

INFORMATION MEMORANDUM



REDPLANET BERHAD

Company No.: 201901014292 (1323620-A)
(Incorporated In Malaysia)

Proposed placement of 19,930,000 ordinary shares in RedPlanet Berhad at an indicative price of RM0.22 per share in conjunction with our proposed listing on the LEAP Market of Bursa Malaysia Securities Berhad

Approved Adviser, Continuing Adviser and Placement Agent



M&A SECURITIES SDN BHD

Company No.: 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

THIS INFORMATION MEMORANDUM IS DATED 24 DECEMBER 2019

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("LEAP MARKET")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON BURSA MALAYSIA SECURITIES BERHAD. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY THE LISTED CORPORATION. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATIONS AND, IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA") FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE INFORMATION MEMORANDUM THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE INFORMATION MEMORANDUM OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE CORPORATION.

SHARES LISTED ON BURSA MALAYSIA SECURITIES BERHAD ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE OFFERING, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

All defined terms used in this section are defined under "Definitions" in page vi.

The Directors and Promoters of the Company have seen and approved this Information Memorandum. They collectively and individually accept full responsibility for the accuracy of all the information and statements contained in this Information Memorandum. Having made all reasonable enquiries, and to the best of their knowledge, information and belief, they confirm that there are no false or misleading statements or other material facts which if omitted, would make any statement in this Information Memorandum false or misleading.

M&A Securities, being the Approved Adviser, Continuing Adviser and Placement Agent to our Proposed Listing acknowledges that, based on all available information, and to the best of its knowledge, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing and the Proposed Placement.

This Information Memorandum has been drawn up in accordance with the LEAP Listing Requirements for the Proposed Listing and the Proposed Placement. This Information Memorandum is not a prospectus and has not been registered nor will it be registered as a prospectus under the CMSA. The Proposed Placement constitutes an excluded issue within the meanings of Section 230 of the CMSA. The Information Memorandum has been prepared in the context of securities offering under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

A copy of this Information Memorandum has been deposited with the SC.

The SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum. The SC and Bursa Securities also do not make any assessment on the suitability, viability or prospects of our Group. Sophisticated Investors are expected to make their own assessment on our Group or seek appropriate advice before making their investment decisions. The Approved Adviser has assessed the suitability of our Company for admission to the LEAP Market as per the LEAP Listing Requirements.

An application has been made to Bursa Securities for admission of our Company and the listing of and quotation for the entire ordinary share capital of our Company on the LEAP Market. No monies shall be collected from Sophisticated Investors for the subscription of the Placement Shares, and no new Shares shall be allotted pursuant to the Proposed Placement until Bursa Securities has granted its approval-in-principle for the admission of our Company to the LEAP Market. Approval from Bursa Securities of the same is not an indication of the merits of our Proposed Listing, Proposed Placement, our Company or our Shares. This Information Memorandum can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com.

THERE ARE CERTAIN RISK FACTORS WHICH SOPHISTICATED INVESTORS SHOULD CONSIDER. PLEASE REFER TO "RISK FACTORS" AS SET OUT IN PART III.

Sophisticated Investors should note that they may seek recourse under the CMSA for breaches of securities laws and regulations including any statement in the Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Information Memorandum.

This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of our Shares is not and should not be construed as a recommendation by us and/or the Approved Adviser to subscribe for or purchase our Shares. This Information Memorandum is not a substitute for and should not be regarded as an independent evaluation and analysis and does not purport to be all inclusive. Each Sophisticated Investor should perform and is deemed to have made its own independent investigation and analysis of our Company and all other relevant matters.

EXPECTED TIMETABLE FOR THE PROPOSED PLACEMENT AND PROPOSED LISTING

All defined terms used in this section are defined under "Definitions" in page vi.

The indicative timing of events leading to the listing of and quotation for our entire enlarged share capital on the LEAP Market is set out below:

Events	Tentative date
Date of Information Memorandum	24 December 2019
Expected approval from Bursa Securities ⁽¹⁾	End-January 2020
Price-fixing date for Placement Price	Early February 2020
Allotment of Placement Shares	Early February 2020
Listing of our Company on the LEAP Market	Mid- February 2020

⁽¹⁾ Subject to receipt of approval-in-principle from Bursa Securities for our Proposed Listing.

The timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. An announcement for the key relevant dates will be made after obtaining Bursa Securities' approval-in-principle for our Proposed Listing.

PLACEMENT STATISTICS

Method of offering	Private placement
Indicative Placement Price per Share	RM0.22
Number of existing Shares	139,466,700
Number of Placement Shares being issued under Proposed Placement	19,930,000
Number of Shares in issue upon Proposed Listing	159,396,700
Percentage of enlarged share capital represented by Placement Shares	12.50%
Indicative gross proceeds of the Proposed Placement	RM4.39 million
Estimated net proceeds of the Proposed Placement receivable by the Company	RM3.39 million
Market capitalisation of the Company at the indicative Placement Price upon Proposed Listing	RM35.07 million

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IMPORTANT INFORMATION

All defined terms used in this section are defined under "Definitions" in page vi.

This Information Memorandum shall not be, in whole or in part, reproduced disclosed or distributed to any other person or used for any other purpose. By accepting this Information Memorandum, Sophisticated Investors agree to be bound by the limitations and restrictions described herein.

This Information Memorandum includes certain historical information, estimates or reports thereon derived from sources mentioned in this Information Memorandum. Such information, estimates or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimate and or report thereon derived from such and other third party sources.

Presentation of Financial and Other Information

All references to "our Company" and "RedPlanet" in this Information Memorandum are to RedPlanet Berhad. All references to "RedPlanet Group" and "our Group" in this Information Memorandum" are to our Company and our subsidiary(ies) as a whole and all references to "we", "us", "our" and "ourselves" are to our Company and our subsidiary(ies), save where the context otherwise requires. Statements as to our beliefs, expectations, estimates and opinions are those of our Company.

Unless the context otherwise requires, all references to "Management" are to our Directors and key management of RedPlanet Group as at the date of this Information Memorandum, and statements to our Management's beliefs, expectations, estimates and opinions are those of our Management solely.

The word 'approximately' used in this Information Memorandum is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or 2 decimal place (for percentages) or 1 sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" section and technical terms used herein are defined in the "Glossary of Technical Terms" section appearing after this Section. Words importing 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.

Any reference to a time of a day in this Information Memorandum shall be a reference to Malaysian time, unless otherwise stated.

Any reference in this Information Memorandum to any statutory legislation, regulations, by-laws, guidelines, listing requirements, directives and/or practice notes is a reference to the same as for the time being amended, modified or re-enacted.

IMPORTANT INFORMATION

Investment Risks

Investment in our Company carries risk. There can be no assurance that our Company's strategy will be achieved and investment results may vary substantially over time. Sophisticated Investors contemplating an investment in our Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Group. No assurance is given, express or implied, that shareholders will receive back the amount of their investment in our Shares.

Sophisticated Investors should carefully consider whether an investment in our Shares is suitable for them in light of their circumstances and financial resources and whether they are able and willing to withstand the potential loss of their entire investment (see further under "**Part III: Risk Factors**").

This Information Memorandum should be read in its entirety before making any investment in the Company.

Forward Looking Statements

This Information Memorandum contains forward-looking statements. All statements other than statements of historical facts included in this Information Memorandum, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements are applicable only as at the date of this Information Memorandum.

Words such as "may", "will", "would", "could", "expect", "anticipate", "should", "intend", "plan", "believe", "seek", "estimate", "project" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations.

These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. The Company is not under any obligation to update or revise such forward-looking statements in this Information Memorandum. Neither the Company, the Approved Adviser nor any other person represents or warrants that our Group's actual future results, performance or achievements will be as disclosed in those statements.

Factors that could cause our actual results, performance or achievements to differ materially include, without limitation, those discussed in "**Part III: Risk Factors**" and in "**Part I: Section 6 – Historical Financial Information and Management's Discussion and Analysis**". We cannot give any assurance that the forward looking statements made in this Information Memorandum will be realised.

Sophisticated Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

CORPORATE DIRECTORY

Board of Directors	Lian Wah Seng, <i>Non-Independent Non-Executive Chairman</i> Panjetty Kumaradevan Senthil Kumar, <i>Executive Director</i> Mohamad Azhar Bin Ahmad, <i>Executive Director</i> Phong Hon Wai, <i>Independent Non-Executive Director</i>
Business Address	Unit 25-12, Level 25, Q Sentral 2A, Jalan Stesen Sentral 2 KL Sentral 50470 Kuala Lumpur
E-mail	info@redplanet.com.my
Website	www.redplanet.com.my
Company Secretaries	Wong Yoke Fun (MAICSA 7027345) Rebecca Kong Say Tsui (MAICSA 7039304)
Registered Office	Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Approved Adviser, Continuing Adviser and Placement Agent	M&A Securities Sdn Bhd (197301001503 (15017-H)) Level 11, No. 45 & 47, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur
Auditors	Crowe Malaysia PLT (LLP0018817-LCA & AF 1018) Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur
Legal Counsel to the Company	Ilham Lee C3-5-2, Solaris Dutamas No. 1 Jalan Dutamas 1 50480 Kuala Lumpur
Share Registrar	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H)) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Independent Market Research Consultant	Providence Strategic Partners Sdn Bhd (201701024744) (1238910-A)) 67-1, Block D, Jaya One No. 72A, Jalan Universiti 46200 Petaling Jaya, Selangor
Listing Sought	LEAP Market

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, the following words and abbreviations shall apply throughout this Information Memorandum and shall have the meanings as set out below:

Group Companies

RedPlanet or Company	:	RedPlanet Berhad (201901014292 (1323620-A))
RedPlanet Group or Group	:	RedPlanet and its subsidiaries
RedPlanet Solutions	:	RedPlanet Solutions (M) Sdn Bhd (201401041483 (1117638-T))
RedPlanet Aust	:	RedPlanet Solutions (Aust) Pty Ltd (629 813 743)
Prudentlogic	:	Prudentlogic Sdn Bhd (201801045131 (1307163-H))

Other Corporations, Establishment and Agencies

Approved Adviser, Continuing Adviser or Placement Agent	:	M&A Securities
BNM	:	Bank Negara Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
M&A Securities	:	M&A Securities Sdn Bhd (197301001503 (15017-H))
MDeC	:	Malaysia Digital Economy Corporation Sdn Bhd (199601016995 (389346-D)), an agency under the purview of Ministry of Communications and Multimedia Malaysia
MITI	:	Ministry of International Trade and Industry, Malaysia
MOF	:	Ministry of Finance, Malaysia
MyIPO	:	Intellectual Property Corporation of Malaysia
PROVIDENCE	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A))
SC	:	Securities Commission Malaysia

General

Acquisition	:	Acquisition by RedPlanet of the entire equity interest of RedPlanet Solutions for a purchase consideration of RM2,091,999 wholly satisfied via the issuance of new 139,466,600 Shares to the Vendors at an issue price of RM0.015 per Share, which was completed on 12 November 2019
Act	:	Companies Act, 2016
Azhar Ahmad	:	Mohamad Azhar Bin Ahmad, our Executive Director
Board	:	Board of Directors of our Company

DEFINITIONS (Cont'd)

CAGR	:	Compounded annual growth rate
CMSA	:	Capital Markets and Services Act 2007
Director(s)	:	Executive director(s) or non-executive director(s) of our Company within the meaning of Section 2 of the Act
FYE	:	Financial year ended 30 June
GP	:	Gross profit
Indicative Placement Price	:	The indicative placement price of RM0.22 per Placement Share
Information Memorandum	:	This information memorandum dated 24 December 2019
LEAP Market	:	LEAP Market of Bursa Securities
LEAP Listing Requirements	:	LEAP Market Listing Requirements of Bursa Securities
LPD	:	6 December 2019, being the latest practicable date prior to the date of this Information Memorandum
MSC	:	Multimedia Super Corridor. The MSC status is a recognition by the Government of Malaysia through MDeC for information and communication technology and information and communication technology facilitated businesses that develop or use multimedia technologies to produce and enhance their products, services as well as process development and it is awarded to both local and foreign companies
NA	:	Net assets
PAT	:	Profit after tax
PBT	:	Profit before tax
P.K. Senthil Kumar	:	Panjetty Kumaradevan Senthil Kumar, our Executive Director
Placement Share(s)	:	19,930,000 new Share(s) to be issued under the Proposed Placement
Promoters	:	PKSen Ventures Sdn Bhd (201801042664 (1304696-M)), Fajar Muda Sdn Bhd (201701032909 (1247080-T)) and Newventures Equity Sdn Bhd (201901011167 (1320495-T)), and their respective shareholders namely P.K. Senthil Kumar, Azhar Ahmad and Lian Wah Seng, collectively
Proposed Listing	:	Proposed listing of and quotation for our entire issued share capital comprising 159,396,700 Shares on the LEAP Market
Proposed Placement	:	Proposed issuance of Placement Shares within the meaning of Section 230 of CMSA at the Indicative Placement Price to selected Sophisticated Investors in conjunction with the Proposed Listing
R&D	:	Research and development

DEFINITIONS (Cont'd)

Share(s)	:	Share(s) in our Company
Sophisticated Investor	:	Any person who falls within any of the categories of investors set out in Part I of Schedule 7 of the CMSA
USA	:	United States of America
Vendors	:	PKSen Ventures Sdn Bhd, Newventures Equity Sdn Bhd, Steve & Co Capital Sdn Bhd, Fajar Muda Sdn Bhd, Chow Pooi Onn, Catherine Lee Mei Chin and Ismail Bin Azizi

Currencies, Units and Others

% or percent	:	per centum
AUD	:	Australian Dollar
RM	:	Ringgit Malaysia and sen, respectively
USD	:	United States Dollar
SGD	:	Singapore Dollar
sq ft	:	Square feet

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GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain terms used throughout this Information Memorandum in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

ERP	:	Enterprise resource planning – refers to a modular software system designed to integrate to the main functional areas of an organisation's business processes in a unified system
ETL	:	Extract, transform, load – refers to a general procedure of copying data from one or more sources into a destination system which represents the data differently from the source(s)
GIS	:	Geographic information system – refers to a system designed to capture, store, manipulate, analyse, manage and present spatial or geographic data
ICT	:	Information and communication technology – refers to an extension of IT that stresses the role of unified communications and integration of telecommunications and computers, as well as necessary software and hardware systems that enable users to access, store, transmit and manipulate information
IoT	:	Internet of things – the extension of internet connectivity beyond traditional devices such as desktop and laptop computers to a diverse range of devices that utilise embedded technology to communicate and interact via the Internet
IT	:	Information technology
Pilot	:	A project done as an experiment or test before being introduced more widely
SaaS	:	Software as a service, is a method of software delivery and licensing in which software is accessed online via a subscription, rather than bought and installed on individual computers
SCADA	:	Supervisory control and data acquisition – refers to a control system architecture that uses computers, networked data communications and graphical user interfaces for high level process supervisory management
Use case	:	A specific situation in which a product or service has been tested and/or implemented and could potentially be used again

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APPENDIX

I.	Audited Financial Statements of RedPlanet Solutions (M) Sdn Bhd for FYE 2019
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PART I

**INFORMATION ON
OUR GROUP**

PART I: INFORMATION ON OUR GROUP

1. HISTORY OF OUR GROUP

Our Group, through our subsidiaries, principally provides GIS and ICT solutions as well as maintenance and support services. Our GIS solutions helps clients capture, store, analyse interpret, manage and present spatial or geographic data to enable better business decision making. Our ICT solutions are a combination of software and hardware infrastructure system designed to enable access, management and transmission of information.

Our Company was incorporated in Malaysia on 22 April 2019 under the Act as a private limited company under the name RedPlanet Sdn Bhd. On 5 December 2019, our Company converted into a public limited company and adopted our present name. Our Company was incorporated to facilitate the Proposed Listing and our principal activity is investment holding.

Our subsidiary, RedPlanet Solutions, was founded and incorporated under the Companies Act 1965 on 12 November 2014 under the name RedPM Solutions Sdn Bhd by Azhar Ahmad and another shareholder, Achmat Qayyum Bin Misran. RedPM Solutions Sdn Bhd remained dormant until 2016.

RedPM Solutions Sdn Bhd commenced operations in January 2016 to provide GIS solutions. It adopted its present name, RedPlanet Solutions, on 1 March 2016. In the same year P.K. Senthil Kumar joined as Executive Director and took a substantial shareholding in RedPlanet Solutions. At this juncture, RedPlanet Solutions was 48.61% and 51.39% owned by P.K. Senthil Kumar and Azhar Ahmad respectively, while Achmat Qayyum Bin Misran remained as a minority subscriber (with <0.01% shares). Achmat Qayyum Bin Misran subsequently transferred his shares to Fajar Muda Sdn Bhd, a company substantially owned by Azhar Ahmad, in 2018.

