

REVENUE GROUP BERHAD (201701034150 (1248321-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2021⁽¹⁾

	Note	3-MONTH ENDED		PERIOD-TO-DATE	
		31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Revenue	A9	29,080	15,514	69,411	54,903
Cost of sales		(16,084)	(7,322)	(34,706)	(26,415)
Gross profit ("GP")		12,996	8,192	34,705	28,488
Other income		183	135	797	376
Administrative expenses		(8,138)	(7,082)	(21,778)	(18,853)
Finance costs		(105)	(193)	(299)	(282)
Share of results of associate, net of tax		22	-	117	-
Profit before tax ("PBT")	B12	4,958	1,052	13,542	9,729
Taxation	B6	(1,044)	(303)	(2,915)	(2,007)
Profit after tax ("PAT")		3,914	749	10,627	7,722
Other comprehensive (loss)/income for the financial period, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		(6)	7	(10)	13
Total comprehensive income for the financial period		3,908	756	10,617	7,735
Profit for the financial period attributable to:					
• Owners of the Company		3,712	649	9,858	7,056
• Non-controlling interests		202	100	769	666
		3,914	749	10,627	7,722
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		3,706	656	9,848	7,069
• Non-controlling interests		202	100	769	666
		3,908	756	10,617	7,735
Earnings per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B11	0.88	0.17	2.45	2.43
• Diluted (sen) ⁽³⁾	B11	0.88	0.17	2.44	2.41

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2021⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share for the individual quarter and period-to-date ended 31 March 2021 is calculated based on the weighted average number of ordinary shares in issue of 420,361,649 and 402,569,149 as at 31 March 2021 respectively. The basic earnings per share for the individual quarter and period-to-date ended 31 March 2020 is calculated based on the weighted average number of ordinary shares in issue of 389,418,762 and 289,796,107 shares as at 31 March 2020 respectively.
- (3) Diluted earnings per share of the Company for the individual quarter and period-to-date ended 31 March 2021 is calculated based on the weighted average number of ordinary shares in issue of 422,003,335 and 404,210,835 as at 31 March 2021, adjusted for contingently issuable ordinary shares. Diluted earnings per share of the Company for the individual quarter and period-to-date ended 31 March 2020 is calculated based on the weighted average number of ordinary shares in issue of 392,154,905 and 292,532,251 as at 31 March 2020 respectively, adjusted for contingently issuable ordinary shares. The number of shares under warrants was not taken into account in the computation of diluted EPS as the warrants do not have a dilutive effect on the weighted average number of ordinary shares.

REVENUE GROUP BERHAD (201701034150 (1248321-D))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021⁽¹⁾**

	UNAUDITED	AUDITED
	As at 31.03.2021 RM'000	As at 30.06.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,213	23,823
Intangible assets	11,725	8,973
Right-of-use assets	2,890	3,358
Investment in an associate	6,193	1,576
Goodwill on consolidation	10,830	9,896
Total non-current assets	57,851	47,626
Current Assets		
Inventories	4,906	9,933
Trade receivables	20,888	24,661
Other receivables	4,650	3,117
Other investment	529	-
Tax recoverable	2,763	1,664
Fixed deposits with licensed banks	811	251
Cash and bank balances	85,012	35,249
Total current assets	119,559	74,875
TOTAL ASSETS	177,410	122,501
EQUITY AND LIABILITIES		
Equity		
Share capital	113,363	49,269
Merger reserve	(15,694)	(15,694)
Warrant reserve	58,584	61,277
Other reserves	(64,870)	(67,563)
Foreign currency translation reserve	(37)	(27)
Retained earnings	48,476	38,618
Equity attributable to owners of the Company	139,822	65,880
Non-controlling interests	2,212	1,424
Total Equity	142,034	67,304
LIABILITIES		
Non-current liabilities		
Bank borrowings	4,984	5,169
Lease liabilities	685	938
Deferred tax liabilities	677	677
Total non-current liabilities	6,346	6,784

