

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 2022⁽¹⁾

	Note	3-MONTH ENDED		PERIOD-TO-DATE	
		31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	A9	22,844	29,080	69,125	69,411
Cost of sales		(7,222)	(16,084)	(25,532)	(34,706)
Gross profit ("GP")		15,622	12,996	43,593	34,705
Other income		121	183	828	797
Administrative expenses		(8,267)	(8,138)	(24,111)	(21,778)
Finance costs		(186)	(105)	(522)	(299)
Share of results of associate, net of tax		(356)	22	(384)	117
Profit before tax ("PBT")	B12	6,934	4,958	19,404	13,542
Taxation	B6	(2,140)	(1,044)	(5,183)	(2,915)
Profit after tax ("PAT")		4,794	3,914	14,221	10,627
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		(13)	(6)	(12)	(10)
Total comprehensive income for the financial period		4,781	3,908	14,209	10,617
Profit for the financial period attributable to:					
• Owners of the Company		4,656	3,712	12,674	9,858
• Non-controlling interests		138	202	1,547	769
		4,794	3,914	14,221	10,627
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		4,643	3,706	12,662	9,848
• Non-controlling interests		138	202	1,547	769
		4,781	3,908	14,209	10,617
Earnings per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B11	1.00	0.88	2.74	2.45
• Diluted (sen) ⁽³⁾	B11	0.75	0.88	2.04	2.44

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2022⁽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 2022 is calculated based on the weighted average number of ordinary shares in issue of 465,924,595 and 463,239,457 as at 31 March 2022 respectively. The basic earnings per share for the individual quarter and period-to-date ended 31 March 2022 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.
- (3) Diluted earnings per share of the Company for the individual quarter and period-to-date ended 31 March 2022 is calculated based on the weighted average number of ordinary shares in issue of 622,553,052 and 619,867,914 as at 31 March 2022 respectively, adjusted for number of shares under warrants. 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 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 2022⁽¹⁾**

	UNAUDITED	AUDITED
	As at	As at
	31.03.2022	30.06.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	52,505	27,370
Intangible assets	14,902	11,134
Right-of-use assets	2,924	2,971
Investment in associates	18,384	6,768
Investment properties	20,555	-
Goodwill on consolidation	10,830	10,830
Total non-current assets	120,100	59,073
Current Assets		
Inventories	10,996	7,999
Trade receivables	10,174	15,139
Other receivables	2,421	7,970
Tax recoverable	21	1,476
Fixed deposits with licensed banks	815	255
Cash and bank balances	102,627	97,324
Total current assets	127,054	130,163
TOTAL ASSETS	247,154	189,236
EQUITY AND LIABILITIES		
Equity		
Share capital	131,091	121,143
Merger reserve	(15,694)	(15,694)
Warrant reserve	51,688	55,161
Other reserves	(58,174)	(61,647)
Foreign currency translation reserve	(50)	(38)
Retained earnings	62,537	49,863
Equity attributable to owners of the Company	171,398	148,788
Non-controlling interests	4,058	2,511
Total Equity	175,456	151,299
LIABILITIES		
Non-current liabilities		
Bank borrowings	44,368	4,966
Lease liabilities	563	695
Deferred tax liabilities	576	576
Total non-current liabilities	45,507	6,237

REVENUE GROUP BERHAD (201701034150 (1248321-D))**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022⁽¹⁾ (CONT'D)**

	<u>UNAUDITED</u>	<u>AUDITED</u>
	As at	As at
	31.03.2022	30.06.2021
	RM'000	RM'000
LIABILITIES (CONT'D)		
Current liabilities		
Trade payables	17,063	16,626
Other payables	7,316	13,472
Contract liabilities	-	261
Amount due to Directors	34	197
Bank borrowings	610	400
Lease liabilities	542	569
Tax payable	626	175
Total current liabilities	26,191	31,700
TOTAL LIABILITIES	71,698	37,937
TOTAL EQUITY AND LIABILITIES	247,154	189,236
Number of ordinary shares ('000)	466,232	452,971
NET ASSETS PER SHARE (RM)⁽²⁾	0.38	0.33

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 466,232,405 as at 31 March 2022 and 452,971,361 as at 30 June 2021.