The name 'RedPlanet' originated from P.K. Senthil's previous ventures in the USA under the name of Red Planet Consulting, Inc. (*now known as Spatial XY, Inc*) and in India under the name of Red Planet Consulting Private Limited (*now known as Hexamap Solutions Private Limited*) where he provided GIS consultancy back in 2001 and 2005 respectively. P.K. Senthil Kumar has been jointly spearheading the business in Malaysia alongside Azhar Ahmad. In June 2019, he relinquished his directorship in Hexamap Solutions Private Limited (*formerly known as Red Planet Consulting Private Limited*) and disposed all his interest in Spatial XY, Inc. (*formerly known as Red Planet Consulting, Inc.*), and focused full time in growing RedPlanet Solutions as business gained traction.

In 2016, RedPlanet Solutions was appointed as the authorised non-exclusive service provider/ reseller by the Singapore subsidiary of an American multinational digital industrial company, as a solution provider for the latter's GIS software. The current appointment by the aforesaid Singapore subsidiary is for a period of 3 years ending in 2021. RedPlanet Solutions then secured its first GIS solution contract for a major power utilities company in Malaysia.

In 2017, RedPlanet Solutions was granted the MSC status by MDeC.

In 2018, RedPlanet Solutions was appointed as the authorised non-exclusive service provider/ reseller by an European multinational technology group, as a solution provider for its geospatial products in Malaysia. This appointment will terminate with effect from 31 December 2019.

On 5 November 2018, RedPlanet Aust was incorporated under Australia's Corporation Act 2001 with the intention to provide GIS solutions, ICT solutions and maintenance and support services in Australia. RedPlanet Aust is currently a dormant entity and is expected to commence operations in early 2020.

PART I: INFORMATION ON OUR GROUP

In the same year, our Group further secured clientele involved in engineering, ICT infrastructure, smart device solutions, and oil and gas businesses.

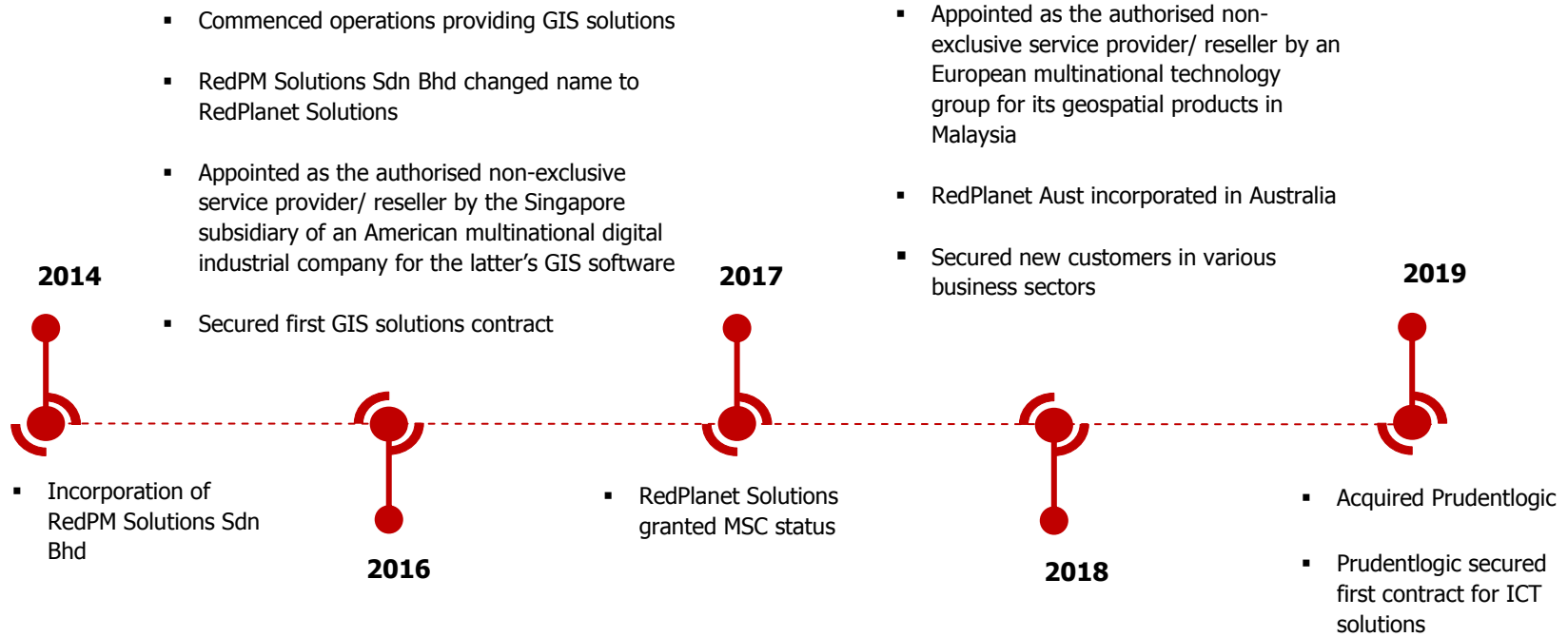
On 7 January 2019, RedPlanet Solutions acquired our subsidiary Prudentlogic, a shelf company incorporated under the Act on 12 December 2018, to provide GIS solutions, ICT solutions and maintenance and support services. The intention of acquiring Prudentlogic is to undertake projects where GIS services and supply of IT hardware are bundled, and also to sell IT hardware, on a standalone basis, to customers. Whereas, due to its MSC status, RedPlanet Solutions focuses on provision of GIS solutions and its related services, being the approved qualifying activities under the MSC Status.

In March 2019, Prudentlogic commenced operations and secured a contract for the provision of ICT solutions amounting to RM0.74 million.

As part of the listing exercise on the LEAP Market of Bursa Securities, our Company was incorporated to act as the listing vehicle and holding company of our Group. On 12 November 2019, our Company completed the Acquisition, whereby our Company acquired the entire equity interest of RedPlanet Solutions via a share swap. The Acquisition resulted in RedPlanet Solutions and its subsidiaries becoming wholly-owned subsidiary and indirect subsidiaries, respectively, of our Company.

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PART I: INFORMATION ON OUR GROUP



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PART I: INFORMATION ON OUR GROUP

2. BUSINESS OVERVIEW

2.1 Principal activities

We are an investment holding company. Through our subsidiaries, we are principally involved in the provision of GIS solutions, ICT solutions, as well as maintenance and support services.

2.2 Principal services

Our principal services are:

- a) Provision of GIS solutions;
- b) Provision of ICT solutions; and
- c) Maintenance and support services

2.2.1 Provision of GIS solutions

Our Group provides GIS solutions to private and public sector customers.



Our GIS solutions typically assist our customer in activities such as location search, navigation, logistics routing, customer targeting and urban planning.

As the awareness for GIS solution improves and its adoption widens, the solutions that we provide are tailor-made to the needs of our customers, integrating both modern software (machine learning/artificial intelligence) and modern hardware (IoT devices) as part of the solution. To put together our solution, we study the specific needs of our customers. We then customise solutions, whether internally developed or customised from the software of our principals and solutions partners.





Our end delivery typically takes the form of a dashboard (screen) that helps our customers to visualise their own data in a more intuitive manner, by incorporating geographically referenced data.

With the intuitive interface between our customers and their own data, further enriched by externally purchased data which we can help them procure (e.g. maps, census data etc.), our solutions enable better analysis of data, trends, patterns and relationships. This in turn aids logical reasoning and questioning for informed decision making.

The GIS solutions that we offer are as follows:

 <p>GIS consulting services</p>	<ul style="list-style-type: none"> ▪ Our GIS consulting services mainly involves studying and providing insights to our customers’ existing information system. ▪ We offer subject matter expert services, strategic planning and roadmap design, business process re-engineering as well as requirement preparation.
 <p>Enterprise GIS and integration</p>	<ul style="list-style-type: none"> ▪ We support our customers in integrating their organisation’s existing enterprise system with a GIS solution to optimise flow of spatial and non-spatial information across all business units within the organization. ▪ We help our customers streamline their processes, project tracking, creation of information database and shared information resources.

PART I: INFORMATION ON OUR GROUP

 <p>GIS training</p>	<ul style="list-style-type: none"> ▪ We provide training to our clients who have deployed our GIS solutions. ▪ We also train employees in using major GIS products to support the organisation needs of our customers.
 <p>GIS application development</p>	<ul style="list-style-type: none"> ▪ This solution involves the development or customisation of a GIS solution for our client. ▪ We develop GIS applications with the objective of integrating them with the existing technologies and workflows in our customers' organisations.
 <p>Data management services</p>	<ul style="list-style-type: none"> ▪ We provide a data management solution that allows our customers the flexibility to collect, store, edit and manage data in a manner that fits into their existing processes. ▪ We offer data transformation programme to improve the value of the data and reduce long term data maintenance costs.
 <p>GIS audit</p>	<ul style="list-style-type: none"> ▪ We offer an independent service to perform systematic and independent assessments of GIS systems as to whether the GIS is achieving its intended objectives, identify risks as well as countermeasures to mitigate these risks. ▪ GIS audit focuses on the following aspects: <ul style="list-style-type: none"> - Framework for GIS system - Management of GIS data - People and organisation - Operational processes

The tools and methodologies that we use to provide our GIS solutions are as follows:

<p>GIS machine learning</p>	<ul style="list-style-type: none"> ▪ We have developed a desktop-based application that can identify and classify objects in supporting asset management and preventive maintenance projects for our customers. ▪ Our GIS machine learning tool has been built on open source software platforms and enhanced for GIS applications across various industries such as electricity, agriculture and construction.
<p>Data migration tool kit</p>	<ul style="list-style-type: none"> ▪ We use internally developed techniques and methodologies to extract geo data from our customers' databases, transform geo data into formats required by our customers before loading and integrating these geo data onto a GIS platform. ▪ We use a combination of external tools / software to perform these ETL processes.

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GIS solutions	<ul style="list-style-type: none"> ▪ We distribute GIS solutions from our principals and solutions partners as well as applications that we code internally based on the business needs of our customers. ▪ The GIS solutions have been developed across major GIS products available in the market. ▪ Our technical team has the expertise to customise and deploy these GIS solutions to suit our customers’ requirements.
Business process application	<ul style="list-style-type: none"> ▪ We have developed business process programme modules that can be integrated into our client’s ERP system. These modules are coded internally by our technical team. ▪ The programme modules that we have developed include: <ul style="list-style-type: none"> - ERP-GIS integration module - Enterprise database GIS integration module
Spatial analytics	<ul style="list-style-type: none"> ▪ We provide analytical services to the data captured and the resulting output from the GIS system. ▪ We assist our customers in modelling the data captured, study the relationships among geographic, economic data, as well as marketing factors and outcomes. For example, we help our clients identify which variable, location and/or actions (e.g. marketing campaign, location targeting) that would yield the efficient results – i.e. increase cost efficiency.
Mobile mapping	<ul style="list-style-type: none"> ▪ Mobile mapping is the process of collecting geospatial data from a mobile vehicle, typically a drone or a vehicle fitted with a range of photographic, radar or laser remote sensing systems. ▪ The primary output from mobile mapping include GIS data, digital maps and georeferenced images and video.

2.2.2 Provision of ICT solutions

Our ICT solutions relate to the provision of:

Enterprise software	<ul style="list-style-type: none"> ▪ We provide enterprise wide business-oriented tools such as content management, payment processing, customer relationship management, billing systems including interactive product catalogue systems, application integration framework and business automation tools. ▪ These tools are meant for an organisation as a whole where the business processes are integrated and the flow of information across users/departments is vital for running smooth operations within the business.
ICT hardware	<ul style="list-style-type: none"> ▪ We bundle hardware components (such as servers, network switches, firewalls, storage devices etc.) as part of the overall solution offering (GIS or ICT). This is typically done by liaising with appropriate hardware vendors (IT Infrastructure OEMs, IT Security OEMs etc.). We are also able to offer IOT based devices (including telecommunications equipment) as part of the Smart City (or) Smart Infrastructure initiatives.

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<p>Middleware</p>	<ul style="list-style-type: none"> ▪ We provide Middleware services which are the “software glue” that ties different enterprise systems together within an organisation (usually found in mid or large size customers). Through this, we provide customised solutions to either a green field implementation of middleware (i.e if customer that does not have a middleware) and/or extend the customers’ existing middleware (such as service oriented architecture (SOA)).
<p>Storage</p>	<ul style="list-style-type: none"> ▪ We offer cloud-based storage model to customers where their existing infrastructure is either not adequate or ageing. These storage servers provide unlimited storage options along with the convenience of accessing this storage space anywhere, anytime and on any device.
<p>Audio-visual systems</p>	<ul style="list-style-type: none"> ▪ Under our advanced Augment Reality/Virtual Reality (AR) solutions, we offer customers access to AR based tools that offer an interactive experience by combining the real world information with the equivalent digital across multiple sensory modalities (audio, video, images etc.).

We may, depending on the business needs of our customers, bundle our ICT solutions together with our GIS solutions to offer our customers a more robust solution.

We also offer and distribute GIS enterprise software products and licenses where we are appointed as the authorised non-exclusive independent reseller/ representatives of those products and licenses. We are able to customise the software products based on the differing business needs of our customers.

2.2.3 Maintenance and support services

The GIS solutions and ICT solutions that we deploy normally comes with maintenance and support contracts, due to the familiarity with the solution that we have deployed.

Maintenance and support contracts can also be a standalone service, where we would help clients maintain and support their existing GIS and/or ICT infrastructure. When we see potential weaknesses or room for improvement, we would recommend and offer our GIS solutions and/or ICT solutions.

The maintenance and support services we provide aim at:

- Improving operational efficiency by ensuring that all users within the organisation are using the same and updated version of the software;
- Offering customers the appropriate level of system support based on their organisation’s need; and
- Providing organisations clear timelines for software upgrades to avoid unwarranted interruptions to business operations.

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2.2.4 Use cases and pilots

Our GIS solutions are inherently wide and flexible in its application. We have developed the following use cases (i.e. specific situations which our product or services could be used/ distributed to existing and potential customers) as set out below:

Use case 1: Using GIS to monitor and maintain power transmission and distribution assets	
Client sector	Power utilities
Issues / objectives	Our customer operates in the energy sector. It owns and maintains power generation, transmission and distribution assets across Malaysia. Our customer wants an effective and efficient method to locate, monitor and maintain its transmission and distribution assets.
Solutions provided	<p>We provided a comprehensive field data capture solution that involves both modern (using mobile mapping) and traditional field capture techniques (using GPS). Once the asset data was collected and verified, the data was then migrated into a GIS data model that we developed to represent the customer’s assets in the real-world.</p> <p>The GIS was then integrated with the customer’s existing ERP system and pushed across a web / mobile platform for the entire organisation to leverage on location intelligence as part of the decision support system and business processes in use.</p>
Tools / methodologies used	<ul style="list-style-type: none"> - Mobile mapping - Enterprise GIS and Integration - GIS application development - Data Management Services - GIS Solutions - Mobile mapping
Key outcome	<p>By supplementing our customer’s database with geographical data and integrating the GIS with their existing enterprise system, the customer is able to gain the following benefits:</p> <ul style="list-style-type: none"> ▪ faster service completion requests; ▪ improved customer service by locating customers quickly and more accurately; ▪ improve average field crew response time for managing outages and other maintenance activities; ▪ reduce field inspection / assessment time; ▪ decrease mileage / overtime by avoiding field visits; and ▪ regulatory compliance met by generating more accurate reports <p>We can now deploy similar solutions for customers who need to maintain physical infrastructure (e.g. telco towers, power stations) that are distributed across a wide geographical area.</p>

Use case 2: Using mobile GIS to capture data in the field for accurate yield forecasting	
Client sector	Agriculture
Issues / objectives	Our customer operates and maintains large plantations across Malaysia. Our customers required a mobile solution that assists their team to locate, capture and accurately measure plantation output.
Solutions provided	Implemented a user friendly and intuitive Mobile GIS application that’s designed to eliminate manual field data collection and automate data input for predictive forecasting.