REVENUE GROUP BERHAD (201701034150 (1248321-D))**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021⁽¹⁾ (CONT'D)**

	UNAUDITED	AUDITED
	As at	As at
	31.03.2021	30.06.2020
	RM'000	RM'000
LIABILITIES (CONT'D)		
Current liabilities		
Trade payables	11,717	35,276
Other payables	13,554	8,886
Contract liabilities	-	490
Amount due to associate	414	414
Amount due to Directors	48	265
Bank borrowings	779	1,452
Lease liabilities	922	705
Tax payable	1,596	925
Total current liabilities	29,030	48,413
TOTAL LIABILITIES	35,376	55,197
TOTAL EQUITY AND LIABILITIES	177,410	122,501
Number of ordinary shares ('000)	442,597	389,842
NET ASSETS PER SHARE (RM)⁽²⁾	0.32	0.17

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) The net assets per share is calculated based on the number of shares in issue of 442,597,595 as at 31 March 2021 and 389,842,162 as at 30 June 2020.

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REVENUE GROUP BERHAD (201701034150 (1248321-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2021⁽¹⁾

	Attributable to owners of the parent							Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable		Retained Earnings RM'000	Total RM'000		
	Share Capital RM'000	Merger Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000				
Period ended 31 March 2020									
As at 1 July 2019	46,688	(15,694)	61,283	(67,569)	(17)	30,912	55,603	516	56,119
Profit for the financial period	-	-	-	-	-	7,056	7,056	666	7,722
Other comprehensive income for the financial period	-	-	-	-	13	-	13	-	13
Total comprehensive income for the financial period	-	-	-	-	13	7,056	7,069	666	7,735
Transactions with owners									
Issuance of ordinary shares pursuant to acquisition of subsidiary company	2,054	-	-	-	-	-	2,054	-	2,054
Issuance of ordinary shares pursuant to the exercise of warrants	15	-	(6)	6	-	-	15	-	15
Total transactions with owners	2,069	-	(6)	6	-	-	2,069	-	2,069
As at 31 March 2020	48,757	(15,694)	61,277	(67,563)	(4)	37,968	64,741	1,182	65,923

REVENUE GROUP BERHAD (201701034150 (1248321-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2021⁽¹⁾ (CONT'D)

	Attributable to owners of the parent							Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable		Retained Earnings RM'000	Total RM'000		
	Share Capital RM'000	Merger Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000				
Period ended 31 March 2021									
As at 1 July 2020	49,269	(15,694)	61,277	(67,563)	(27)	38,618	65,880	1,424	67,304
Profit for the financial period	-	-	-	-	-	9,858	9,858	769	10,627
Other comprehensive income/(loss) for the financial year	-	-	-	-	(10)	-	(10)	-	(10)
Total comprehensive income/(loss) for the financial year	-	-	-	-	(10)	9,858	9,848	769	10,617
Transactions with owners									
Issuance of ordinary shares pursuant to special issue	57,975	-	-	-	-	-	57,975	-	57,975
Issuance of ordinary shares pursuant to the exercise of warrants	6,119	-	(2,693)	2,693	-	-	6,119	-	6,119
Net changes of non-controlling interests	-	-	-	-	-	-	-	19	19
Total transactions with owners	64,094	-	(2,693)	2,693	-	-	64,094	19	64,113
As at 31 March 2021	113,363	(15,694)	58,584	(64,870)	(37)	48,476	139,822	2,212	142,034

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

REVENUE GROUP BERHAD (201701034150 (1248321-D))