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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 2022⁽¹⁾

	Attributable to owners of the parent					Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable					
	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 loss for the financial period	-	-	-	-	(10)	-	(10)	-	(10)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(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

REVENUE GROUP BERHAD (201701034150 (1248321-D))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2022⁽¹⁾ (CONT'D)

	Attributable to owners of the parent					Retained Earnings	Total	Non-controlling Interests	Total Equity	
	Non-Distributable									Distributable
	Share Capital	Merger Reserve	Warrant Reserve	Other Reserve	Foreign Currency Translation Reserve					RM'000
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Period ended 31 March 2022										
As at 1 July 2021	121,143	(15,694)	55,161	(61,647)	(38)	49,863	148,788	2,511	151,299	
Profit for the financial period	-	-	-	-	-	12,674	12,674	1,547	14,221	
Other comprehensive loss for the financial period	-	-	-	-	(12)	-	(12)	-	(12)	
Total comprehensive (loss)/income for the financial period	-	-	-	-	(12)	12,674	12,662	1,547	14,209	
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	7,894	-	(3,473)	3,473	-	-	7,894	-	7,894	
Total transactions with owners	9,948	-	(3,473)	3,473	-	-	9,948	-	9,948	
As at 31 March 2022	131,091	(15,694)	51,688	(58,174)	(50)	62,537	171,398	4,058	175,456	

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 2022⁽¹⁾**

	PERIOD-TO-DATE	
	31.03.2022	31.03.2021
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	19,404	13,542
Adjustments for:		
Depreciation/Amortisation of property, plant and equipment, right-of-use assets and intangible assets	8,260	6,776
Finance costs	522	299
(Gain)/Loss on disposal of property, plant and equipment	(8)	5
Bad debts recovered	(15)	-
Impairment losses on trade receivables	429	333
Reversal of impairment losses on trade receivables	(225)	(569)
Interest income	(439)	(98)
Unrealised loss/(gain) on foreign exchange	-	(26)
Realised loss on foreign exchange	66	-
Share of loss/(profit) in associates	384	(117)
Operating profit before working capital changes	<u>28,378</u>	<u>20,145</u>
Changes in working capital		
Inventories	(2,998)	5,027
Receivables	10,326	2,482
Payables	(5,785)	(20,489)
Amount due to Directors	(163)	(242)
Contract liabilities	(261)	(490)
	<u>1,119</u>	<u>(13,712)</u>
Cash generated from operations	29,497	6,433
Interest paid	(522)	(299)
Interest received	439	98
Tax paid	(3,276)	(3,343)
Exchange fluctuation adjustment	(12)	(12)
Net cash from operating activities	<u>26,126</u>	<u>2,877</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	8	(5)
Purchase of property, plant and equipment	(15,115)	(9,837)
Purchase of investment properties	(3,005)	-
Net cash outflows arising from acquisition of subsidiary company	-	(879)
Acquisition of an associate	(12,000)	(4,500)
Acquisition of other investment	-	(529)
Net cash used in investing activities	<u>(30,112)</u>	<u>(15,750)</u>

REVENUE GROUP BERHAD (201701034150 (1248321-D))**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2022⁽¹⁾ (CONT'D)**

	PERIOD-TO-DATE	
	31.03.2022	31.03.2021
	RM'000	RM'000
Cash Flows From Financing Activities		
Proceeds from issuance of ordinary shares	9,947	64,094
Increase of fixed deposit pledged	(560)	(239)
Net changes of lease liabilities	(160)	(38)
Repayment of term loans/banker acceptance	(59)	(149)
Net cash from financing activities	9,168	63,668
Net decrease in cash and cash equivalents	5,182	50,795
Cash and cash equivalents at the beginning of the financial period	97,324	35,974
Effect of exchange translation differences on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial period	102,506	86,769
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	102,627	85,012
Fixed deposits with licensed banks	815	811
Bank overdrafts	(121)	(564)
	103,321	85,259
Less: Fixed deposits pledged with licensed banks	(815)	(490)
	102,506	84,769

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 2022 is announced by the Company in compliance with the Main 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 2021 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 2021.

During the financial period, the Group have adopted the following new standards and amendments issued by the Malaysian Accounting Standards Board (“**MASB**”) that are mandatory for current financial period:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendment to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2020

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group.

REVENUE GROUP BERHAD (201701034150 (1248321-D))

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 MASB 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 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
Amendments to 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 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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

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 2021 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.

REVENUE GROUP BERHAD (201701034150 (1248321-D))

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

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 10,000 new ordinary shares in REVENUE pursuant to the exercise of Warrants during the financial quarter under review.