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Use case 2: Using mobile GIS to capture data in the field for accurate yield forecasting	
Tools / methodologies used	- GIS application development - GIS training
Key outcome	Our customer is now able to deploy mobile apps to their existing field crew, who can use their smartphones to collect data more accurately. Our customer benefits from: <ul style="list-style-type: none"> ▪ eliminating manual field work using stationery; ▪ improved field efficiency by quickly capturing data; ▪ improved accuracy from data collected and assist with audit of field work; ▪ improved forecasting of plantation yield; and ▪ reduced insurance risks.
	The module that we have developed is part of a larger suite of products that can be deployed to customers in the agriculture sector that ranges from planning to delivery. This solution can also be extended to other customers in the plantation sector.

Use case typically represents solutions that can be readily marketed as a product or service. We also conduct test to experiment on new solutions that we could potentially provide to a customer, i.e. pilots, before introducing the solutions more widely.

Pilot 1: Identification of faulty equipment using GIS based machine learning toolkit	
Client sector	Utilities
Issues / objectives	Our customer has large number of tower installations nationwide in Malaysia. Our customer requires an effective and cost efficient manner to identify faulty equipment on these tower installations nationwide.
Solutions proposed	We proposed a GIS based machine learning / artificial intelligence (AI) tool that would quickly analyse captured data and locate faulty equipment locations, including classifying the faults found.
Tools / methodologies used	- Machine learning toolkit
Key outcome	Historically, the customer has had to view thousands of images of towers and faulty equipment in order to identify faults, and this method was also prone to errors. Now, with the pilot project we implemented, our customer is able to: <ul style="list-style-type: none"> ▪ significantly reduce time required to analyse images; ▪ develop an audit trail of fault finding reports for compliance requirements; ▪ save cost by deploying resources to the right locations as required; and ▪ develop analytics to predict location of faulty equipment (predictive analytics) <p>This pilot has already been demonstrated to our customer and we have been given a positive feedback. This pilot has the potential to become a de-facto implementation for all utilities where automated identification of faulty equipment is required as part of periodic maintenance activity.</p>

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Pilot 2: Integration with IOT for Command Centre Purpose	
Client sector	Smart City
Issues / objectives	Our customer has existing IOT/sensors including 1,500 analytic CCTVs. It requires the integration of all their existing sensors and systems in one location platform to monitor, plan, analyse and take action of any events that happens within the city.
Solutions proposed	We proposed the integration solution by integrating with 10 CCTVs and panic buttons to have a real time visualization of road, traffic, and safety. This is done via a dashboard with few city's indicators.
Tools / methodologies used	<ul style="list-style-type: none"> - GIS application development - Data management services - Enterprise GIS and integration
Key outcome	<p>Our customer is now able to:</p> <ul style="list-style-type: none"> ▪ reduce crime rate within the city by collaborating with different agencies, such as the police force; ▪ share the same platform with agencies within the city when there is any specific event that requires their support; ▪ able to receive alerts and monitor traffic congestion, water quality, flood and faulty assets; and ▪ reduce operating cost over the long term to manage their city. <p>This operation model (pilot) is widely accepted among committee members of the customer. Once it has been implemented, it can be replicated to other smart cities.</p>

Pilot 3: Meeting customer satisfaction and performance with geo-strategy solution	
Client sector	Financial services
Issues / objectives	Our customer is looking into digitization details of their customers and to secure sales more effectively – Know Your Customer (KYC)
Solutions proposed	We proposed demographic data that includes age, gender, population, household income, city's point of interest (POI). This allows our customer to analyse and plan marketing strategies that are location specific, to effectively compete with their competitors.
Tools / methodologies used	<ul style="list-style-type: none"> - GIS application development - Data management services
Key outcome	<p>Our customer is able to:</p> <ul style="list-style-type: none"> ▪ visualise its branch locations against the competition at targeted geographical areas, with competitor analysis; ▪ make informed decisions to optimise branch, automated teller machines (ATM) and kiosk location with the demographic data; and ▪ optimise and plan banks' property as well as to monitor and maintain the performance of existing property. <p>The mock-up data presented via web-based interface meets the needs of the customer. The customer has presently engaged our Group for a paid proof of concept (POC) to be carried out on certain areas before proceeding to full implementation.</p>

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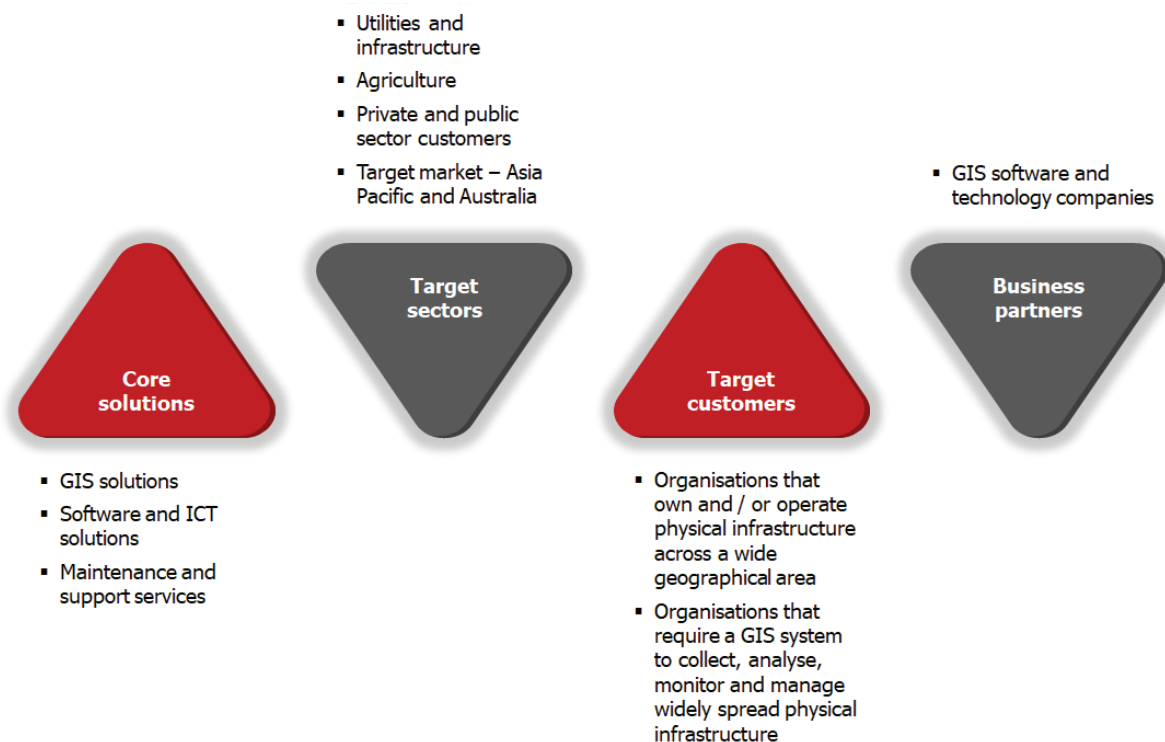
Pilot 4: Drone as a service	
Client sector	Various
Issues / objectives	Our customers are looking at ways to quickly and efficiently capture/survey large tracts of inaccessible areas such as forest land, telecommunication towers and windmills
Solutions proposed	We deployed drones to capture aerial images, which were "stitched" onto the existing base map
Tools / methodologies used	- GIS application development - Data management services
Key outcome	The updated base map is needed by most government agencies (agriculture, local councils and state government), selected government-linked companies and the private sector. Key benefits: <ul style="list-style-type: none"> ▪ reduce cost by eliminating the need to invest in expensive satellite images that need to be purchased; ▪ images are captured in a quick and cost effective manner via drones; and ▪ reduce time and number of field workers to inspect the area

Pilot 5: Pipeline construction management and standardisation system with GIS	
Client sector	Oil and gas
Issues / objectives	Our customer is looking to capture, store, monitor and manage all their physical assets during the construction phase of their oil and gas projects
Solutions proposed	We proposed an intuitive web/mobile-based GIS solution that is able to track the entire life cycle of the customer's physical assets. This is done by deploying a GIS solution that encompasses all project activities, from planning/design to construction and finally maintenance and support. Employees in the customer's organisation are able to update data in the GIS solution in real-time for greater transparency across the customer's organisation.
Tools / methodologies used	- GIS application development - Data management services
Key outcome	Our customer benefits from: <ul style="list-style-type: none"> • one solution covering all pipeline data on GIS; • real time construction activity status monitoring; • mapping the pipeline so that it can be tracked after laying the pipes; • auto-validation during data logging that supports immediate quality assurance / quality control; • end to end traceability / reconciliation of materials; • systematic consolidation of asset data and documents; • easily accessible documents / reports / pipeline data; • transparent reports and data; and • after handover, interlinked data / documents used by the operations and maintenance teams.

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2.3 Business model

Our business model can be depicted in the diagram below:



2.4 Principal markets

Over the financial years under review, our largest market is Malaysia, which accounted for 99.08% and 100.00% of our revenue for FYE 2018 and FYE 2019 respectively. The following table presents our revenue by geographical segment for the periods indicated:

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
Malaysia	9,060	99.08	15,229	100.00
Singapore	84	0.92	-	-
	9,144	100.00	15,229	100.00

2.5 Secured Contracts

As at LPD, we have secured the following contracts from our customers:

Client	Scope / Tenure	Commencement and estimated completion period	Contract value RM' million
Customer A (multiple contracts)	To supply, deploy, maintain and support multiple GIS solutions, including the provision of software licenses over 2 years	October 2018 to September 2021	18.53

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Client	Scope / Tenure	Commencement and estimated completion period	Contract value RM' million
Subsidiary of Supplier A in Philippines	Brownfield implementation of enterprise GIS system for an electricity utility company in Manila, Philippines over 2 years	July 2019 to June 2021	3.68
Subsidiary of Supplier A in Australia	Provision of GIS mapping solutions within a 1-year period	November 2019 to July 2020	1.27
A global professional services company in Singapore	Automation of GIS data for a telecommunications customer within a 1-year period	November 2019 to April 2020	1.01
A telecommunications and security technology systems and product company based in Malaysia	To supply ICT encryption devices within a 1-year period	October 2019 to March 2020	2.48
			26.97

None of the customers above are connected to RedPlanet Group, its directors, major shareholders and persons connected to them. As at LPD, we had an estimate of RM18.40 million outstanding order book to be delivered.

2.6 Marketing and sales strategies

Our marketing and sales efforts are carried out by the marketing and sales team led by our Executive Director, P.K. Senthil Kumar. We generate sales through a direct approach which entails targeting end-user customers.

We market our solutions through the following means:

- **Tenders**

We participate in tenders for the provision of GIS solutions and ICT solutions to private and public sector customers.

- **Personal and professional referrals**

Our business approach of adding value to our customers has cultivated brand loyalty and goodwill. Our customers refer new business to us by 'word of mouth', and the resulting customers have confidence in our solutions and services. We will continue to cultivate brand loyalty among our existing customers.

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- **Seminars and events**

We participate in seminars and events to share our knowledge and expertise in GIS. Our Executive Director, P.K. Senthil Kumar, has been a speaker at several GIS conferences such as:

- a) Back to the Future – Challenges and Opportunities in an Increasing Digital World, Joint Regional Seminar 2018, held on 6 August 2018 in Bangkok, Thailand
- b) The Power Digital APAC User Conference, held from 13 to 15 November 2018 in Sydney, Australia

We believe these events allow us to attract prospective customers and business associates while keeping our existing customers and business associates up-to-date with the GIS solutions available in the market. Further, it also allows us to create market awareness for our brand and range of GIS solutions.

- **Corporate website and social media**

Our Group's corporate website and social media details our GIS solutions and services and is also an avenue for us to educate the public on our brand, vision and values.

2.7 Major customers

Presently, our major customers are corporates in various sectors such as power utilities, information technology, engineering and others. Their contribution to our revenue is as follows:

Customers / Type	Revenue contribution		Years of relationship	Product / services
	FYE 2018 (%)	FYE 2019 (%)		
A major power utilities company in Malaysia ("Customer A")	40.66	89.77	4	GIS solutions, ICT solutions, maintenance and support
A geospatial technology solution provider and system integrator in Malaysia ("Customer B")	13.28	-	4	GIS solutions
An engineering company involved in the supply, installation and commissioning of communications equipment ("Customer C")	30.14	8.42	2	GIS solutions
An engineering and metering company in Malaysia ("Customer D")	10.76	-	2	GIS solutions
Others	5.16	1.81	<2	Various

For FYE 2018 and FYE 2019, our single largest customer was Customer A, contributing from 40.66% to 89.77% of our total revenue and hence we are dependent on Customer A as our major customer. Customer A has been our customer for the past 4 years since our incorporation in 2016. We have secured multiples contract to provide Customer A with the provision of GIS solutions and ICT solutions, as well as maintenance and support services.

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Moving forward, Customer A will continue contributing to our Group's revenue as we have secured multiple contracts worth RM18.53 million, as disclosed in Part I: Section 2.5 above, which have commenced as of October 2018, and are targeted to complete by September 2021. We have maintained a long and mutually beneficial relationship with them over the years and this has provided our Group with a strong platform for future growth. However, if our major customers reduce their orders for our products and/or services significantly or if they choose not to be our customer, our Group's financial results will be adversely affected if we are not able to quickly replace the decrease or loss in sales.

Further the contract with Customer C has been fulfilled and ended. Our Group is working on securing new contract with Customer C, but has yet to secure as at LPD.

2.8 Major suppliers

The table below sets out our major suppliers for the periods indicated:

Suppliers / Type	Purchase contribution		Years of relationship	Product / services
	FYE 2018 (%)	FYE 2019 (%)		
A Singapore subsidiary of an American multinational digital industrial company ("Supplier A")	37.33	87.21	3	GIS software
Supplier of manpower ("Supplier B")	43.98	10.72	2	Manpower outsourcing services
Others	18.69	2.07	<2	Manpower outsourcing services

For FYE 2019, Supplier A was our single largest supplier which accounted for 87.21% of our total purchase during the year. We are the appointed authorised non-exclusive service provider/ reseller for Supplier A. Our purchase of GIS software has been specified by our customer in relation to our ICT solutions as well as maintenance and support project that we secured with Customer A. With the exception of Supplier A as specified in our contract with Customer A, we are able to source most of our supplies from our own approved list of suppliers. We intend to continue reselling Supplier A's products as part of our complementary offerings to our customers.

In the event that we cease to become the service provider/ reseller for Supplier A, our Group's financial results will be adversely affected as we will lose part of the revenue streams contributed from the GIS solutions and ICT Solutions as well as maintenance and support services. Save for the authorised non-exclusive service provider/reseller agreement which we signed with Supplier A, which appointment is for the period of 3 years ending in 2021. We do not have any long-term agreements or arrangements with any of our major suppliers.