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2021⁽¹⁾**

	PERIOD-TO-DATE	
	31.03.2021	31.03.2020
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	13,542	9,729
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	6,776	4,797
Finance costs	299	282
Loss/(Gain) on disposal of property, plant and equipment	5	(9)
Impairment losses on trade receivables	333	50
Reversal of impairment losses on trade receivables	(569)	(23)
Interest income	(98)	(121)
Unrealised gain on foreign exchange	(26)	(2)
Share of profit in associate	(117)	-
Operating profit before working capital changes	<u>20,145</u>	<u>14,703</u>
Changes in working capital		
Inventories	5,027	(13,014)
Receivables	2,482	1,841
Payables	(20,489)	2,933
Amount due to Directors	(242)	(110)
Contract liabilities	(490)	(640)
	<u>(13,712)</u>	<u>(8,990)</u>
Cash generated from operations	6,433	5,713
Interest paid	(299)	(282)
Interest received	98	121
Tax paid	(3,343)	(2,132)
Exchange fluctuation adjustment	(12)	13
Net cash from operating activities	<u>2,877</u>	<u>3,433</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	(5)	13
Purchase of property, plant and equipment	(9,837)	(7,333)
Net cash outflows arising from acquisition of subsidiary company	(879)	-
Acquisition of an associate	(4,500)	-
Acquisition of other investment	(529)	(13)
Net cash used in investing activities	<u>(15,750)</u>	<u>(7,333)</u>

REVENUE GROUP BERHAD (201701034150 (1248321-D))

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2021⁽¹⁾ (CONT'D)**

	PERIOD-TO-DATE	
	31.03.2021	31.03.2020
	RM'000	RM'000
Cash Flows From Financing Activities		
Proceeds from issuance of ordinary shares	64,094	2,068
Increase of fixed deposit pledged	(239)	-
Repayment of finance lease liabilities	-	(110)
Net changes of lease liabilities	(38)	(232)
Repayment of term loans/banker acceptance	(149)	(26)
Net cash from financing activities	63,668	1,700
Net increase/(decrease) in cash and cash equivalents	50,795	(2,200)
Cash and cash equivalents at the beginning of the financial year	33,974	23,185
Effect of exchange translation differences on cash and cash equivalents	-	2
Cash and cash equivalents at the end of the financial year	84,769	20,987
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	85,012	20,757
Fixed deposits with licensed banks	811	710
Bank overdrafts	(564)	-
	85,259	21,467
Less: Fixed deposits pledged with licensed banks	(490)	(480)
	84,769	20,987

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of Revenue Group Berhad (“**REVENUE**” or “**the Company**”) and its subsidiary companies (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements of Bursa Securities.

This interim financial statements on the Company’s unaudited condensed consolidated financial results for the third (3rd) quarter ended 31 March 2021 is announced by the Company in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying notes attached to this interim financial report.

A2. Summary of significant accounting policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 30 June 2020, except for the adoption of the following MFRSs and Amendments to MFRSs.

	Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	1 January 2020
Amendments to MFRS 101 and MFRS 108	1 January 2020
Amendment to MFRS 16	1 June 2020

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

A2. Summary of significant accounting policies (Cont'd)

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2020	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvement to MFRS Standards 2018 - 2020		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Classification of Liabilities as Current and Non-current - Deferral of Effective Date	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimate	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

REVENUE GROUP BERHAD (201701034150 (1248321-D))

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

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial year ended 30 June 2020 was not subject to any qualification.

A4. Seasonal or cyclical factors

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

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

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

A6. Material changes in estimates

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

A7. Debt and equity securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity during the financial quarter under review.

(a) Warrants conversion

The Company had issued 8,159,333 new ordinary shares pursuant to the exercise of Warrants during the financial quarter under review.

<u>Date</u>	<u>Number of new ordinary shares</u>
19 January 2021	2,500
18 February 2021	1,180,000
23 February 2021	3,554,500
26 February 2021	1,700,500
2 March 2021	1,075,500
5 March 2021	133,000
9 March 2021	123,333
30 March 2021	390,000
	<u>8,159,333</u>

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

A7. Debt and equity securities (cont'd)

(b) Special Issue Shares

On 25 February 2020, the Company proposed to undertake a proposed special issue of up to 45,019,500 new ordinary shares in REVENUE (“Special Issue Shares”) to independent third party investors to be identified (“Special Issue”).