<u>Date</u>	<u>Number of new ordinary shares</u>
11 January 2022	10,000
	<u>10,000</u>

(b) Acquisition of Buymall Services Sdn Bhd

On 28 January 2022, the Board announced that the Acquisition of Buymall Sdn Bhd (“**Buymall**”) by Revenue Harvest Sdn Bhd (“**Revenue Harvest**”), a wholly owned subsidiary company of REVENUE was completed following the listing of 1,104,117 Buymall Consideration Shares.

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REVENUE GROUP BERHAD (201701034150 (1248321-D))**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)****A8. Dividends paid**

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

A9. Segmental information

The Group's segmental information for the current financial quarter/period ended 31 March 2022 is as follows:

(a) Analysis of revenue by business segments

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Electronic Data Capture ("EDC") terminals	8,934	21,174	30,858	45,189
Electronic transaction processing Solutions and services	10,764	4,375	25,980	13,242
	3,146	3,531	12,287	10,980
Total	22,844	29,080	69,125	69,411

(b) Analysis of revenue by geographical location

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	22,844	29,080	69,125	69,411
Total	22,844	29,080	69,125	69,411

A10. Valuation of property, plant and equipment

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

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

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

Save as disclosed below, 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.

(a) **Proposed Acquisitions of 4 leasehold lands from Starplus Corporation Sdn Bhd (“Starplus”) (“Proposed Acquisition of Lands”)**

On 16 August 2021, the Board of Directors (“**Board**”) announced that Next Revenue Sdn Bhd (“**Next Revenue**”), a wholly subsidiary company of Revenue Harvest and an indirect wholly owned subsidiary company of REVENUE, had entered into 2 conditional sale and purchase agreement with Starplus for the:

1. Proposed acquisition of 2 plots of leasehold lands together with buildings erected thereon, held under Pajakan Negeri 38021 Lot 37629 and Pajakan Negeri 38022 Lot 37630, all in Mukim Batu, Kuala Lumpur for a total cash consideration of RM24.50 million; and
2. Proposed acquisition of 2 plots of leasehold lands together with buildings erected thereon, held under HSD 34672 Lot 37631 and HSD 34673 Lot 37632, all in Mukim Batu, Kuala Lumpur for a total cash consideration of RM19.50 million.

On 28 December 2021, the Board announced to undertake the Proposed Acquisition of Lands at the Extraordinary General Meeting of the Company to be held on 20 January 2022.

On 20 January 2022, the shareholders of REVENUE approved the Proposed Acquisition of Lands.

On 8 March 2022, the Board announced that the Proposed Acquisition of Lands was completed.

(b) **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 had been submitted to Securities Commission Malaysia.

On 21 December 2021, the Board announced that an application for extension of time of up to six (6) months up to 30 April 2022 to proceed with the Proposed Transfer had been submitted to the Securities Commission Malaysia.

On 19 January 2022, the Board announced that the Securities Commission Malaysia had, vide its letter dated 17 January 2022, approved the Proposed Transfer.

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

A11. Material events subsequent to the end of the current financial quarter (cont'd)

(b) Proposed Transfer (Cont'd)

On 14 February 2022, the Board announced that the listing of and quotation for the entire share capital of REVENUE had been transferred from the ACE Market to the Main Market of Bursa Securities and making the completion of the transfer.

(c) Proposed Acquisitions of Revenue Secure Sdn Bhd (“Revenue Secure”) (“Proposed Acquisition of Revenue Secure”)

On 8 April 2022, the Board announced that Revenue Harvest, had entered into a conditional share sale agreement (“**Revenue Secure SSA**”) with Ho Ee Lock and Chang Chew Soon (“**Revenue Secure Vendors**”) for the purchase of the remaining 49.0% equity interest in Revenue Secure, a 51.0% owned subsidiary company of Revenue Harvest, for a purchase consideration of RM31.85 million (“**Revenue Secure Purchase Consideration**”). The Revenue Secure Purchase Consideration will be satisfied by the issuance of 21,092,715 new ordinary shares in REVENUE (“**REVENUE Shares**”) at an issue price of RM1.51 each.

On 15 April 2022, the Board announced that the additional listing application in relation to the Proposed Acquisition of Revenue Secure has been submitted to Bursa Securities.

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REVENUE GROUP BERHAD (201701034150 (1248321-D))**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)****A12. Changes in the composition of the Group**

Save as disclosed below, there were no material changes in the composition of the Group for the current financial quarter under review.