PART I: INFORMATION ON OUR GROUP**2.9 Major approvals, permits and licenses**

The Group has obtained all approvals/permits/licenses required to carry out its operations. As at LPD, details of our general business licences are as follows:

No.	Issuing Authority	Licences/ certification/ reference No.	Date of issue/ renewal	Date of expiry	Nature of approval/ Licenses	Equity and/or major conditions imposed	Compliance status
1	Dewan Bandaraya Kuala Lumpur (DBKL)	Account No. 1000551744	13 June 2019	12 June 2020	Conditional business license	Within 6 months from 12.6.2019, the applicant: (a) Shall obtain the approval of Fire and Safety Department (b) Shall obtain the approval of City Planning Department (c) Shall obtain the approval for the building renovation plans from the Building Control Department	To be complied
2	MDeC	Cert No. 4235	19 April 2017/29 May 2017	28 May 2022	MSC Malaysia status	Equity and/or major conditions imposed are as follows: (a) Any changes proposed to the MSC Malaysia Qualifying Activities shall be subject to the prior written consent of the Government, which request for approval shall be submitted through MDeC. (b) Locate the implementation and operation of the MSC qualifying activities within 6 months from 19 April 2017 and thereafter continue to locate at all times at an address to be notified to the Government through MDeC with a minimum office space of 1,000 sq ft in designated premises. (c) To ensure that all at times at least 15% of the total number of employees (excluding support staff) of the Company are	Noted Complied Complied

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No.	Issuing Authority	Licences/ certification/ reference No.	Date of issue/ renewal	Date of expiry	Nature of approval/ Licenses	Equity and/or major conditions imposed	Compliance status
						<p>"knowledge workers" (as defined by MDeC) who shall be recruited employed and/or appointed solely for the purpose of undertaking the MSC Malaysia qualifying activities.</p> <p>(d) To notify the Government through MDeC of any change in the name of the Company.</p> <p>(e) To notify the Government through MDeC of any change in the equity/shareholding structure of the Company, or such other changes that may affect the direction or operation of the Company.</p> <p>(f) To ensure at least 50 Knowledge Workers or 20 Knowledge Workers with the average salary of at least RM10,000.00 per month are employed by the Company by the end of 5 years from the date of the grant of MSC Malaysia Status (i.e. 19 April 2017).</p> <p>(g) To ensure at least 70% of its revenue shall be from exports by the end of year 5 from the date of the grant of MSC Malaysia Status (i.e. 19 April 2017) and shall ensure that such level is maintained at all times.</p>	<p>Noted</p> <p>To be complied</p> <p>To be complied</p> <p>To be complied</p>
3	MITI	Cert No. 5388	7 August 2018/29 May 2017	28 May 2022	<p>RedPlanet Solutions shall be considered as a pioneer company pursuant to Promotion Investment Act 1986 to undertake the following pioneer activities:</p> <p>(a) Establish and operate a global business services</p>	<p>Redplanet shall comply with the conditions imposed by MDeC. See item (2) above.</p>	<p>Where notification is required, RedPlanet Solutions shall notify MDeC instead of MITI</p>

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<u>No.</u>	<u>Issuing Authority</u>	<u>Licences/ certification/ reference No.</u>	<u>Date of issue/ renewal</u>	<u>Date of expiry</u>	<u>Nature of approval/ Licenses</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					<p>centre rendering information technology outsourcing services in:</p> <ul style="list-style-type: none"> ▪ Application Development and Maintenance ▪ Software Development ▪ Systems Integration ▪ IT Helpdesk / Tech Support <p>(b) Provision of implementation, maintenance and technical services related to the abovementioned services</p> <p>See Note (1) below</p>		
4	MOF	Cert No. K6640790167 1904695	3 January 2017	2 January 2020	Registration of RedPlanet Solutions with MOF as supplier/service provider in the ICT sector	Any change to the details of the company shall be updated online at http://www.eprolehan.gov.my within 21 days from the date the change is made	Noted
5	Royal Malaysian Customs Department, Malaysia	W10-1808- 38019310	7 August 2018	Not applicable	Registration of RedPlanet Solutions for service tax in accordance with Service Tax Act 2018	Any changes to the name and address of the company as well as changes to directors, owners, partners, key management posts must be notified to senior customs officer.	Noted

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Note:

- (1) RedPlanet Solutions shall be considered as a pioneer company pursuant to Promotion Investment Act 1986 to undertake the following pioneer activities:
- (a) Establish and operate a global business services centre rendering information technology outsourcing services in:
 - Application Development and Maintenance
 - Software Development
 - Systems Integration
 - IT Helpdesk / Tech Support
 - (b) Provision of implementation, maintenance and technical services related to the abovementioned services

In light of Malaysia's recent commitment to implement and adhere to international taxation standards, particularly Base Erosion and Profit Shifting Action Plan introduced by the Organisation for Economic Co-operation and Development and Group of 20 Countries, the Government of Malaysia will be reviewing all relevant legislation and guidelines relating to relevant tax incentives of Malaysia so as to be consistent with the minimum standards under the aforementioned BEPS Action Plan. As such, starting from 1 July 2018, MDeC will no longer be granting new approvals for applications for MSC Malaysia Status, including applications for extension of income tax exemption period or applications to add new MSC Malaysia qualifying activities. Companies that were granted approval for tax incentives prior to 17 October 2017 and are currently enjoying existing tax incentives will have the option to continue receiving the same treatment until 30 June 2021 or be subject to the new legislation and guidelines once the same come into effect.





The changes however will not affect the tax incentives enjoyed by RedPlanet Solutions, whose pioneer status was issued on 29 May 2017 and expires on 28 May 2022. RedPlanet Solutions may choose to continue enjoying its existing tax incentives until 30 June 2021 or move into the new regime and be subject to new legislation and guidelines. The new legislation and guidelines on the new criteria/conditions are currently under review by the Government of Malaysia.

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2.10 Intellectual properties

As at LPD, our Group does not have any registered trademark/ intellectual property. We have submitted an application for the registration of the following trademarks:

No.	Trademark	Applicant	Processing authority / Application no.	Class⁽¹⁾	Date of application	Status of Registration
(i)		RedPlanet Solutions	MyIPO / TM2019025427 MyIPO / TM2019025432	Class 9 Class 42	12 July 2019	Applied for and pending approval
(ii)		RedPlanet Solutions	MyIPO / TM2019025435 MyIPO / TM2019025440	Class 9 Class 42	12 July 2019	Applied for and pending approval
(iii)		RedPlanet Solutions	Thailand Trademark Application / 190142065	Class 9 Class 42	1 November 2019	Applied for and pending approval
(iv)		RedPlanet Solutions	Thailand Trademark Application / 190142066	Class 9 Class 42	6 November 2019	Applied for and pending approval

Note:

⁽¹⁾ Our Group submitted its application for registration of trademarks under the following classes:

- **Class 9** which includes Software comprising navigation, logistics, tracking, Geographic Information System (GIS), Survey (Field Data Collection/ FDC), Transport Management Solution (TMS) and Location-Based Services (LBS); digital map comprising electronic map and online map; Traffic Message Channel (TMC); Electronic devices with GPS enable comprising of Portable or Personal Navigation Device (PND),

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Navigator device, On Board Unit (OBU) or Built-in-car device; GPS enable car audio devices, GPS enable entertainment media device; Handheld GPS device and GPS coordinate collector device; communication device with Bluetooth function; GPS devices and system comprised of computers, transmitters, network interface, GPS receivers, LCD display; electronic storage media such as CD-ROMs, DVDs, cards and memory devices; computer software which supports navigation, enables the transmission of mapping, navigation, traffic, weather and point-of-interest information to telecommunication networks, GPS enable cellular telephones and navigation devices.

- **Class 42** which includes Information technology consulting in computer software products; Information technology development services in computer software products; Information technology research services in computer software products; Services of implementation of software connecting corporate business and third-party data to Geographical Information Systems (GIS) or computer maps.

2.11 Principal place of business

As at LPD, we do not own any property. Details of properties which we are renting as at LPD are as follows:

No.	Postal address	Landlord/ Tenant	Description/Existing use	Built-up area sq ft	Date of issuance of certificate of completion and compliance	Period of tenancy/ Rental per annum
1.	Unit 25-12, Q-Sentral, 2A Jalan Sentral 2, 50470 Kuala Lumpur	Tan Soon Moi /RedPlanet Solutions	Office unit at 25th floor of an office building	1,650 sq ft	8 June 2015	2 years from 1 February 2019 until 31 January 2021/ RM118,800
2.	Unit 25-12, Q Sentral, 2A Jalan Sentral 2, 50470 Kuala Lumpur	Tan Soon Moi /Prudentlogic	Office unit at 25th floor of an office building	550 sq ft	8 June 2015	2 years from 1 February 2019 until 31 January 2021/ RM39,600

As at LPD, there is no breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

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2.12 Competitive strengths

Our competitive strengths include the following:

2.12.1 Experienced and dedicated management team

Our Group is led by P.K. Senthil Kumar who has more than 19 years of experience in the GIS industry, both overseas and locally in Malaysia. Under his leadership, our Group has been able to secure major customers in the power utilities, agriculture, engineering, ICT infrastructure, smart device solutions, and oil and gas business sectors. We have also further secured key partners for GIS products from Supplier A and an European multinational technology group (although solutions for the latter have yet been deployed to our customers) under P.K. Senthil Kumar's leadership.

P.K. Senthil Kumar is supported by the management team of comprising Azhar Ahmad and Catherine Lee Mei Chin, each of whom have more than 20 years of experience in GIS. Our management team is further supported by 50 technical staff, comprising of 8 full-time employees and 42 contractual employees, whom all have completed tertiary education in ICT, GIS or related fields.

For further details regarding the educational qualifications and experience of our Directors and our management team, please refer to Part I: Sections 4.1 and 4.2.

2.12.2 We possess technical knowledge and sector-specific knowledge that allow us to adapt our GIS solutions to various industry verticals

We have developed GIS competency for the power utilities sector based on our track record and use cases. This allows us to deliver similar solutions to other customers in the power utilities sector in other countries, as well as customers in other industry verticals that share similar traits.

We believe that we are also an early mover in providing a comprehensive and agnostic solution to our customers in Malaysia. We have the resources and ability to introduce and implement new GIS solutions in Malaysia that are more widely available in developed countries such as the USA and Australia.

Despite our specialisation and track records in the power utilities sector, our team is continuously exploring new use cases and pilot studies to venture into other sectors in which we can leverage on GIS to deliver value proposition to prospective customers.

2.12.3 Project track record in the implementation of GIS solutions in Malaysia

We have delivered GIS solutions for a major power utilities company in Malaysia. Since our first contract with this power utilities customer, we have continued renewing our contracts for the provision of GIS solutions and support and maintenance services, thereby demonstrating the reliability and quality of our solutions and services. In addition to the power utilities industry vertical, we have also developed and proposed solutions that cater to customers in the engineering, ICT infrastructure, smart device solutions, and oil and gas industry verticals.

Having a track record and an existing portfolio of domestic and international customers based in Philippines, Australia and Singapore, this provides us credentials to secure more customers in the future.

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Our track records in delivering our GIS solutions is also strengthened by the support we received from our business partners, comprising technology companies who have appointed us as their solution provider with distribution rights for their respective GIS software. These business partners are also a channel for us to secure new customers, as there have been instances in which these business partners have provided us business referrals, by engaging us to deploy their GIS software and solutions to customers who have approached them directly.

We adopt a structured framework in delivering GIS and ICT solutions to our customers, which focuses on understanding and delivering solutions that meet our customers' business needs. This allows us to design solutions that meet the business objectives of our customers.

2.13 Future plans

Our business objectives are to maintain sustainable growth in our business and create long-term shareholders value.

To achieve our business objectives, we will implement / continue implementing the following business plans.

2.13.1 To deliver our solutions in a SaaS business model to generate recurring revenues

As we develop more use cases, we will 'productise' our solutions and services in the form of SaaS. Over the next 24 months, we intend to deploy our R&D team to explore and develop new GIS and ICT solutions that can be distributed to existing and potential customers via the SaaS business model. SaaS is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. Software that is distributed via the SaaS model is on-demand software. Through this model, customers will be billed on a "pay per use" basis for solutions that they actually use.

We envisage that adopting the SaaS model will allow us to grow the distribution of our GIS and ICT solutions arising from the advantages the SaaS model offers, namely:

- Continuous roll out of GIS and ICT solutions, allowing rapid customer / user acquisition
- Lower upfront capital expenditures by our customers as they only need to pay subscription fees.

2.13.2 To develop more use cases for new product development

GIS technology includes a versatile range of tools and techniques for capturing, analysing and leveraging spatial information.

GIS is widely used in urban planning, transportation and the automotive industry. We believe there is potential for the application of GIS in the development of solutions for smart cities, the IoT, mobile mapping and autonomous cars, which aim to deliver benefits to Governments, businesses and communities.

In order to achieve this, we will establish a R&D department, to study GIS application in machine learning, and specifically relating to software development for asset identification and management. We intend to recruit 2 R&D personnel in the next 24 months. We intend to allocate RM0.63 million from placement proceeds to fund the set up of our R&D department.

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The R&D department is intended to develop and enhance of our existing machine learning and spatial analytics toolkit through the development of solutions that can be delivered to customers through the SaaS model on a “pay per use” basis.

2.13.3 To further expand our presence by securing GIS contracts in Australia and the ASEAN region

We see the potential of expanding in Australia where the potential for GIS is growing. According to the IMR, the GIS industry in Australia stood at approximately USD10.0 billion in 2018. According to the Countries Geospatial Readiness Index 2019, Australia was ranked 15 among 75 countries. Amongst the Asia Pacific countries, Australia’s adoption of GIS solutions and technology by the user community is considered to be at an advanced stage. Australia has identified its most promising growth sectors for the spatial industry as transport, agriculture, health, defence and security, energy, mining, and the built environment, with the environment also requiring special consideration.

Our Group has identified the utilities, infrastructure and agriculture industry verticals as industries with potential for our entry and expansion in Australia. We have in the past, delivered use cases for utilities, infrastructure and agriculture customers in Malaysia, and we intend to leverage on this to secure similar projects in Australia.

Over the next 2 years, we will intensify our marketing efforts in Australia, whereby we will actively engage C-level management in organisations in utilities, infrastructure and agriculture companies to introduce our Group, our capabilities and track record. We further intend to continue collaborating with our GIS product principals, as they are a source of business leads for our Group.

We have further allocated RM0.30 million from the placement proceeds, as well as internally generated funds, to fund the recruitment of 1 marketing and sales staff who will primarily be focused for supporting our Group’s expansion in Australia, and be responsible for:

- Identifying prospective customers for business development opportunities;
- Identifying potential GIS tenders for our Group to participate;
- Securing and maintaining relationship with potential and existing customers; and
- Identifying potential technology roadshows and events in which our Group can participate.

In addition to Australia, our Group intends to deploy strategies to expand and market our solutions in the ASEAN region in line with arising opportunities. In 2019, we secured a project worth RM3.68 million in the Philippines to implement GIS systems for an electricity utility company for a period of 2 years. Our Group intends to set up a dedicated sales team but will leverage on technical support from Malaysia, collaborate with product principals and participate in GIS conferences and events. Our Group’s expansion in the ASEAN region will be funded by internally generated funds.

2.13.4 To strengthen our staff force to expand our business to both in Malaysia and overseas

We intend to increase our staff force in the next 24 months in line with our business plan. As at 30 September 2019, we have secured RM21.28 million worth of on-going GIS contracts with our customers. From this, we had an estimated RM18.40 million outstanding order book to be delivered. As at LPD, we have secured additional RM5.69 million of new contracts, resulting in on-going GIS contracts with our customers increasing to RM26.97 million.

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Additional manpower will be required to strengthen our marketing and sales team as well as technical team as we intend to expand to new overseas markets (Australia and the ASEAN region, such as Philippines) and adopt the SaaS business model, whereby we would bundle our solutions as a proprietary software and sell the usage of it to customers on a subscription basis.

We intend to recruit:

- 2 marketing and sales staff, 1 of whom to oversee marketing and sales activities in Australia, and the other for market and sales in Malaysia
- 6 technical consultants
- 2 R&D staff
- 2 staff in accounting and human resource

We have budgeted approximately RM2.00 million from the placement proceeds, as well as internally generated funds, to fund these additional recruitments.

2.14 Prospects of our Group

Our Board is positive of our Group's prospects, after taking into consideration our future plans as elaborated above, our key competitive strengths, as well as the prospects of GIS in Malaysia, Australia and the ASEAN region such as the Philippines. Our strategies in expanding and marketing to local and to regional markets are as follows:

Markets	Strategies / Activities	Timeline
Malaysia	<ul style="list-style-type: none"> ▪ Organising knowledge sharing sessions and seminars with C-level management in potential target client organisations ▪ Participating in technology roadshows and marketing events ▪ Tendering for GIS projects 	On-going;
Australia	<ul style="list-style-type: none"> ▪ Setting up dedicated sales team ▪ Leveraging on technical support from Malaysia ▪ Collaborating with product principals ▪ Participating in GIS conferences and events 	Ongoing; Target to complete by end 2021
ASEAN Region (such as The Philippines)	<ul style="list-style-type: none"> ▪ Setting up dedicated sales team ▪ Leveraging on technical support from Malaysia ▪ Collaborating with product principals ▪ Participating in GIS conferences and events 	Ongoing; Target to complete by end 2021

Our Group has a high dependency on Customer A as a customer, contributing 40.66% and 89.77% of our total revenue for FYE 2018 and FYE 2019 respectively. While we do not rely on Supplier A's software solely, as we are also the distributor of other GIS software, a large

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proportion of our purchases come from Supplier A as Customer A has chosen a solution based on Supplier A's software.

Despite these dependencies, we are expanding our market both domestically and overseas. Domestically, we are actively bidding for more GIS projects from Customer A as well as other potential customers. Overseas, we have secured projects in the Philippines, Australia and Singapore with a total estimated contract value of RM5.96 million over the next 2 years. We believe that having existing business relationships with our major customers as well as having support from our partners with whom we have been in business, and given our technical expertise, capabilities as well as track record in project execution we are well positioned for repeated businesses. Given that we had been engaged by Customer A for the design and development of its GIS system and are currently engaged for its system maintenance and support, we believe that Customer A will continue to engage our Group for its GIS projects.

The GIS solutions industry in Malaysia, measured by the revenue of GIS solutions industry players in the country, increased from RM268.50 million in 2014 to an estimated RM441.50 million in 2018, at a CAGR of 13.20%. In particular, GIS and related geospatial technologies are rapidly advancing and emerging as a platform to help communities' better plan and manage the complexity of the urban environment.

