk are primarily US Dollar. The operational transactions in US Dollars are immaterial and hence will not give rise to significant currency risk exposure.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

Registration No. 201701039654 (1253826 - D)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity risk (Cont'd)

The Company actively manage its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash to meet their working capital requirements. In addition, the Company strive to maintain available banking facilities of a reasonable level to its overall debt position.

APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF INNOV8TIF HOLDINGS GROUP

Registration No. 201701039654 (1253826 - D)

22. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	Not later than one year RM	Total contractual cash flows RM	Carrying amount RM
2024			
Trade payables	802,134	802,134	802,134
Other payables and accrued expenses	1,606,006	1,606,006	1,606,006
Amount owing to related companies	16,410	16,410	16,410
	<u>2,424,550</u>	<u>2,424,550</u>	<u>2,424,550</u>
2023			
Trade payables	106,712	106,712	106,712
Other payables and accrued expenses	263,956	263,956	263,956
Amount owing to ultimate holding company	817,511	817,511	817,511
Amount owing to related companies	95,225	95,225	95,225
	<u>1,283,404</u>	<u>1,283,404</u>	<u>1,283,404</u>

Registration No. 201701039654 (1253826 - D)

22. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables and cash and cash equivalents and short term lease liabilities approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

23. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

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

The gearing ratio is not applicable as the Company has no debts.

24. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain line items have been reclassified in the statement of financial position for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

	As previously stated RM	Reclassification RM	As reclassified RM
Statement of profit or loss and other comprehensive income as at 31 March 2023			
Administrative expenses	(4,073,825)	62,481	(4,011,344)
Other operating expenses	(2,633,442)	(63,435)	(2,696,877)
Finance costs	(954)	954	-
	<u>(6,708,221)</u>	<u>-</u>	<u>(6,708,221)</u>



REVENUE GROUP BERHAD

(Registration No. 201701034150 (1248321-D))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Revenue Group Berhad (“**Revenue**” or the “**Company**”) will be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan through live streaming and online remote voting via the Remote Participation and Voting (“**RPV**”) facilities at <https://revenue-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Friday, 28 February 2025 at 10.30 a.m. or immediately after the conclusion of the Seventh Annual General Meeting of Revenue which will be held at same Broadcast Venue and on the same day at 9.00 a.m., whichever is later, for the purpose of transacting the following resolution:

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF 717,570 ORDINARY SHARES IN INNOV8TIF HOLDINGS SDN BHD (“INNOV8TIF HOLDINGS”), REPRESENTING THE COMPANY’S ENTIRE 51% EQUITY INTEREST IN INNOV8TIF HOLDINGS, TO DATASONIC GROUP BERHAD (“DATASONIC” OR THE “PURCHASER”) FOR A CASH CONSIDERATION OF RM40.00 MILLION (“PROPOSED DISPOSAL”)

“**THAT** subject to the approvals of all the relevant authorities and/or parties obtained, where required, and the conditions precedent as set out in the conditional share sale agreement dated 4 November 2024 entered into between Revenue and Datasonic in respect of the Proposed Disposal (“**SSA**”) being obtained / fulfilled or waived (as the case may be), approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to dispose the entire equity interest in Innov8tif Holdings for a cash consideration of RM40.00 million to the Purchaser, in accordance with the terms and conditions of the SSA including any modifications, variations, amendments and/or additions thereto;

AND THAT the Board be and is hereby authorised to sign and execute all relevant documents, do all acts, deeds and things as may be required to give effect to the Proposed Disposal with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Disposal, in the best interest of the Company.”

**BY ORDER OF THE BOARD
REVENUE GROUP BERHAD**

TAN TONG LANG (MAICSA 7045482/ SSM PC NO. 202208000250)
THIEN LEE MEE (LS0010621/ SSM PC NO. 201908002254)
Company Secretaries

Kuala Lumpur
10 February 2025

Notes:

1. Pursuant to Section 327(2) of the Companies Act, 2016, the Chairman will be present at the Broadcast Venue being the main venue of the EGM. Members will not be allowed to attend the EGM in person at the Broadcast Venue on the day of the meeting. Members are to participate, speak via real time submission of typed texts only and vote remotely. Please refer to the Administrative Guide on registration, participation and voting at the EGM.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An "exempt authorized nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.
5. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this EGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited with the Company's Share Registrar at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) By electronic means
The proxy form can be electronically submitted via Digerati Portal at <https://revenue-egm.digerati.com.my> or email to admin@aldpro.com.my.
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 20 February 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.
7. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding this EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
8. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice of EGM will be put to vote by way of poll.
10. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

PROXY FORM

REVENUE GROUP BERHAD
(Registration No. 201701034150 (1248321-D))

No. of Ordinary Shares held	CDS Account No.

I/We,
[Full name in block and NRIC No. / Registration No.]

Tel. No.: of
[Address]

with email address mobile phone no.

being a member of Revenue Group Berhad, hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Contact No:			
Email Address:			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Contact No:			
Email Address:			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting of the Company to be conducted on a virtual basis at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities at <https://revenue-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Friday, 28 February 2025 at 10.30 a.m. or immediately after the conclusion of the Seventh Annual General Meeting of Revenue which will be held at same Broadcast Venue and on the same day at 9.00 a.m., as indicated below:

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Agenda	Resolution	For	Against
1.	PROPOSED DISPOSAL	Ordinary Resolution		

Please indicate with a "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion

Signed this

Signature
Member



Notes:

1. Pursuant to Section 327(2) of the Companies Act, 2016, the Chairman will be present at the Broadcast Venue being the main venue of the EGM. Members will not be allowed to attend the EGM in person at the Broadcast Venue on the day of the meeting. Members are to participate, speak via real time submission of typed texts only and vote remotely. Please refer to the Administrative Guide on registration, participation and voting at the EGM.
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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.
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5. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this EGM at which the person named in the appointment proposes to vote:
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 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
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10. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR OF
REVENUE GROUP BERHAD
(Registration No. 201701034150 (1248321-D))

c/o ALDRPO CORPORATE SERVICES SDN BHD
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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