- (a) The Group had on 11 February 2022, struck off Loandax Sdn Bhd, a direct subsidiary company of DAX Venture Sdn Bhd (“DAX”).
- (b) The Group had on 18 March 2022, struck off Rentdax Sdn Bhd, a direct subsidiary company of DAX.

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 31.03.2022 RM'000	<u>UNAUDITED</u> As at 31.03.2021 RM'000
Corporate guarantee given by REVENUE to licensed bank for banking facilities granted to a subsidiary of REVENUE	44,857	10,000
Bank guarantee given to Payments Network Malaysia Sdn. Bhd. in favour of Revenue Harvest and Revenue Solution Sdn. Bhd.	560	490

A14. Capital commitments

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

	<u>UNAUDITED</u> As at 31.03.2022 RM'000	<u>UNAUDITED</u> As at 31.03.2021 RM'000
Material commitment		
Purchase of software system	877	877

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 RM22.84 million for the current financial quarter ended 31 March 2022 (31 March 2021: RM29.08 million).

The Group's revenue was principally derived from the electronic transaction processing segment, followed by the EDC terminals segment and Solutions & Services segment accounting for approximately 47.12%, 39.11% and 13.77% respectively of the total revenue for the current financial quarter ended 31 March 2022. The Malaysian market is the single largest market accounted for the entire total revenue for the current financial quarter ended 31 March 2022.

The Group's revenue decreased by RM6.24 million from RM29.08 million for financial quarter ended 31 March 2021 to RM22.84 million for the financial quarter ended 31 March 2022. The lower revenue recorded was mainly attributed to the decrease in the revenue from the sale of EDC terminals by approximately RM11.40 million due to lower sale of EDC terminals. Despite the increase in the number of EDC terminals managed by the Group, the revenue from the rental and maintenance of EDC terminals recorded a drop by approximately RMRM0.84 million arising from the discount on the rental per unit granted to the partner banks. The income from the electronic transaction processing segment increased by approximately RM6.39 million due to the strong performance from the online merchants. The revenue from the Solutions & Services segment decreased by approximately RM0.38 million due to lower revenue from the digital payment and procurement and logistics services by approximately RM0.86 million and RM0.53 million respectively due to lower volume.

The Group registered a PBT of RM6.93 million in the current financial quarter under review (31 March 2021: RM4.96 million). The increase in the PBT recorded for the current financial quarter ended 31 March 2022 was mainly due to the increase in the income from the electronic transaction processing arising from wider adoption of electronic commerce transaction.

The Group recorded a marginally higher administrative expense amounting to RM0.13 million mainly due to lower depreciation charges by approximately RM0.15 million and increase in staff cost by approximately RM0.53 million and lower cost incurred associated with the compliance testing and migration to cloud services by approximately RM0.33 million.

C. 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 RM69.13 million (31 March 2021: RM69.41 million).

The Group's revenue was principally derived from the EDC terminals segment, followed by the electronic transaction processing segment and Solutions & Services segment accounting for approximately 44.64%, 37.58% and 17.78% respectively of the total revenue for the current financial period ended 31 March 2022. The Malaysian market is the single largest market accounted for the entire total revenue for the current financial quarter ended 31 March 2022.

The Group's revenue decreased marginally by RM0.28 million from RM69.41 million for financial period ended 31 March 2021 to RM69.13 million for the financial period ended 31 March 2022. The lower revenue recorded was mainly attributed to the lower income from the EDC terminals segment by approximately RM14.33 million due to lower sale of EDC terminals and discount on the rental per unit granted to the partner banks. The income from the electronic transaction processing segment increased by approximately RM12.74 million arising from the increase in the transaction processing value. The revenue from the Solutions & Services segment increased by approximately RM1.31 million due to higher revenue from digital payments services by approximately RM0.79 million due to higher volume and IT solutions & services increased by approximately RM1.60 million due to the completion and the recognition of milestone billing with regards to the development of payment security platforms.

The Group registered a PBT of RM19.40 million in the current financial period under review (31 March 2021: RM13.54 million). The increase in the PBT recorded for the current financial period ended 31 March 2022 was mainly due increase the income from the electronic transaction processing due to the wider adoption of e-commerce transaction.

The Group recorded a higher administrative expense amounting to RM2.33 million mainly due to higher depreciation charges by approximately RM1.48 million, increase in the staff cost by approximately RM1.01 million and lower cost incurred associated with the compliance testing and migration to cloud services by approximately RM0.23 million.