The GIS industry size in the Asia Pacific region stood at an estimated USD102.80 billion in 2018, and is expected to grow at a CAGR of 18.00% between 2018 and 2020. Increasing use of GIS technology by governments, including for utilities management, as well as increasing urbanisation, supported by government-led initiatives and growing investments in smart cities, are expected to drive the growth of the GIS industry in the region. Government agencies in the Asia Pacific region are also contributing to the growth of the GIS industry by investing in private ventures and space start-ups.

The GIS industry in Australia stood at approximately USD10.00 billion in 2018. According to the Countries Geospatial Readiness Index 2019, Australia was ranked 15 among 75 countries. Amongst the Asia Pacific countries, Australia's adoption of GIS solutions and technology by the user community is considered to be at an advanced stage. Australia has identified its most promising growth sectors for the spatial industry as: transport, agriculture, health, defence and security, energy, mining, and the built environment, with the environment also requiring special consideration.

(Source: IMR Report)

Notwithstanding our future plans and prospects, Sophisticated Investors should take note of the risk factors relating to our Group as set out in **Part III: Risk Factors**.

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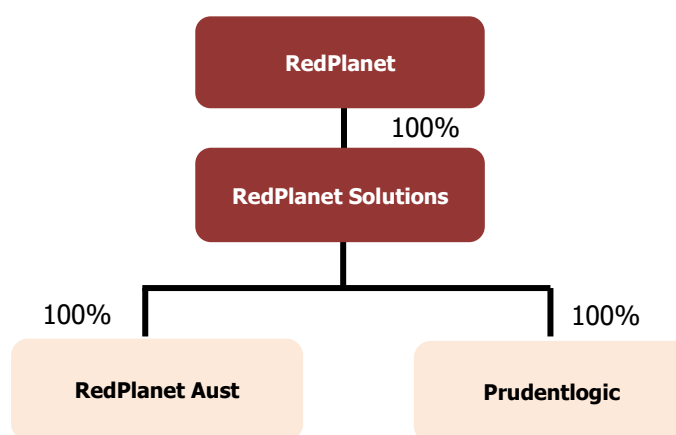
3. GENERAL INFORMATION ON OUR GROUP

3.1 Incorporation and history

We were incorporated in Malaysia on 22 April 2019 under the Act as a private limited company under the name RedPlanet Sdn Bhd. On 5 December 2019, we converted into a public company limited by shares and adopted our present name.

We are an investment holding company. Through our subsidiaries, we are principally involved in the provision of GIS and ICT solutions as well as maintenance and support services.

There has been no material change in the manner in which our Company conducts its businesses or activities since our incorporation up to LPD. Our Group structure as at LPD is as follows:



The details of companies in our Group are summarised as follows:

Name of company (Company no.)	Date / Country of incorporation	Date of commencement of business	Principal activities
RedPlanet Berhad (201901014292 (1323620-A))	22 April 2019 / Malaysia	12 November 2019	Investment holding
RedPlanet Solutions (M) Sdn Bhd (201401041483 (1117638-T))	12 November 2014 / Malaysia	January 2016	Provision of GIS solutions, ICT solutions and maintenance and support services *
RedPlanet Solutions (Aust) Pty Ltd (629 813 743)	5 November 2018 / Australia	Dormant as at LPD	Intended for provision of GIS solutions, ICT solutions and maintenance and support services
Prudentlogic Sdn Bhd (201801045131 (1307163-H))	12 December 2018 / Malaysia	January 2019	Provision of GIS solutions, ICT solutions and maintenance and support services *

Note:

* RedPlanet Solutions focuses on GIS solutions and its related services in line with the qualifying activities as approved under MSC Status. Prudentlogic undertake projects where GIS solutions and supply of IT hardware are bundled, and also to sell IT hardware, on a standalone basis, to customers.

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Our share capital as at LPD is RM2,092,000 comprising 139,466,700 Shares. Changes in our share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital
22 April 2019	100	RM1/ Subscriber's shares	RM 1
12 November 2019	139,466,600	RM2,091,999/ Issued for the Acquisition	2,092,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in our Company. In addition, there are no discounts, special terms or installment payment terms applicable to the payment of the consideration for the allotment of our Shares.

Upon completion of the Proposed Placement, our enlarged share base will be RM6,476,600 comprising 159,396,700 Shares.

3.2 Details of the Acquisition

On 3 September 2019 and 1 November 2019, RedPlanet entered into a share sale agreement and a supplemental letter agreement respectively with the Vendors to acquire the entire equity interest in RedPlanet Solutions comprising 378,000 ordinary shares for a total purchase consideration of RM2,091,999. The purchase consideration for the Acquisition was satisfied by the issuance of 139,466,600 new Shares to the Vendors at an issue price of RM0.015 per Shares.

The Acquisition was completed on 12 November 2019. Thereafter, RedPlanet Solutions became our wholly-owned subsidiary.

Details of the Vendors and the number of Shares issued under the Acquisition are as follows:

Vendors	No. of shares	% of share capital	Purchase consideration	No. of Shares issued
			RM	
PKSen Ventures Sdn Bhd	132,300	35.00	732,200	48,813,300
Fajar Muda Sdn Bhd	44,869	11.87	248,321	16,554,800
Steve & Co Capital Sdn Bhd	68,191	18.04	377,396	25,159,700
Newventures Equity Sdn Bhd	107,995	28.57	597,687	39,845,800
Chow Pooi Onn	12,323	3.26	68,199	4,546,600
Catherine Lee Mei Chin	6,161	1.63	34,098	2,273,200
Ismail Bin Azizi	6,161	1.63	34,098	2,273,200
Total	378,000	100.00	2,091,999	139,466,600

The total purchase consideration of RM2,091,999 for the Acquisition was arrived based on a willing-buyer willing-seller basis after taking into consideration the audited NA as at 30 June 2018 of RM2,092,000.

The new Shares issued under the Acquisition rank pari passu in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

PART I: INFORMATION ON OUR GROUP**3.3 Subsidiaries and associated companies**

As at the date of this Information Memorandum, we only have 1 direct subsidiary, RedPlanet Solutions and 2 indirect subsidiaries, namely, RedPlanet Aust and Prudentlogic. We do not have any associated companies. Details of our subsidiaries are set out below.

3.3.1 RedPlanet Solutions

RedPlanet Solutions was incorporated in Malaysia on 12 November 2014 under the Companies Act 1965 as a private limited company under the name RedPM Solutions Sdn Bhd. It commenced operations in January 2016 and subsequently changed name to RedPlanet Solutions on 1 March 2016.

RedPlanet Solutions is principally involved in the provision of GIS solutions, ICT solutions and maintenance and support services. As at LPD, RedPlanet Solutions has 2 subsidiaries, namely RedPlanet Aust and Prudentlogic.

RedPlanet Solutions share capital as at LPD is RM773,956 comprising 378,000 ordinary shares. The changes in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital
			RM
12 November 2014	2	RM2/ Subscriber's shares	2
22 December 2015	100,000	RM100,000/Cash	100,002
20 July 2016	250,000	RM250,000/Cash	350,002
15 September 2016	10,000	RM10,000/Cash	360,002
15 March 2019	17,998	RM413,954/Cash	773,956

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in RedPlanet Solutions. In addition, there are no discounts, special terms or installment payment terms applicable to the payment of the consideration for the allotment of RedPlanet Solutions's shares.

As at LPD, the Directors of RedPlanet Solutions are P.K. Senthil Kumar and Azhar Ahmad.

3.3.2 RedPlanet Aust

RedPlanet Aust was incorporated in Australia on 5 November 2018 under the Corporations Act 2001 as a private limited company and is currently dormant.

It is intended that RedPlanet Aust's future activities will be the provision of GIS solutions, ICT solutions and maintenance and support services. As at LPD, RedPlanet Aust does not have any subsidiary or associated company.

RedPlanet Aust share capital as at LPD is AUD10,000 comprising 10,000 ordinary shares. The changes in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital
			AUD
5 November 2018	10,000	AUD10,000/ Subscriber's shares	10,000

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As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in RedPlanet Aust. In addition, there are no discounts, special terms or installment payment terms applicable to the payment of the consideration for the allotment of RedPlanet Aust's shares.

As at LPD, the Directors of RedPlanet Aust are P.K. Senthil Kumar, Azhar Ahmad and Uma Karthikeyan.

3.3.3 Prudentlogic

Prudentlogic was incorporated in Malaysia on 12 December 2018 under the Act as a private limited company under its present name. It commenced operations in January 2019.

Prudentlogic is principally involved in the provision of GIS solutions, ICT solutions and maintenance and support services. As at LPD, Prudentlogic does not have any subsidiary or associated company.

Prudentlogic share capital as at LPD is RM10,000 comprising 10,000 ordinary shares. The changes in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital
			RM
12 December 2018	1	RM1/ Subscriber's shares	1
14 March 2019	9,999	RM9,999/Cash	10,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Prudentlogic. In addition, there are no discounts, special terms or installment payment terms applicable to the payment of the consideration for the allotment of Prudentlogic's shares.

As at LPD, the Directors of Prudentlogic are P.K. Senthil Kumar and Azhar Ahmad.

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PART I: INFORMATION ON OUR GROUP**3.4 Shareholding structure**

Our shareholding structure, before and after Proposed Placement is as follows:

Shareholders	As at the LPD				After the Proposed Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
PKSen Ventures Sdn Bhd	48,813,300	35.00	-	-	48,813,300	30.62	-	-
Newventures Equity Sdn Bhd	39,845,800	28.57	-	-	39,845,800	25.00	-	-
Steve & Co Capital Sdn Bhd	25,159,700	18.04	-	-	25,159,700	15.78	-	-
Fajar Muda Sdn Bhd	16,554,900	11.87	-	-	16,554,900	10.39	-	-
Chow Pooi Onn	4,546,600	3.26	-	-	4,546,600	2.85	-	-
Catherine Lee Mei Chin	2,273,200	1.63	-	-	2,273,200	1.43	-	-
Ismail Bin Azizi	2,273,200	1.63	-	-	2,273,200	1.43	-	-
Sophisticated Investors	-	-	-	-	19,930,000	12.50	-	-
P.K. Senthil Kumar	-	-	48,813,300 ⁽³⁾	35.00	-	-	48,813,300 ⁽³⁾	30.62
Lian Wah Seng	-	-	39,845,800 ⁽⁴⁾	28.57	-	-	39,845,800 ⁽⁴⁾	25.00
Dato' Steve Wan Siew Kum	-	-	25,159,700 ⁽⁵⁾	18.04	-	-	25,159,700 ⁽⁵⁾	15.78
Azhar Ahmad	-	-	16,554,900 ⁽⁶⁾	11.87	-	-	16,554,900 ⁽⁶⁾	10.39

Notes:

- (1) Based on existing share base of 139,466,700 Shares in issue
- (2) Based on enlarged share base of 159,396,700 Shares upon completion of Proposed Placement
- (3) Deemed interest by virtue of his shareholdings in PKSen Ventures Sdn Bhd pursuant to Section 8 of the Act
- (4) Deemed interest by virtue of his shareholdings in Newventures Equity Sdn Bhd pursuant to Section 8 of the Act
- (5) Deemed interest by virtue of his shareholdings in Steve & Co Capital Sdn Bhd pursuant to Section 8 of the Act
- (6) Deemed interest by virtue of his shareholdings in Fajar Muda Sdn Bhd pursuant to Section 8 of the Act

PART I: INFORMATION ON OUR GROUP**3.5 Cost of investments**

Details of the cost of investments of our shareholders are as follows:

<u>Shareholders</u>	<u>Cost of investment⁽¹⁾</u> RM	<u>Date of investment</u>	<u>No. of Shares (as at LPD)</u>	<u>%⁽²⁾</u>
<u>Promoters</u>				
PKSen Ventures Sdn Bhd	132,300	27 December 2018 – 26 April 2019 ⁽³⁾	48,813,300	35.00
Newventures Equity Sdn Bhd	2,483,885	26 April 2019	39,845,800	28.57
Fajar Muda Sdn Bhd	44,869	7 August 2018 – 26 April 2019 ⁽⁴⁾	16,554,800	11.87
<u>Pre-IPO Investors</u>				
Steve & Co Capital Sdn Bhd	1,568,393	15 March 2019 - 26 April 2019	25,159,700	18.04
Chow Pooi Onn	283,429	26 April 2019	4,546,600	3.26
Catherine Lee Mei Chin ⁽⁵⁾	141,703	26 April 2019	2,273,200	1.63
Ismail Bin Azizi	141,703	26 April 2019	2,273,200	1.63

Notes:

- (1) Investment were made directly into RedPlanet Solutions prior to the Acquisition
- (2) Based on share base of 139,466,600 as at LPD
- (3) P.K. Senthil Kumar initially invested in RedPlanet Solutions in 2016 and subsequently transferred all his shares in RedPlanet Solutions to PKSen Ventures Sdn Bhd on 27 December 2018
- (4) Azhar Ahmad initially invested in RedPlanet Solutions between 2014 and 2016 and subsequently transferred all his shares in RedPlanet Solutions to Fajar Muda Sdn Bhd on 7 August 2018
- (5) Key management of RedPlanet Solutions

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PART I: INFORMATION ON OUR GROUP**4. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT****4.1 Promoters, substantial shareholders and Directors****4.1.1 Shareholdings**

The shareholdings of our Promoters, substantial shareholders and Directors in our Company are as follows:

Name	Position / Directorship	As at the LPD				After the Proposed Placement			
		Direct No. of Shares	% ⁽¹⁾	Indirect No. of Shares	% ⁽¹⁾	Direct No. of Shares	% ⁽²⁾	Indirect No. of Shares	% ⁽²⁾
PKSen Ventures Sdn Bhd	Promoter and substantial shareholder	48,813,300	35.00	-	-	48,813,300	30.62	-	-
Newventures Equity Sdn Bhd	Promoter and substantial shareholder	39,845,800	28.57	-	-	39,845,800	25.00	-	-
Steve & Co Capital Sdn Bhd	Substantial shareholder	25,159,700	18.04	-	-	25,159,700	15.78	-	-
Fajar Muda Sdn Bhd	Promoter and substantial shareholder	16,554,900	11.87	-	-	16,554,900	10.39	-	-
P.K. Senthil Kumar	Promoter, Non-Independent Executive Director and substantial shareholder	-	-	48,813,300 ⁽³⁾	35.00	-	-	48,813,300 ⁽³⁾	30.62
Lian Wah Seng	Promoter, Non-Independent Non-Executive Chairman and substantial shareholder	-	-	39,845,800 ⁽⁴⁾	28.57	-	-	39,845,800 ⁽⁴⁾	25.00
Dato' Steve Wan Siew Kum	Substantial shareholder	-	-	25,159,700 ⁽⁵⁾	18.04	-	-	25,159,700 ⁽⁵⁾	15.78
Azhar Ahmad	Promoter, Non-Independent Executive Director and substantial shareholder	-	-	16,554,900 ⁽⁶⁾	11.87	-	-	16,554,900 ⁽⁶⁾	10.39
Phong Hon Wai	Independent Non-Executive Director	-	-	-	-	-	-	-	-

PART I: INFORMATION ON OUR GROUP**Notes:**

- (1) Based on existing share base of 139,466,700 Shares in issue
(2) Based on enlarged share base of 159,396,700 Shares upon completion of the Proposed Placement
(3) Deemed interest by virtue of his shareholdings in PKSen Ventures Sdn Bhd pursuant to Section 8 of the Act
(4) Deemed interest by virtue of his shareholdings in Newventures Equity Sdn Bhd pursuant to Section 8 of the Act
(5) Deemed interest by virtue of his shareholdings in Steve & Co Capital Sdn Bhd pursuant to Section 8 of the Act
(6) Deemed interest by virtue of his shareholdings in Fajar Muda Sdn Bhd pursuant to Section 8 of the Act

4.1.2 Profiles of Promoters and/or substantial shareholders

The profiles of Lian Wah Seng, P.K. Senthil Kumar and Azhar Ahmad, who are our Promoters, Directors and substantial shareholders, are set out in Part I: Section 4.1.3.