On 10 March 2020, Bursa Securities had, vide its letter dated 10 March 2020, resolved to approve the Special Issue.

On 22 May 2020, the shareholders of REVENUE approved the Special Issue at the extraordinary general meeting.

On 28 May 2020, the Board of Directors of REVENUE (“Board”) fixed the issue price of the first tranche Special Issue Shares at RM1.21 each.

On 16 June 2020, the Board announced that the first tranche of Special Issue Shares (423,400 REVENUE’s shares) had been listed on Bursa Securities.

On 22 July 2020, the Board fixed the issue price of the second tranche Special Issue Shares at RM1.30 each.

On 6 August 2020, the Board announced that the second tranche of Special Issue Shares (4,969,400 REVENUE’s shares) had been listed on Bursa Securities.

On 26 August 2020, the Board announced that the Company has submitted an application to Bursa Securities for an extension of time up to 10 March 2021 to complete the Special Issue, which was approved by Bursa Securities on 1 September 2020.

On 3 February 2021, the Board fixed the issue price of the third tranche of Special Issue Shares at RM1.30 each.

On 10 February 2021, the Board announced that the third tranche of Special Issue Shares (39,626,700 REVENUE’s shares) had been listed on Bursa Securities.

On 11 February 2021, the Board announced that Special Issue was completed following the listing of the third tranche of Special Issue Shares.

A8. Dividends paid

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

REVENUE GROUP BERHAD (201701034150 (1248321-D))**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)****A9. Segmental information**

The Group's segmental information for the current financial period ended 31 March 2021 is as follows:

(a) Analysis of revenue by business segments

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Electronic Data Capture ("EDC") terminals	21,174	9,981	45,189	31,123
Electronic transaction processing Solutions and services	4,375	2,742	13,242	13,963
	3,531	2,791	10,980	9,817
Total	29,080	15,514	69,411	54,903

(b) Analysis of revenue by geographical location

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	29,080	15,514	69,411	54,903
Total	29,080	15,514	69,411	54,903

A10. Valuation of property, plant and equipment

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

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

Save as disclosed in Note B5, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

REVENUE GROUP BERHAD (201701034150 (1248321-D))**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)****A13. Contingent assets and contingent liabilities**

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

	<u>UNAUDITED</u> As at 31.03.2021 RM'000	<u>UNAUDITED</u> As at 31.03.2020 RM'000
Corporate guarantee given by REVENUE to licensed bank for banking facilities granted to a subsidiary of REVENUE	10,000	10,000
Bank guarantee given to Payments Network Malaysia Sdn. Bhd. in favour of Revenue Solution Sdn. Bhd.	490	470

A14. Capital commitments

Save as disclosed below, there were no capital commitments during the current financial quarter under review.

	<u>UNAUDITED</u> As at 31.03.2021 RM'000	<u>UNAUDITED</u> As at 31.03.2020 RM'000
Material commitment		
Purchase of software system	877	-
Purchase of EDC terminals	-	4,500
	<u>877</u>	<u>4,500</u>

A15. Related party transactions

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

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

B1. Review of performance

(a) Results for current quarter and preceding year corresponding quarter

The Group recorded revenue of RM29.08 million for the current financial quarter ended 31 March 2021 (31 March 2020: RM15.51 million).

The Group's revenue was principally derived from the EDC terminals segments, followed by the electronic transaction processing segment and Solutions & Services segments accounting for approximately 72.81%, 15.05% and 12.14% respectively of the total revenue for the current financial quarter ended 31 March 2021. The Malaysian market is the single largest market accounted for the entire total revenue for the current financial quarter ended 31 March 2021.