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

B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		CHANGES	
	31.03.2022	31.12.2021		
	RM'000	RM'000	RM'000	%
Revenue	22,844	27,443	(4,599)	(16.8%)
PBT	6,934	7,159	(225)	(3.1%)

For the current financial quarter ended 31 March 2022, the Group recorded a lower revenue by approximately RM4.60 million, mainly attributed to the decrease in the revenue from the sale of EDC terminals by approximately RM5.49 million but was mitigated by the higher income from the electronic transaction processing increased by approximately RM1.84 million and higher income from the rental and maintenance of EDC terminals by approximately RM0.17 million.

For the current financial quarter ended 31 March 2022, despite a drop in the revenue, the Group recorded a marginally lower PBT by approximately RM0.23 million as compared to RM7.16 million in the immediate preceding financial quarter ended 31 December 2021 mainly attributed to the change in the higher contribution from the electronic transaction processing segment.

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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 initially intend to expand to ASEAN market and we have identified two (2) potential countries for our regional expansion, namely Myanmar and Cambodia.

However, due to the outbreak of Corona Virus Disease 2019 (“COVID-19”), the intended business plan was halted due to the lockdown of borders which impede the Group from travelling to Myanmar and Cambodia to set up its infrastructure and operations team. The Group has decided to temporary halt all regional business expansion until and upon the improvement of the pandemic. As the regional countries are slowly opening up the borders and receiving visitors, the Group will re-visit the regional expansion plan.

(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”), Wannatalk Malaysia Sdn Bhd (“Wannatalk”), as well as Vsure will enable the Group to provide additional value-added solutions and services to our customers which will complement the Group’s existing business and provide a more robust Business-to-Business-Consumer (“B2B2C”) solution.

(e) Research & Development (“R&D”)

Our Group continuously researching and developing more electronic solutions to be integrated with our revPAY. Such solutions will enable our customers to digitalise loyalty programme, rewards redemption, discount coupons and gift cards, bill payment, purchase of on-demand insurance, 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.

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

B3. Prospects and outlook (Cont'd)

On 24 January 2022, Bank Negara Malaysia (“**BNM**”) launched a five-year Financial Sector Blueprint 2022-2026 (“**Financial Blueprint**”) with the vision and strategies for the development of Malaysia’s financial sector and would anchor its effort to promote a financial system that would secure long-term growth planetary health and shared prosperity. Amongst the key strategies, BNM will support industry-led strategies and efforts for digital payments adoption and to sustain the momentum of digital payments adoption and development, as well as support the broader national aspirations for digital payments under Malaysia Digital Economy Blueprint (“**MyDigital Blueprint**”), which was launched on 19 February 2021, with the federal and state agencies playing a pivotal role to adopt cashless payments.

(Source: Financial Sector Blueprint 2022-2026, dated 24 January 2022)

Under the MyDigital Blueprint, the Government had devised multiple strategic thrusts to transform Malaysia into a digitally-driven, high income nation and a regional leader in digital economy. Amongst the key thrusts is to drive digital transformation in the public sector with an aim to have all ministries and agencies to provide cashless payment option by 2022 in creating behavioural shifts towards greater digital adoption, as well as accelerate the National Digital Identity (“**NDI**”) implementation by 2025 to improve security, service delivery and convenience to ensure online transactions are performed in a flexible and secure digital environment. Other aspects of the MyDigital Blueprint are to boost the economic competitiveness through digitalisation with the aim to enable 800,000 micro small and medium enterprises (“**MSMEs**”) to adopt digitalisation by 2025 and create an inclusive digital society by promoting electronic payment onboarding programme for both merchants and consumers towards a cashless society with an aim to achieve 400 electronic payment transaction made per capita by 2022.

(Source: Malaysia Digital Economy Blueprint, dated 19 February 2022)

Against the above backdrop, BNM will continue to play a key role by regulating and supervising industry players in order to maintain confidence and promote the safety, efficiency, reliability and integrity of payment services. In 2021, BNM had focused its oversight activities on few key risk areas, amongst other, payment fraud. It had also reviewed several policies aimed at enhancing the safety and efficiency of payment services while strengthening user protection and public confidence, as well as ensuring the cost of accepting payment cards continues to remain fair and reasonable and strengthening of merchants’ ability to manage payment card acceptance cost.