- (i) **PKSen Ventures Sdn Bhd** was incorporated as a private limited company under the Act on 22 November 2018, for the purpose of holding shares in RedPlanet Solutions. As at LPD, the issued share capital of PKSen Ventures Sdn Bhd is RM100.99 comprising 10,000 ordinary shares. The director and shareholder in PKSen Ventures Sdn Bhd are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Director					
P.K. Senthil Kumar	Indian	9,346	93.46	-	-
		9,346	93.46	-	-
Shareholders					
P.K. Senthil Kumar	Indian	9,346	93.46	-	-
Eanthalingam Gopaul	Indian	327	3.27	-	-
Chithambaram Ponnalagu	Indian	327	3.27	-	-
	Total	10,000	100.00	-	-

- (ii) **Fajar Muda Sdn Bhd** was incorporated as a private limited company under the Act on 18 September 2017, for the purpose of holding shares in RedPlanet Solutions. As at LPD, the issued share capital of Fajar Muda Sdn Bhd is RM4,487.80 comprising 44,869 ordinary shares. The director and shareholder in Fajar Muda Sdn Bhd are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Director and shareholder					
Azhar Ahmad	Malaysian	44,869	100.00	-	-
	Total	44,869	100.00	-	-

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- (iii) **Newventures Equity Sdn Bhd** was incorporated as a private limited company under the Act on 2 April 2019, for the purpose of holding shares in RedPlanet Solutions. As at LPD, the issued share capital of Newventures Equity Sdn Bhd is RM1 comprising 1 ordinary share. The director and shareholder in Newventures Equity Sdn Bhd are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of ordinary shares</u>	<u>%</u>	<u>No. of ordinary shares</u>	<u>%</u>
<u>Director and shareholder</u>					
Lian Wah Seng	Malaysian	1	100.00	-	-
Total		1	100.00	-	-

- (iv) **Steve & Co Capital Sdn Bhd** was incorporated as a private limited company under the Companies Act, 1965 on 23 December 2015 and is a registered private equity management corporation under the SC. As at LPD, the issued share capital of Steve & Co Capital Sdn Bhd is RM1,000,000 comprising 1,000,000 ordinary shares. The directors and shareholder in Steve & Co Capital Sdn Bhd are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of ordinary shares</u>	<u>%</u>	<u>No. of ordinary shares</u>	<u>%</u>
<u>Directors</u>					
Dato' Steve Wan Siew Kum	Malaysian	1,000,000	100.00	-	-
Ang Keng Yap	Malaysian	-	-	-	-
Thong Chuan Keat	Malaysian	-	-	-	-
		1,000,000	100.00	-	-
<u>Shareholder</u>					
Dato' Steve Wan Siew Kum	Malaysian	1,000,000	100.00	-	-
Total		1,000,000	100.00	-	-

Dato' Steve Wan Siew Kum is deemed interested in the shares of RedPlanet only by virtue of his shareholdings in Steve & Co Capital Sdn Bhd. The beneficial interest of the Shares held by Steve & Co Capital Sdn Bhd belongs to its client(s)/investor(s) who had signed an investment management agreement with the firm.

Steve & Co Capital Sdn Bhd and its client(s)/investor(s) whom they are managing investments for in RedPlanet:

- are not involved in the day-to-day operations of the Group; and
- have not entered into any transactions with the Group or have any conflict of interest situation involving direct and/or indirect interest of the directors and/or other substantial shareholders of RedPlanet, save as otherwise disclosed in Part V: Section 4 (ii) – Material contracts.

The client(s)/investor(s) whom Steve & Co Capital Sdn Bhd are managing investments for in RedPlanet does not have any relationship with any directors and/or proposed director and/or other substantial shareholders of RedPlanet.

PART I: INFORMATION ON OUR GROUP

4.1.3 Profiles of Directors

- (i) **Lian Wah Seng**, a Malaysian aged 47, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 22 November 2019. He is not involved in the daily operations of our Group.

He graduated with a Bachelor of Commerce double major in Accounting and Computer Information Systems from the University of New South Wales in 1994. He was admitted as a Chartered Accountant with the Malaysian Institute of Accountants in 2001 and he has more than 20 years working experience in the fields of IT, finance and consultancy.

He began his career in 1994 as an Audit Assistant for Arthur Andersen & Co, Kuala Lumpur (*now known as Ernst & Young*) where he was tasked to perform audit works on various companies. During his tenure, he was involved in performing technology risk assessments, technology management and financial audit engagements ranging from special projects, involving merger and acquisition exercises as well as for business processes improvement. In 1996, he left Arthur Andersen & Co (*now known as Ernst & Young*) and joined OSK Securities Berhad as a Research Analyst. He left OSK Securities Berhad in 1997 and joined OCBC group of companies as part of the research team responsible for the utilities and technology sectors.

In April 2002, he left OCBC Group and joined DDSB (M) Sdn Bhd as the Chief Operating Officer, where he was entrusted with the task of overseeing sales, project delivery and operational functions of the company. He left DDSB (M) Sdn Bhd in March 2015. In December 2015, he appointed as the Director of the GoBike group of companies, a passenger and delivery services business with operations in Thailand and Hong Kong and subsequently director of GoBike Malaysia in 2016, a position he holds to date. He is responsible for ensuring that the board is effective in its task of setting up and implementing the company's direction and strategy. In 2017, he was appointed Chief Executive Officer of AZTI Technology Sdn Bhd, a position he holds till today. He is tasked with the responsibility of creating, planning, implementing and integrating the strategic direction of the company.

- (ii) **P.K. Senthil Kumar**, an Indian national, aged 41, is our Non-Independent Executive Director. He was appointed to our Board on 22 November 2019. He is primarily responsible for overseeing our Group's business direction and manages the strategic business development of our Group.

He has more than 19 years of combined working experience in GIS covering specifically sectors such as the power and utilities industry, energy, mobile and telecommunications, gas and civil engineering and other businesses spanning across continents in the North America, Asia, South America, Africa, Europe and Australia.

He graduated with a Bachelor of Engineering in Geo-informatics from Anna University, Madras, India in 1999. He then obtained a Master of Science (MS), majoring in Civil Engineering from Iowa State University of Science and Technology, USA in 2001. He began his career the same year as a junior developer in Spatial XY, Inc. (*formerly known as Red Planet Consulting, Inc.*), where he was responsible for developing custom GIS applications atop of various software available in the market. In 2005, he was promoted as a Manager for several USA customer accounts where he was handling existing contracts, develop new business requirements, prepare and submit proposals, negotiate contracts and maintain a healthy customer relationship.

PART I: INFORMATION ON OUR GROUP

In 2005, he setup a GIS development centre in India now known as Hexamap Solutions Private Limited (*formerly known as Red Planet Consulting Private Limited*) for Spatial XY, Inc. (*formerly known as Red Planet Consulting, Inc.*). In 2006, he became a shareholder of Spatial XY, Inc. (*formerly known as Red Planet Consulting, Inc.*). Between 2006 to 2010, he was overseeing the business direction of the India office to service projects received from North America. He has since resigned from Hexamap Solutions Private Limited (*formerly known as Red Planet Consulting Private Limited*) on 5 June 2019 and disposed his equity in Spatial XY, Inc. (*formerly known as Red Planet Consulting, Inc.*) on 11 June 2019, to focus on exploring opportunities in GIS in Malaysia and Asia Pacific.

In 2016, he became a substantial shareholder and Executive Director of RedPlanet Solutions.

- (iii) **Azhar Ahmad**, a Malaysian, aged 47, is our Non-Independent Executive Director. He was appointed to our Board on 22 November 2019. He is the founding Director and has been jointly spearheading the business growth of our Group since its incorporation. He is responsible for overseeing the day-to-day operations of our Group and primarily involved in overseeing the project deliveries and operations of our Group.

He has more than 20 years of combined working experience in GIS covering specifically sectors such as the power and utilities industry, energy, mobile and telecommunications, gas and civil engineering and other businesses spanning across continents in the North America, Asia, South America, Africa, Europe and Australia.

He obtained a Diploma in Computer Studies from the University of Cambridge Local Examination Syndicate in collaboration with Informatics College Melaka in 1993. In the same year, he began his career in 1993 in AGRA Baymont Sdn Bhd as a GIS Consultant where he was responsible for managing digital mapping data and performing analysis to produce maps, figures and metric reports for clients to optimise and enhance their business processes. In 2004, he joined Man Qana Sdn Bhd as a Business Development Manager for a year and subsequently joined Clock Work Orange Sdn Bhd as Project Coordinator in 2005.

The following year, he joined Trek Alpha Sdn Bhd as a GIS Senior Consultant for two years and subsequently joined Iridea (M) Sdn Bhd in 2008 as its Business Development Manager where he was responsible for developing and implementing business strategies and executing plans to achieve growth. In 2013, he left Iridea (M) Sdn Bhd and joined Align Systems Sdn Bhd as a GIS Project Manager where he oversaw the project team and activities and develop effective and efficient solutions to clients.

In late 2014, he incorporated RedPlanet Solutions. He left Align Systems Sdn Bhd in 2016 to focus on the development of the business of RedPlanet Solutions and assumed his current position.

- (iv) **Phong Hon Wai**, a Malaysian aged 57, is our Independent Non-Executive Director. He was appointed to our Board on 27 May 2019.

He has more than 20 years of working experience in the field of accounting and finance. He graduated with a Bachelor of Business from the University of Southern Queensland, Australia in 1993. In 1995, he was admitted as a Certified Practising Accountant with the Australian Society of Certified Practising Accountants. Subsequently in 1999, he was registered as a Licensed Auditor with Malaysia's Ministry of Finance. In 2001, he became a certified Chartered Accountant with the Malaysian Institute of Accountants.

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He began his career as an audit trainee and assistant with CK Ooi & Co in 1984 where his tasks included auditing and accounting. He later joined KK Chow & Co in 1987 as an audit executive where he assisted on the statutory financial audit assignments. In 1989, he left KK Chow & Co to further his studies in Australia and subsequently re-joined the workforce in 1993 as an audit branch manager at Wong & Co. During his tenure, he was responsible in leading and supervising the audit team, as well as carrying out statutory audit engagements for the Kuantan branch. In 1996, he founded a company secretarial services firm, H W Phong Services while still attached to Wong & Co.

He left Wong & Co in 1999, to begin his own audit firm, founded MW. Phong (*formerly known as H W Phong & Associates*). He was involved in various audit, tax and corporate advisory assignments in various industries. In end 2017, he co-founded Messrs. MW (Partnership). He is presently the principal partner of Messrs. MW. Phong (*formerly known as H W Phong & Associates*), Messrs. MW (Partnership) and Messrs. HP Tax Services Sdn Bhd, respectively audit firms and a taxation firm. He is the Independent Non-Executive Director of CSC Steel Holdings Berhad.

- (v) **Dato Steve Wan Siew Kum**, a Malaysian aged 43, is our substantial shareholder. He is deemed interested in the shares of RedPlanet only by virtue of his shareholdings in Steve & Co Capital Sdn Bhd.

He graduated with a Bachelor of Business in Accountancy from the Royal Melbourne Institute of Technology, Australia in 1998. He subsequently obtained a Master of Finance from the Royal Melbourne Institute of Technology, Australia in 2002. He was admitted as a Chartered Accountant with the Malaysian Institute of Accountants in 2006. He became a Certified Financial Planner with the Financial Planning Association of Malaysia in 2012. In 2014, he was registered as a member of Chartered Professional Accountant (CPA) Australia, and was subsequently awarded a fellow membership in 2016.

He began his career as an associate consultant in Money Dynamics Sdn Bhd in 1999, a company involved in licensed asset management, where he was responsible for assisting in market research and feasibility studies, as well as providing fund broking for investment book building and share placements. In 2001, he left Money Dynamics Sdn Bhd and joined Chew & Co Chartered Accountants as a consultant where he was involved in advisory services encompassing the areas of internal control, franchising, due diligence and business valuations, as well as audit and taxation.

He then left Chew & Co Chartered Accountants and was appointed as a Director of Matrix Divine Sdn Bhd in 2003, a venture capital management company, where he was responsible for managing the company's overall accounting and finance functions, as well as overseeing its business development activities. In 2006, while he was a Director of Matrix Divine Sdn Bhd, he founded Steve & Co, a firm involved in secretarial and accounting works. The firm currently provides corporate advisory services. In 2013, he was appointed as director of Steve & Co Asia (M) Sdn Bhd (which was then known as Asiawizard Business Centre Sdn Bhd), a company involved in providing human resources training, accounting, secretarial and advisory services. In 2015, he set up Steve & Co Capital Sdn Bhd, a private equity management company, where he is the managing director responsible for the company's business development and marketing activities as well as business operations.

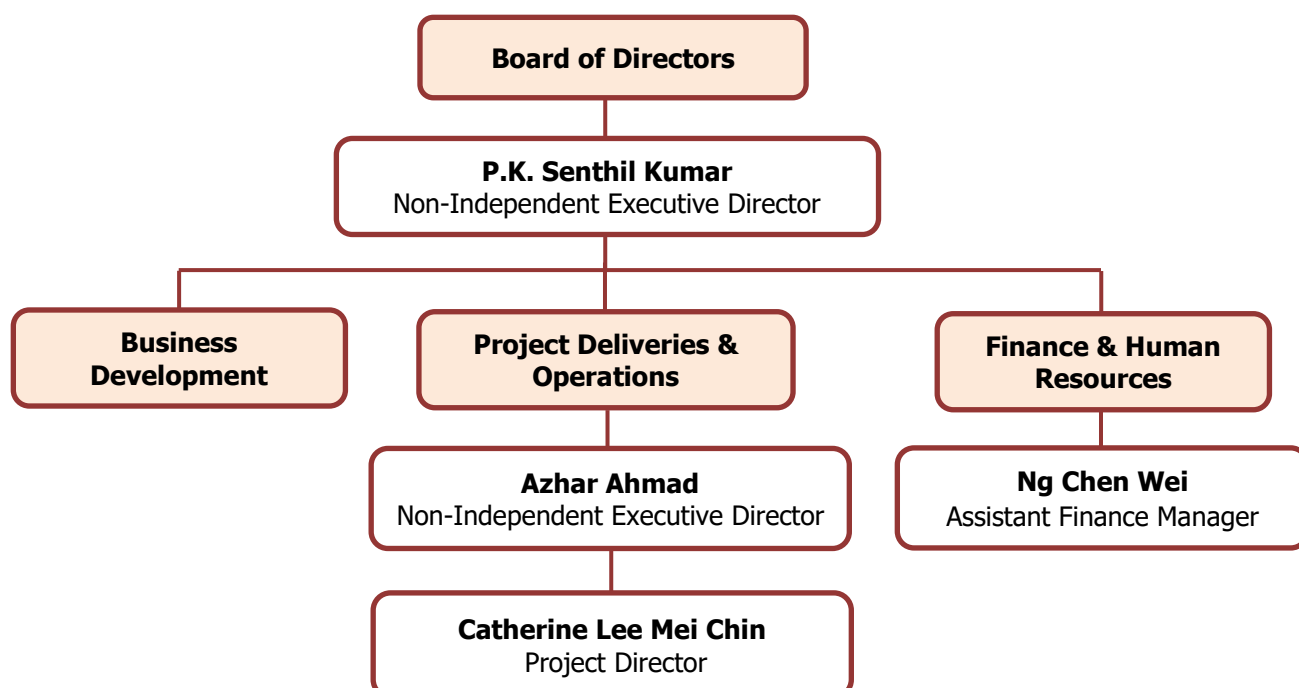
He currently is a director and shareholder of several private limited companies as disclosed in Part VI: Section 5.

PART I: INFORMATION ON OUR GROUP**4.1.4 Relationships and/or associations**

Save as disclosed, there are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders and Directors as at LPD.

4.2 Key management**4.2.1 Organisation chart**

The following depicts the organisational chart of our Group:

**4.2.2 Shareholdings**

The shareholdings of our key management personnel in our Company before and after our IPO are set out below:

Names / Designation / Nationality	As at LPD				After Proposed Placement ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Catherine Lee Mei Chin/ Project Director/ Malaysian	2,273,200	1.63	-	-	2,273,200	1.43	-	-

Note:

⁽¹⁾ Based on the enlarged share capital of 159,396,700 Shares upon completion of Proposed Placement

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4.2.3 Profiles

Save for the profile of P.K. Senthil Kumar and Azhar Ahmad which is set out in Section 4.1.3 above, the profiles of our other key management are as follows:

- (i) **Catherine Lee Mei Chin**, a Malaysian, aged 44, is our Project Director. She has more than 22 years of combined working experience in GIS, where she has led the design, implementation, support and upgrading of GIS solutions for utility and government clients in Southeast Asia.

She graduated with a Bachelor of Computer Science with specialisation (with Business Information Processing) from Acadia University, Canada in 1997.