The Group's revenue increased by RM13.57 million from RM15.51 million for financial quarter ended 31 March 2020 to RM29.08 million for the financial quarter ended 31 March 2021. The higher revenue recorded was mainly attributed to higher sales of EDC terminals by approximately RM9.04 million and the revenue from the rental and maintenance of EDC terminals also recorded an increase of RM2.15 million during the financial quarter under review. The Group also recorded an increase in the electronic transaction processing income by approximately RM1.63 million after the easing of the Movement Control Order ("MCO") and a gradual recovery of the global supply chain and travelling during the financial quarter. The revenue from the Solutions & Services segments had increased by approximately RM0.74 million contributed by the growth in our procurement & logistic services and the digital payment services by approximately RM0.92 million and RM0.60 million respectively. However, the IT Solutions & Services decreased by RM0.78 million.

The Group registered a PBT of RM4.96 million in the current financial quarter under review (31 March 2020: RM1.10 million). The higher PBT recorded for the current financial quarter ended 31 March 2021 was mainly due to higher revenue from our EDC terminals segment and a stronger electronic transaction processing income due to the adoption of digitalisation as both customers and consumers shifted into electronic payment for convenience and safety. The Group recorded a higher administrative expense amounting to RM1.09 million mainly due to higher depreciation charges by approximately RM0.48 million, increase in the connectivity expenses (e.g. SIM cards, lease lines etc.) by approximately RM0.36 million, increase in staff cost by approximately RM0.15 million and the expenses associated to the special issue amounting to approximately RM0.27 million.

REVENUE GROUP BERHAD (201701034150 (1248321-D))**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B1. Review of performance (Cont'd)****(b) Results for financial period-to-date and preceding year corresponding period**

For the financial period-to-date, the Group recorded revenue of RM69.41 million (31 March 2020: RM54.90 million).

The Group's revenue was principally derived from the EDC terminals segments, followed by the electronic transaction processing segment and Solutions & Services segments accounting for approximately 65.10%, 19.08% and 15.82% respectively of the total revenue for the current financial period ended 31 March 2021. The Malaysian market is the single largest market accounted for the entire total revenue for the current financial quarter ended 31 March 2021.

The Group's revenue increased by RM14.51 million from RM54.90 million for financial quarter ended 31 March 2020 to RM69.41 million for the financial quarter ended 31 March 2021. The higher revenue recorded mainly attributed to the higher sales of EDC terminals by approximately RM7.60 million the revenue from the rental and maintenance of EDC terminals also increased by approximately RM6.47 million, however, the increase was offset by a lower electronic transaction processing income by approximately RM0.72 million.

The Group registered a PBT of RM13.54 million in the current financial quarter under review (31 March 2020: RM9.73 million). The higher PBT recorded for the current financial quarter ended 31 March 2021 mainly driven by the higher revenue from the business activities.

B2. Comparison with immediate preceding quarter's results

	<u>3-MONTH ENDED</u>		<u>CHANGES</u>	
	<u>31.03.2021</u>	<u>31.12.2020</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>		
Revenue	29,080	20,772	8,308	40.0%
PBT	4,958	5,186	(228)	(4.4)%

For the current financial quarter ended 31 March 2021, the Group recorded a higher revenue by RM8.31 million, mainly attributed to higher sales of EDC terminals by RM9.68 million but was offset by a drop in the electronic transaction processing income by approximately RM1.26 million.

For the current financial quarter ended 31 March 2021, the Group recorded a lower PBT by approximately RM0.23 million as compared to RM5.19 million in the immediate preceding financial quarter ended 31 December 2020 mainly attributed to higher administrative expenses.

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

B3. Prospects and outlook

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

(a) Expansion of our electronic payment network

Our Group is continuously looking to expand our electronic payment network in Malaysia and will continue to purchase and deploy additional new digital payment terminals with the capability to accept payment cards and Quick Response (“QR”) Payment. The Group is currently working with our partner banks on the development, testing and certification on the new digital payment terminals, which will be rolled out and deployed to the market in various stages. Besides that, the Group is also working closely with different e-wallet issuers to bring the payment acceptance into digital payment terminals.