(Source: BNM Annual Report 2021)

The Government of Malaysia had on 24 March 2022 announced the reopening of Malaysia’s International borders for travellers from all countries with effect from 1 April 2022 as part of the plan to transition to the endemic. The arrival of international travellers to Malaysia in the near future will help spur the spending in the country. However, the on-going geo-political tensions in the Eastern Europe have resulted in the global and local economy to continue to linger in uncertainty.

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

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

B4. Profit forecast or profit guarantee

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

B5. Status of corporate proposals

Save as disclosed in A11 and below, there were no corporate proposals undertaken but not completed as at the date of this interim financial report.

B6. Income tax expenses

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2022⁽¹⁾	31.03.2021	31.03.2022⁽¹⁾	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense	2,140	1,044	5,183	2,915
Deferred tax expense	-	-	-	-
Total tax expense	2,140	1,044	5,183	2,915
Effective tax rate (%)	30.86 ⁽²⁾ %	21.06%	26.71%	21.52%

Notes:

- (1) Income tax expense is recognised based on management's best estimate.
- (2) The Group's effective tax rate for the individual quarter and period-to-date is higher due to the expiry of the pioneer status granted by Malaysian Investment Development Authority under the provisions of the Promotion of Investment Act 1986 on 12 July 2021.

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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:-

Details of utilisation	Proposed Utilisation⁽¹⁾	Revised Utilisation	Actual Utilisation	Balance Utilisation	Estimated timeframe for utilisation upon listing	Revised timeframe for utilisation⁽²⁾
	RM'000	RM'000	RM'000	RM'000		
Capital expenditure	8,100	9,129 ⁽³⁾	(9,129)	-	24 months	12 months
Enhancement of revPAY and expansion of IT team	4,040	4,040	(4,040)	-	24 months	-
Repayment of bank borrowings	2,500	2,500	(2,500)	-	3 months	-
Business expansion	1,500	471 ⁽³⁾	(471)	-	24 months	-
Working capital	1,773	1,773	(1,773)	-	24 months	-
Listing expenses	2,700	2,700	(2,700)	-	Immediately	-
	20,613	20,613	(20,613)	-		

Notes:

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

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

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

Details of utilisation	Proposed Utilisation	Actual Utilisation	Balance Utilisation	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	
Capital expenditure	44,968	(39,236)	5,732	24 months
Enhancement of revPAY and expansion of IT team	8,670	(6,799)	1,871	24 months
Working capital	3,399	(3,049)	350	24 months
Expenses in relation to the Special Issue	1,450	(618)	832	Immediately
	58,487	(49,702)	8,785	

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
	31.03.2022	31.03.2021
	RM'000	RM'000
Current:		
Lease liabilities	542	922
Term loans	489	215
Bank overdraft	121	564
	<u>1,152</u>	<u>1,701</u>
Non-current:		
Lease liabilities	563	685
Term loans	44,368	4,984
	<u>44,931</u>	<u>5,669</u>
Total bank borrowings	<u>46,083</u>	<u>7,370</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 2022.

B10. Dividend

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

REVENUE GROUP BERHAD (201701034150 (1248321-D))**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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM'000)	4,656	3,712	12,674	9,858
<u>Basic EPS</u>				
Weighted average number of ordinary shares ('000)	465,925	420,362	463,239	402,569
Basic EPS (sen)	1.00	0.88	2.74	2.45

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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM'000)	4,656	3,712	12,674	9,858
<u>Diluted EPS</u>				
Weighted average number of ordinary shares ('000)	622,553	422,003	619,868	404,211
Diluted EPS (sen) ⁽¹⁾	0.75	0.88	2.04	2.44

Note:

- (1) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 March 2022 is calculated based on the weighted average number of ordinary shares in issue of 622,553,052 and 619,867,914 respectively, adjusted for number of shares under warrants.

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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation/Amortisation of property, plant and equipment, right-of-use assets and intangible assets	2,289	2,438	8,260	6,776
Impairment losses on trade receivables	350	230	429	333
Reversal of impairment losses on trade receivables	-	(86)	(225)	(569)
(Gain)/Loss on foreign exchange				
• Realised	(79)	-	66	-
• Unrealised	(2)	(48)	-	(26)
Rental expenses				
• Office	55	-	134	-
Bad debts recovered	(2)	(1)	(15)	(13)
(Gain)/Loss on disposal of property, plant and equipment	(8)	1	(8)	5
Interest income	(29)	(52)	(439)	(98)
Rental income	(10)	-	(30)	-

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