She began her career in 1997 as a software engineer for Intergraph Systems (Malaysia) Sdn Bhd. In 2000, she left Intergraph Systems (Malaysia) Sdn Bhd and joined Antaragrafik Systems Sdn Bhd as a systems analyst before being promoted to Project Team Lead in 2001. During her tenure at this company, she was involved in several GIS solutions projects for public sector and private utility clients in Malaysia, Singapore and Vietnam. In 2006, she joined DDSB (M) Sdn Bhd as Project Manager where she managed the delivery of GIS solutions for several Malaysian government-linked companies. She left DDSB (M) Sdn Bhd in 2013 and joined Align Systems Sdn Bhd as an IT Manager where she was involved in GIS solution delivery for a major power utility company in Malaysia.

In 2018, she left Align Systems Sdn Bhd and joined RedPlanet Solutions as Project Director where she is responsible for ensuring quality, timely and cost effective delivery of GIS solutions to our customers. She is also responsible for managing project risks, project budget and resources for our GIS projects.

- (ii) **Ng Chen Wei**, a Malaysian, aged 27, is our Assistant Finance Manager. He is responsible for handling our Group's overall finance functions including the monitoring of financial performance, budgeting, financial reporting, tax compliance, tax planning and treasury management. He is also actively involved in corporate planning of the Group as well as other corporate strategic initiatives.

He obtained Advanced Diploma in Accounting and Business from the Association of Chartered Certified Accountants (ACCA) in 2017. He is currently pursuing his ACCA certification.

In 2013, he began his career as an Account Assistant with a real estate agency company, Kim Realty where he was responsible for accounting related functions. In 2014, he left Kim Realty and joined Newfields Property Management Sdn Bhd, a wholly-owned subsidiary of Newfields Land Sdn Bhd as an Accounts Executive - Finance. In 2015, he was transferred to 128 Ara Damansara Sdn Bhd, which is part of the Newfields Land Sdn Bhd, and was later promoted as Senior Executive - Finance in 2017. He was responsible for preparing the full set of accounts of the companies under Newfields Land Sdn Bhd. He was also involved in the Newfields Group's secretarial matters and various strategic assignments such as Goods and Services Tax implementation, tax planning, electronic claim systems and etc. In 2017, he left 128 Ara Damansara Sdn Bhd and worked as a freelance consultant where he was involved in business planning and strategies of a retail business.

In 2018, he returned to the corporate sector and joined RedPlanet Solutions as Senior Executive - Finance and was promoted to Assistant Finance Manager in 2019.

PART I: INFORMATION ON OUR GROUP**4.3 Employees**

As at LPD, we have 59 employees (excluding our Executive Directors) comprising 17 full-time employees and 42 contract employees, of which 47 are Malaysians and 12 are Indian nationals.

Our personnel can be broadly classified into the following categories; Project Delivery Team and Support Team. Our Project Delivery Team includes software services and data staff. Our Support Team includes business development and marketing, human resources, project administration, accounting and finance staff.

The personnel under our payroll as at the end of each accounting period under review and as at LPD are as follows:

	As at 30 June 2018	As at 30 June 2019	As at LPD
Project Delivery Team			
Software Services	14	17	19
Data	-	36	32
Support Team			
Business development and marketing	3	4	4
Human resources	-	1	1
Project Administration	1	1	1
Accounting and finance	2	2	2
Total employees	20	61	59

None of our employees belong to any labour union. The relationship and cooperation between our management and our employees have always been good and we expect this to continue in the future. As at LPD, there is no major industrial dispute pertaining to our employees. Over FYE 2018 and FYE 2019 and up to LPD, there has not been any incident of work stoppage or labour disputes that has materially affected our operations.

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PART I: INFORMATION ON OUR GROUP**5. RELATED PARTY TRANSACTIONS AND OTHER TRANSACTIONS****5.1 Related party transactions**

Save as disclosed below, for FYE 2018 to 2019 and the subsequent period up to LPD, there are no transactions existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Promoter, substantial shareholders, Directors, key management and/or persons connected with them which are significant in relation to the business of our Group, as defined under the LEAP Listing Requirements:

Transacting parties	Company within our Group	Nature of relationship	Nature of transaction	Value of transactions		
				FYE 2018	FYE 2019	From 1 July 2019 up to LPD
				RM'000	RM'000	RM'000
Tan Soon Moi	RedPlanet Solutions	Tan Soon Moi is the mother of Lian Wah Seng, our Chairman	Office rental bearing the address Unit 25-12, Q-Sentral, 2A Jalan Sentral 2, 50470 Kuala Lumpur	N/A	20	⁽¹⁾ 59
Tan Soon Moi	Prudentlogic	Tan Soon Moi is the mother of Lian Wah Seng, our Chairman	Office rental bearing the address Unit 25-12, Q Sentral, 2A Jalan Sentral 2, 50470 Kuala Lumpur	N/A	7	⁽¹⁾ 20
Align Systems Sdn Bhd	RedPlanet Solutions	Azhar Ahmad our Group's Promoter, substantial shareholder and Executive Director He was a shareholder of Align Systems Sdn Bhd and has disposed his shares on 13 May 2019	Provision of GIS application development	77 ⁽²⁾	256	-

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Transacting parties	Company within our Group	Nature of relationship	Nature of transaction	Value of transactions		
				FYE 2018	FYE 2019	From 1 July 2019 up to LPD
				RM'000	RM'000	RM'000
Hexamap Solutions Private Limited (<i>formerly known as Red Planet Consulting Private Limited</i>)	RedPlanet Solutions	Panjetty Kumaradevan Arun Kumar is the brother of P.K. Senthil Kumar, our Group's Promoter, substantial shareholder and Executive Director	Provision of outsourced manpower services	-	-	255

Notes:

N/A – Not applicable.

- (1) Lian Wah Seng only became a substantial shareholder of RedPlanet Solutions on 26 April 2019. Prior to him becoming our substantial shareholder, the rental paid is not considered a related party transaction. For information purposes, the total rental paid by entities within our Group (RedPlanet Solutions and Prudenlogic) to Tan Soon Mooi, for FYE 2018 and FYE 2019 amounted to RM0.07 million and RM0.11 million, respectively. RedPlanet pays a rental of RM13,200 per month effective February 2019, or RM6.00 per sqft. This is in line with the market rental rates of offices within the same premise, which ranged from RM5.50 to RM6.00.
- (2) Contract value is RM0.33 million whereby revenue of RM0.08 million and RM0.25 million were recognized in FYE 2018 and FYE 2019 respectively, based on stage of completion method.

Our Directors are of the view that the above related party transactions were conducted on an arm's length basis and were carried out in the ordinary course of business and on competitive commercial terms not more favourable to the related parties than those generally available to the public and were not to the detriment of our non-interested shareholders.

Moving forward, we have established the following procedures for all related party transactions to ensure the transactions (if any) are undertaken on arm's length basis and on normal commercial terms not more favourable to the related parties than those generally available to the public:

- (i) We will procure at least 2 other quotations from third parties for identical products and/or services as comparison, wherever possible, to determine whether the price and terms offered for any products and/or services by the related parties are fair, reasonable and similar to those offered by third parties; or

PART I: INFORMATION ON OUR GROUP

- (ii) If quotation from third parties for the identical products and/or services cannot be obtained, the transaction price will be determined by our Group based on terms offered by third parties for substantially similar type of products and/or services to ensure that the related party transactions are fair and reasonable.

To mitigate any potential conflict of interest, our Board shall seek the approval from our non-interested shareholders for a mandate to enter into such transactions at the general meeting of our Company.

In the event there are any proposed related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with them, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

5.2 Other transactions

5.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party to for the past FYE 2018 to 2019.

5.2.2 Outstanding loans (including guarantees of any kind)

(i) **Outstanding loans and/or balances**

As at LPD, there were no outstanding loans and/ or balances made to/by us to or for the benefit of any related party for the past FYE 2018 to FYE 2019.

(ii) **Guarantees**

As at LPD, there is no guarantee extended.

Save as disclosed above, there were no outstanding loans (including guarantees of any kind) made by us to or for the benefit of a related party in respect of FYE 2018 to 2019.

PART I: INFORMATION ON OUR GROUP**6. FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS THEREON**

RedPlanet was incorporated on 22 April 2019 as an investment holding company to facilitate the Proposed Listing. Prior to the completion of the Acquisition, RedPlanet was dormant. As such, the financial information of our Group for FYE 2018 and FYE 2019 is presented based on the combined financial statements of RedPlanet Solutions only.

The financial statements for FYE 2018 and FYE 2019 were audited by Messrs Crowe Malaysia and prepared in accordance with approved accounting standards issued by Malaysian Accounting Standards Board. The audited consolidated financial statements are set out in **Appendix I**. The financial numbers have been rounded to the nearest thousand for the purpose of presentation in this section.

Sophisticated Investors should note that our Group intends to rapidly increase our business and presence in Malaysia, and will carry out the expansion plans as set out in Part I: Section 2.12. As such, our Group will incur the additional expenses and/or liabilities not included in the audited financial statements. Further, the historical financial information included in this Information Memorandum is not intended to predict our Group's financial position, results and cash flows.

6.1 Statement of profit or loss and other comprehensive income

The following table sets out a summary of the statement of profit or loss and other comprehensive income for FYE 2018 and FYE 2019:

	Audited	
	FYE 2018	FYE 2019
	RM'000	RM'000
Revenue	9,144	15,229
Cost of sales	(5,361)	(10,261)
Gross profit	3,783	4,968
Other income	8	68
Administrative expenses	(1,265)	(1,597)
Other expenses	(53)	(233)
Listing expenses	-	(129)
Finance cost	(1)	-
Profit before taxation	2,472	3,077
Income tax expense	(256)	(151)
Profit after taxation	2,216	2,926
EPS (sen) ⁽¹⁾	1.5890	2.0978
Diluted EPS (sen) ⁽²⁾	1.3857	1.8293
Normalised ⁽³⁾ EPS (sen) ⁽¹⁾	1.5890	2.1905
Normalised ⁽³⁾ Diluted EPS (sen) ⁽²⁾	1.3857	1.9102

Notes:

- (1) Calculated based on PAT divided by our existing share capital of 139,466,700 Shares before Proposed Placement
- (2) Calculated based on PAT divided by our enlarged share capital of 159,936,700 Shares after Proposed Placement
- (3) Normalised represents profit after taxation add back one-off listing expenses

PART I: INFORMATION ON OUR GROUP**6.2 Statement of financial position**

The following table sets out a summary of the statement of financial position as at 30 June 2018 and 30 June 2019:

	Audited	
	As at 30 June	
	2018	2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Equipment	177	785
Current Assets		
Inventories	123	-
Trade receivables	2,720	1,192
Other receivables, deposits and prepayments	1,136	1,026
Contract assets	-	1,430
Current tax assets	-	7
Short-term investments	1,700	-
Cash and bank balances	501	496
Total current assets	6,180	4,151
TOTAL ASSETS	6,357	4,936
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	360	774
Retained profits	1,732	3,071
Foreign exchange translation reserve	-	(1)
TOTAL EQUITY	2,092	3,844
Current Liabilities		
Trade payables	973	191
Contract liabilities	-	400
Others payables and accruals	750	483
Deferred income	2,018	-
Current tax liabilities	524	18
TOTAL LIABILITIES	4,265	1,092
TOTAL EQUITY AND LIABILITIES	6,357	4,936

PART I: INFORMATION ON OUR GROUP

The following table sets out a summary of pro forma consolidated statements of financial position of our Group, from the incorporation of our Company to show events after the incorporation date – i.e. the Acquisition, the Proposed Placement and utilisation of proceeds from the Proposed Placement.

	As at 30 June 2019	After the Acquisition**	After the Proposed Placement	After the utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Equipment	-	785	785	1,005 ⁽¹⁾
Current Assets				
Inventories	-	-	-	-
Trade receivables	-	1,192	1,192	1,192
Other receivables, deposits and prepayments	-	1,026	1,026	1,026
Contract assets	-	1,430	1,430	1,430
Current tax assets	-	7	7	7
Short-term investments	-	-	-	-
Cash and bank balances	*	496	4,881	3,661
Total current assets	-	4,151	8,538	7,316
TOTAL ASSETS	*	4,936	9,321	8,321
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	*	774	5,159	4,924 ⁽²⁾
Retained profits	-	3,071	3,071	2,306 ⁽²⁾
Foreign exchange translation reserve	-	(1)	(1)	(1)
TOTAL EQUITY	*	3,844	8,299	7,229
Current Liabilities				
Trade payables	-	191	191	191
Contract liabilities	-	400	400	400
Others payables and accruals	-	483	483	483
Deferred income	-	-	-	-
Current tax liabilities	-	18	18	18
TOTAL LIABILITIES	-	1,092	1,092	1,092
TOTAL EQUITY AND LIABILITIES	*	4,936	9,321	8,321

Notes:

* RM1, negligible

** Based on audited financial statements of RedPlanet Solutions as at 30 June 2019

(1) Being effects of utilisation of proceeds for office renovation as disclosed in Part II: Section 1.5.

(2) Being effects of utilisation of proceeds for the listing expenses as disclosed in Part II: Section 1.5. The estimated listing expenses of approximately RM0.24 million is to be written off against the share capital under the Companies Act 2016 and the remaining estimated listing expenses of approximately RM0.76 million will be expensed off to profit or loss and this represents a one-off expenditure, in conjunction with the Proposed Listing by way of introduction of the entire issued share capital of RedPlanet Berhad.

PART I: INFORMATION ON OUR GROUP**6.3 Historical statement of cash flows**

The following table sets out the statement of cash flows for FYE 2018 and FYE 2019:

	Audited	
	FYE 2018	FYE 2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	2,472	3,077
Adjustments for:		
Depreciation of equipment	37	167
Interest income	-	(63)
Operating profit before working capital changes	2,509	3,181
Changes in working capital:		
(Increase)/Decrease in inventories	(123)	123
Decrease in trade and other receivables	1,873	1,638
Increase/(Decrease) in trade and other payables	963	(1,049)
Increase in contract assets	-	(1,430)
Increase in contract liabilities	-	400
Decrease in deferred income	(579)	(2,018)
Cash from operations	4,643	845
Income tax paid	-	(664)
Net cash from operating activities	4,643	181
Cash flows for investing activities		
Interest income received	-	63
Purchase of equipment	(73)	(775)
Net cash for investing activities	(73)	(712)
Cash flows for financing activities		
Dividend paid	(280)	(1,588)
Proceeds from issuance of ordinary shares	-	414
Repayment to directors	(1,859)	-
Repayment to shareholders	(300)	-
Net cash for financing activities	(2,439)	(1,174)
Net increase in cash and cash equivalents	2,131	(1,705)
Cash and cash equivalents at beginning of the financial year	70	2,201
Effects of foreign exchange translation	-	~
Cash and cash equivalents at end of the financial year	2,201	496

Note:

~ Represents less than RM1,000

Net cash from operating activities**FYE 2018**

For the FYE 2018, our Group recorded net cash inflows from operating activities amounted to RM4.64 million on the back of profit before taxation of RM2.47 million and after adjusting for the depreciation of equipment of approximately RM0.04 million and cash inflow for working capital of RM2.13 million.

PART I: INFORMATION ON OUR GROUP

FYE 2019

For the FYE 2019, our Group net cash from operating activities was lower at RM0.18 million compared to RM4.64 million in FYE 2018 mainly due to recognition of previous year's deferred income, payment to suppliers and increase in unbilled revenue.

Net cash for investing activities

FYE 2018

For FYE 2018, our Group incurred net cash outflows of approximately RM0.07 million in investing activities for the purchase of computer equipment.

FYE 2019

For FYE 2019, our Group incurred net cash outflows from investing activities of approximately RM0.71 million. This was due to the purchase of various equipment mainly comprising computer hardware and software to facilitate business expansion as well as motor vehicles for business use for approximately RM0.78 million.

The cash outflows were partially offset by interest income of RM0.06 million, earned from the placement of excess funds with a financial institution.

Net cash for financing activities

FYE 2018

For FYE 2018, our Group recorded net cash outflows of approximately RM2.43 million from financing activities, primarily attributable to the following:

- (i) payment of dividend of approximately RM0.28 million for the dividend declared in FYE 2018; and
- (ii) repayment to the directors and shareholders for the advances made in the previous years to fund business operations of approximately RM2.16 million.

FYE 2019

For FYE 2019, our Group recorded net cash outflows of approximately RM1.17 million from financing activities, primarily attributable to payment of dividend of approximately RM1.59 million for the dividend declared in FYE 2019.

The cash outflows were partially offset by the proceeds from the issuance ordinary shares to a new shareholder of approximately RM0.41 million.

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6.4 Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis of our past financial condition and results of operations should be read in conjunction with the audited consolidated financial statements as set out in **Appendix I**.

6.4.1 Overview of our operations

(a) Principal activities

Our Group is principally involved in the provision of GIS and ICT solutions as well as maintenance and support services.