(b) Regional expansion

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

However, due to the outbreak of the Covid-19 pandemic which has caused various international travel restriction in 2020, the Group will require more time to implement its business expansion strategies. After a careful deliberation, the Board has decided to extend the timeframe for the utilisation of proceeds for business expansion to 36 months from the date of listing of REVENUE. The Group is closely monitoring the political situation in Myanmar and cautiously deliberating its option with regards to the business model in Myanmar.

(c) Enhancement of revPAY and expansion of IT team

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

(d) Value-added solutions and services

The acquisition of Wannapay Sdn Bhd (formerly known as Scanpay Sdn Bhd) (“WannaPay”) and Wannatalk Malaysia Sdn Bhd (“Wannatalk”) will enable the Group to provide additional value-added solutions and services to our customers which will complement the Group’s existing business and provide a more robust Business-to-Business-Consumer (“B2B2C”) solution.

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

B3. Prospects and outlook (Cont'd)

(e) Research & Development (“R&D”)

Our Group is researching and developing more electronic solutions to be integrated with our revPAY. Our solutions will enable our customers to digitalise loyalty programme, rewards redemption, discount coupons and gift cards, bill payment, goods pick up via our digital payment terminals and via our WannaPay e-wallet. Our Group is also researching and developing issuing technology encompassing issuing payment security by leveraging on artificial intelligence to enhance the payment security features. With the acquisition of Wannatalk, the Group will be able to leverage on Wannatalk’s facial recognition centered products and services to enhance the payment security features, as well as embark on new biometrics payment technology.

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

The Government has gradually and progressively eased the restriction and businesses are allowed to operate under strict Standard Operating Procedures (“SOP”) and this has provided a temporary uplift of our economy which resulted in Malaysia’s Gross Domestic Product contracted by 0.5% for the first quarter of 2021 as compared to a decrease of 3.4% in the preceding quarter. The economy is showing a sign of recovery and the outlook seems brighter with the implementation of National Immunisation Programme which is aimed to bring the Covid-19 virus under control.

However, due to the recent surge in the Covid-19 infections, the Government had initially re-imposed MCO and extended the date to 7 June 2021 in numerous states to curb the spreading of the new wave of Covid-19 virus, and eventually, the Government had on 28 May 2021 announced a full lockdown from 1 June 2021 onwards until 14 June 2021. As such, the recovery of our economy, as well as the return to our normal social behaviour will require more time and efforts from all stakeholders.

Whilst our Group has laid down and embarked on a series of future plans, with the current uncertainty in the global and local economy due to the Covid-19 virus outbreak, the performance of the Group for the remaining period of the financial year ending 2021 will remain challenging. However, the Board is cautious on the potential impact of the Covid-19 virus outbreak and will continue to manage the business of our Group with vigilance during this period of uncertainty.

B4. Profit forecast or profit guarantee

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

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

B5. Status of corporate proposals

Save as disclosed below, there were no corporate proposals undertaken but not completed as at the date of this interim financial report.

(a) Proposed Transfer

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

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

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

B6. Income tax expenses

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021⁽¹⁾	31.03.2020	31.03.2021⁽¹⁾	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,044	303	2,915	2,007
Deferred tax expense	-	-	-	-
Total tax expense	1,044	303	2,915	2,007
Effective tax rate ⁽²⁾ (%)	21.06%	28.83%	21.52%	20.62%

Notes:

- (1) Income tax expense is recognised based on management’s best estimate.
- (2) The Group’s effective tax rate for the current quarter and period-to-date is lower than the statutory tax rate due to one of the subsidiary, Revenue Techpark Sdn Bhd (“**Revenue Techpark**”), which was granted pioneer status by the Malaysian Investment Development Authority under the provisions of the Promotion of Investment Act 1986 on 13 July 2011, for a period of five (5) years up to 12 July 2016, which was subsequently extended for another period of five (5) years up to 12 July 2021. As such, Revenue Techpark’s statutory income during this period is exempted from income tax.

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

B7. Utilisation of proceeds

(a) Utilisation of proceeds from the IPO

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

<u>Details of utilisation</u>	<u>Proposed Utilisation</u> RM'000	<u>Actual Utilisation</u> RM'000	<u>Balance Utilisation</u> RM'000	<u>Estimated timeframe for utilisation upon listing</u>	<u>Revised timeframe for utilisation upon listing</u>
Capital expenditure	8,100	8,100	-	24 months	-
Enhancement of revPAY and expansion of IT team	4,040	4,040	-	24 months	-
Repayment of bank borrowings	2,500	2,500	-	3 months	-
Business expansion	1,500	471	1,029	24 months	36 months
Working capital	1,773	1,773	-	24 months	-
Listing expenses	2,700	2,700	-	Immediately	-
	<u>20,613</u>	<u>19,584</u>	<u>1,029</u>		

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

(b) Utilisation of proceeds from the private placement (Special Issue)

The gross proceeds arising from the Special Issue amounting to RM58.49 million is intended to be utilised in the following manner:-

<u>Details of utilisation</u>	<u>Proposed Utilisation</u> RM'000	<u>Actual Utilisation</u> RM'000	<u>Balance Utilisation</u> RM'000	<u>Estimated timeframe for utilisation upon listing</u>
Capital expenditure	44,968	31,073	13,895	24 months
Enhancement of revPAY and expansion of IT team	8,670	3,546	5,124	24 months
Working capital	3,399	283	3,116	24 months
Expenses in relation to the Special Issue	1,450	618	832	Immediately
	<u>58,487</u>	<u>35,520</u>	<u>22,967</u>	

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

B8. Bank borrowings

The Group's bank borrowings were as follows:

	<u>UNAUDITED</u>	<u>UNAUDITED</u>
	As at	As at
	31.03.2021	31.03.2020
	RM'000	RM'000
Current:		
Finance lease liabilities	-	160
Lease liabilities	922	-
Term loans	215	150
Bank overdraft	564	-
	<u>1,701</u>	<u>310</u>
Non-current:		
Finance lease liabilities	-	612
Lease liabilities	685	-
Term loans	4,984	5,184
	<u>5,669</u>	<u>5,796</u>
Total bank borrowings	<u>7,370</u>	<u>6,106</u>

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

B9. Material litigation

There were no material litigation involving the Group as at 31 March 2021.

B10. Dividend

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

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

B11. Earnings per share

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit attributable to owners of the Company (RM'000)	3,712	649	9,858	7,056

Basic EPS

Weighted average number of ordinary shares ('000)	420,362	389,419	402,569	289,796
Basic EPS (sen)	0.88	0.17	2.45	2.43

The diluted EPS are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of shares that would have been in issued upon full exercise of the remaining warrants:

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit attributable to owners of the Company (RM'000)	3,712	649	9,858	7,056

Diluted EPS

Weighted average number of ordinary shares ('000)	422,003	392,155	404,211	292,532
Diluted EPS (sen) ⁽¹⁾	0.88	0.17	2.44	2.41

Note:

- (1) Diluted earnings per share of the Company for the individual quarter and period-to-date ended 31 March 2021 is calculated based on weighted average number of ordinary share in issue of 422,003,335 and 404,210,835 respectively, adjusted for contingently issuable ordinary shares. The number of shares under warrants was not taken into account in the computation of diluted EPS as the warrants do not have any dilutive effect on the weighted average number of ordinary shares.

REVENUE GROUP BERHAD (201701034150 (1248321-D))**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B12. Disclosure on selected expense/income items as required by the Listing Requirements**

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment and right-of-use assets	2,438	1,611	6,776	4,797
Impairment losses on trade receivables	230	50	333	50
Reversal of impairment losses on trade receivables	(86)	-	(569)	(23)
Gain on foreign exchange				
• Unrealised	(48)	-	(26)	(2)
Rental expenses				
• Leased equipment	-	233	-	581
Bad debts recovered	(1)	-	(13)	(1)
Loss/(Gain) on disposal of property, plant and equipment	1	(1)	5	(9)
Interest income	(52)	(42)	(98)	(121)

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