Please refer to Part I: Section 2 for our Group's detailed business overview. Please also refer to **Part III: Risk Factors** for risk factors that may affect our revenue and financial performance.

(b) Revenue

Our Group's revenues are generated based on the following:

(i) Rendering of services

- **GIS Solutions**

Revenue from GIS solutions is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of project costs incurred for work performed to date over the estimated total project costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

- **Maintenance and support**

Revenue for maintenance and support services is recognised on a straight-line basis over the term of the fixed price contract.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(ii) ICT solutions

Revenue from ICT solutions includes sales of software, licences and hardware. Software and licences may be provided to the customer at a point in time, activated or ready to be activated by the customer at a later stage, therefore revenue is recognised when customer obtains control of the software or licences. Revenue for hardware is recognised where transfer of control is deemed to occur upon delivery of products and customer acceptances.

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A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(c) Cost of sales

Our cost of sales mainly comprises the following:

(i) Direct manpower costs

Direct manpower costs consist mainly salaries and employee related costs of our employees as well as outsourced third party manpower costs that are directly involved in the provision of GIS solutions as well as maintenance and support services.

(ii) ICT costs

ICT costs are mainly cost in relation to purchase of hardware, software and licensing from third party vendors.

(d) Administrative expenses

Our administrative expenses mainly comprise the following:

(i) Indirect employee costs

Indirect employee costs are mainly salaries and employee related costs of our directors, marketing, sales, finance, human resources and administration employees.

(ii) Other administrative expenses

Other administrative expenses consist mainly of marketing expenses, rental of office, professional fees, entertainment and other administrative expenses.

(e) Other expenses

Other expenses consist mainly of depreciation of equipment.

(f) Recent developments

There were no significant events subsequent to our Group's audited financial statements for FYE 2019.

(g) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during FYE 2018 and FYE 2019. In addition, our audited financial statements of RedPlanet Solutions for the financial years under review were not subject to any audit qualifications.

PART I: INFORMATION ON OUR GROUP**(h) Significant factors affecting our business**

Part III: Risk Factors detail a number of risk factors relating to our business and the industry in which we operate in. Some of these risk factors have an impact on our revenue and financial performance.

Sophisticated Investors should carefully consider the risk factors set out in **Part III: Risk Factors** before making a decision on whether an investment in our Shares is suitable for them in light of their circumstances and financial resources and whether they are able and willing to withstand the potential loss of their entire investment.

6.4.2 Review of results of operations**(a) Revenue**

Our revenue is derived from GIS solutions, maintenance and support services and ICT solutions.

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
GIS solutions	6,309	69.00	5,070	33.29
Maintenance and support services	2,527	27.64	3,406	22.37
ICT solutions	308	3.36	6,753	44.34
	9,144	100.00	15,229	100.00

Comparison between FYE 2018 and FYE 2019

Our Group's overall revenue improved significantly from RM9.14 million in FYE 2018 to RM15.23 million in FYE 2019, representing an increase of RM6.09 million or 66.55%. This was due to an increase from the maintenance and support services segment by RM0.88 million and ICT solutions segment by RM6.45 million, where our Group successfully secured an additional 3-year maintenance and support contract with contract value of RM3.23 million over 3-year period (i.e. approximately RM1.10 million per annum from October 2018 to September 2021) from Customer A, as well as completed the sale of new GIS licenses. The new maintenance and support contract that we secured contributed approximately 5.30% of our total revenue for FYE 2019.

The GIS solutions segment, however, recorded lower revenue of RM5.07 million in FYE 2019 compared to RM6.31 million in FYE 2018. The revenue for FYE 2018 was comparatively higher due to completion of several GIS solutions projects amounted to RM3.55 million and revenue recognition of 83.52% of a project valued at RM3.23 million during FYE 2018, whereas in FYE 2019, there was a delay in two of our new major projects which resulted in our Group not being able to fully recognise the entire project value as our revenue.

PART I: INFORMATION ON OUR GROUP**(b) Cost of sales, GP and GP margin**

The analysis of our cost of sales, GP and GP margins and the year-on-year commentary for the financial years/period under review is explained below.

Analysis of cost of sales, GP and GP margin by products**Cost of sales by business segment**

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
GIS solutions	3,232	60.29	2,683	26.15
Maintenance and support	1,910	35.63	2,391	23.30
ICT solutions	219	4.08	5,187	50.55
	5,361	100.00	10,261	100.00

Cost of sales by activities

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
Software and hardware ⁽¹⁾	219	4.09	5,187	50.55
Rental expenses ⁽²⁾	13	0.24	75	0.73
Staff costs ⁽³⁾	1,068	19.92	2,799	27.28
Outsource manpower and maintenance and support ⁽⁴⁾	4,061	75.75	2,200	21.44
	5,361	100.00	10,261	100.00

Notes:

- (1) Software and hardware comprises software subscription licenses and hardware.
- (2) Rental expenses comprises rental of storage, motor vehicle and equipment for project use.
- (3) Staff costs comprises salary and wages, bonuses and other short term benefits of direct employees.
- (4) Outsource manpower support in relation to cost of engaging third party consultant. Maintenance and support in relation to cost payable to software vendor.

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, our Group's cost of sales increased by RM4.90 million or 91.40% to RM10.26 million from RM5.36 million in FYE 2018, which was in line with the growth in our revenue.

Our Group incurred a higher maintenance and support and ICT costs in FYE 2019 compared to FYE 2018, which were in line with the higher revenue contributions from these segments. In FYE 2019, we incurred RM5.19 million for the software subscription licenses and hardware. This resulted from securing a new maintenance and support contract as well as the sale of new licenses.

Our Group incurred lower costs of sales on the GIS consulting services segment by RM0.55 million or 16.99% in FYE 2019 compared to FYE 2018 mainly due to delay in two of our new major projects.

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However, our cost of engaging third party consultant decreased by RM1.86 million in FYE 2019 from RM4.06 million in FYE 2018, mainly due to recruitment of 39 employees to undertake and implement our on-going projects.

Our staff cost increased from RM1.07 million in FYE 2018 to RM2.80 million in FYE 2019, which was in line with the growth in our revenue.

Gross profit and gross profit margin

	FYE 2018		FYE 2019	
	GP RM'000	GP margin %	GP RM'000	GP margin %
GIS solutions	3,077	48.77	2,387	47.08
Maintenance and support services	616	24.42	1,015	29.80
ICT solutions	90	28.90	1,566	23.19
	<u>3,783</u>	<u>41.37</u>	<u>4,968</u>	<u>32.62</u>

Comparison between FYE 2018 and FYE 2019

The overall GP margin decreased from 41.37% in FYE 2018 to 32.62% in FYE 2019 primarily due to lower GP margin for ICT solutions segment of 23.19% in FYE 2019. This was mainly due to lower discounts given to our customers in FYE 2018.

However, this was offset by the improved GP margin from maintenance and support segment, which increase from 24.42% in FYE 2018 to 29.80% in FYE 2019. In FYE 2018, we incurred higher manpower costs as part of our group's business strategies effort to establish presence in the market and strengthen our support services to the customers.

(c) Administrative cost

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	885	69.96	1,037	64.93
General administrative	71	5.61	111	6.95
Penalties and fines	(72)	(5.69)	(31)	(1.94)
Office rental	78	6.17	108	6.76
Insurance	1	0.08	12	0.75
Utilities	3	0.24	4	0.25
Entertainment	48	3.79	44	2.76
Professional fee	99	7.83	94	5.89
Withholding tax	79	6.25	4	0.25
Marketing	46	3.64	162	10.14
Others ⁽²⁾	27	2.12	52	3.26
	<u>1,265</u>	<u>100.00</u>	<u>1,597</u>	<u>100.00</u>

Notes:

(1) Staff costs comprises salary and wages of the directors, marketing and sales as well as administrative employees. The breakdown of staff costs is as follows:

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
Salaries, bonuses and other benefits	832	94.01	959	92.48
Defined contribution plan	53	5.99	78	7.52
Total	<u>885</u>	<u>100.00</u>	<u>1,037</u>	<u>100.00</u>

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- (2) Others comprise housekeeping, upkeep of assets, maintenance of motor vehicles and other miscellaneous.

Comparison between FYE 2018 and FYE 2019

Our Group's administrative expenses increased by RM0.33 million or 26.25% from RM1.27 million in FYE 2018 to RM1.60 million in FYE 2019 mainly due to increase in staff cost. During FYE 2019, additional manpower was hired to facilitate our Group's business expansion plan, resulting in staff costs rising by RM0.15 million or 17.18% compared to FYE 2018.

In FYE 2017, our Group had made a one-off provision for tax penalty amounting to RM0.17 million for late tax filling for the year of assessment of 2016 and 2017. This was due to major changes of accounting treatments from Malaysian Private Entities Reporting Standard (MPERS) to Malaysian Financial Reporting Standards (MFRS) as well as application of Section 24 of the Income Tax Act 1967 whereby deferred income will be subject to tax. Accordingly, this resulted in additional tax payable on higher chargeable income derived from pre-Pioneer Status period i.e. income derived prior to 29 May 2017. In FYE 2018, the tax penalty amounting to RM0.07 million was reversed due to reversal of provision of taxation subsequent to receiving the Pioneer Status certificate on 7 August 2018. In FYE 2019, the balance tax penalty of RM0.03 million was reversed due to special discount given by the Ministry of Finance under the Special Voluntary Disclosure Programme (SVDP) from Inland Revenue Board on the final tax and penalty payable.

(d) Other expenses

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
Depreciation of equipment	37	69.81	167	71.67
Foreign exchange loss	16	30.19	66	28.33
	53	100.00	233	100.00

Comparison between FYE 2018 and FYE 2019

During FYE 2019, our Group's other expenses increased by RM0.18 million, from RM0.05 million to RM0.23 million in FYE 2019 primarily attributable to additions of office equipment, software due to increase in staff headcount from 20 persons in FYE 2018 to 60 staff in FYE 2019, as well as motor vehicle to cater for the Group's expansion.

(e) Finance cost

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
Bank charges	1	100.00	-	-

Comparison between FYE 2018 and FYE 2019

There was a reduction in our Groups' overall finance cost between FYE 2018 and FYE 2019, due to a change from the use of bank guarantee to banker's cheque as performance security method for our projects.

PART I: INFORMATION ON OUR GROUP**(f) PBT and PAT**

	FYE 2018	FYE 2019
PBT (RM'000)	2,472	3,077
PBT margin (%)	27.03	20.20
PAT (RM'000)	2,216	2,926
PAT margin (%)	24.23	19.21

Our Group managed to record a PBT of RM3.08 million in FYE 2019, which represent an increase of 24.47% from FYE 2018. The increased in PBT is in line with the increased in GP which rose by RM1.19 million in FYE 2019.

(g) Taxation

Our income tax expense in the statement of profit or loss and other comprehensive income represent the aggregate amount of current tax and deferred tax (if any).

Our income tax expense and effective tax rate are as follows:

	FYE 2018		FYE 2019	
	RM'000	%	RM'000	%
Taxation	(73)	(28.52)	151	100.00
Deferred tax	329	128.52	-	-
	<u>256</u>	<u>100.00</u>	<u>151</u>	<u>100.00</u>
Effective tax rate %		10.36		4.91

Comparison between FYE 2018 and FYE 2019

RedPlanet Solutions was granted the Pioneer Status on 19 April 2017 where it started enjoying a 100% income tax exemption on the profit generated from pioneer activities for 5 years, from 29 May 2017 to 28 May 2022.

Our Group had provided for taxation and deferred tax asset at the applicable corporate income tax rate of 18% (first RM0.5 million of chargeable income) to 24% (balance of the chargeable income) in FYE 2017, as we had not obtained the Pioneer Status certificate at the point of issuance of the audited financial statements for FYE 2017. This led to a net reversal of RM0.11 million in FYE 2018 that resulted in higher effective tax rate of 10.36%, in comparison to the 4.91% effective tax rate for FYE 2019.

Taxation for FYE 2019 of RM0.15 million was mainly due to tax on 'value added income' imposed on RedPlanet Solutions under Section 21C of Promotion of Investments, 1986. Value added income is the income derived before the Pioneer Status was obtained, which will be subject to taxation in accordance to the guideline in Section 21C.

PART I: INFORMATION ON OUR GROUP**6.5 Working capital and key financial indicators**

Our business operations have been financed by internally generated funds which mainly comprise shareholders' equity and cash generated from our operations. Our principal utilisation of funds is for working capital such as staff salaries and related expenses, outsourced manpower expenses, ICT expenses, directors' remuneration and other administrative expenses. As at 30 June 2019, our Group had cash and bank balances of RM0.50 million and net current assets of RM3.84 million.

Based on our past financial performance and future prospect as well as taking into consideration the net proceeds of RM3.39 million raised from the Proposed placement, the Board is of the view that our Group will have sufficient working capital for a period of 12 months from the date of this Information Memorandum.

The key financial indicators of our Group for FYE 2018 and FYE 2019 are as follows:

	FYE 2018	FYE 2019
Trade receivable turnover (days) ⁽¹⁾	140	47
Trade payable turnover (days) ⁽²⁾	36	21
Current ratio (times) ⁽³⁾	1.4	3.8

Notes:

- (1) Computed based on average trade receivables as at the end of year / period over revenue which were on credit terms multiplied by 365 days
- (2) Computed based on average trade payables as at the end of year / period over cost of sales for the year multiplied by 365 days
- (3) Computed based on current assets over current liabilities

6.5.1 Trade receivables turnover

The normal credit period granted by our Group in respect of our trade receivables is between 30 to 60 days from the date of invoice. Our trade receivables turnover has improved significantly from 140 days for FYE 2018 to 47 days for FYE 2019, mainly due to active collection efforts and prompt payment from customers.

As at LPD, 70.38% (RM0.84 million) of the total trade receivables outstanding as at 30 June 2019 have been collected.

Our Group has not encountered any major disputes with our debtors. As such, our management is of view that the overdue trade receivables of RM0.35 million is recoverable and no provision for impairment is required after taking into consideration the customers' credentials, payment track record and our relationships with our customers.

6.5.2 Trade payable turnover

The normal credit terms granted by our trade creditors to our Group ranges from 30 to 60 days from the date of tax invoice. Our trade payable turnover for FYE 2018 and FYE 2019 is between 36 and 21 days.

As at LPD, there are no disputes in respect of our trade payables and no legal action has been initiated by our suppliers to demand for payment.

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6.5.3 Current ratio

Our current ratio for FYE 2018 and FYE 2019 were 1.4 times and 3.8 times respectively. The improvement in current ratio was due to higher receivables and lower payables for FYE 2019.

6.6 Impact of foreign currency exchange rates

All our software purchases are mainly denominated in USD or SGD and hence, subject to foreign currency exchange rate fluctuations. However, we have taken into consideration the risk of exchange rate fluctuations and priced into our selling price. Given that the purchases are normally due for payment within 30 to 60 days from the purchase date, our Group does not foresee any movement in the foreign exchange rate during the short-term period that would have a material adverse impact on our Group.

6.7 Dividend policy

As we are a holding company, our Company's income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiary(ies), present or future. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there is no legal, financial, or economic restriction on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us. Our Australian subsidiary, RedPlanet Aust which is currently dormant may also be subject to local Australian requirements for declaration of dividends. However moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant. Our Group has declared and paid dividends amounted to RM1.08 million and RM1.59 million for FYE 2018 and FYE 2019 respectively.

As at LPD, we do not have a dividend policy. It is our intention to pay dividends to shareholders in the future; however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board. The declaration of interim dividends and recommendation of final dividends are subject to our Board's discretion and any final dividends for the year are subject to shareholders' approval.

Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

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PART II

**INFORMATION ON OUR
PROPOSED LISTING**

PART II: INFORMATION ON OUR PROPOSED LISTING**1. DETAILS OF OUR PROPOSED LISTING****1.1 Proposed Listing**

Our proposed listing scheme entails the placement of 19,930,000 Placement Shares at an indicative placement price of RM0.22 each and the proposed listing of our entire 159,396,700 Shares on the LEAP Market. The price to earnings multiple of approximately 11.52 times based on our normalised diluted EPS of 1.9102 sen for FYE 2019, calculated with reference to our enlarged share base of 159,396,700 Shares after the Proposed Placement

1.2 Indicative Placement Price

The Indicative Placement Price of RM0.22 per Placement Share was arrived at after taking into consideration the following:

- (a) The price to earnings multiple of approximately 11.52 times based on our normalised diluted EPS of 1.9102 sen for FYE 2019, calculated with reference to our enlarged share base of 159,396,700 Shares after the Proposed Placement;
- (b) The historical track record of our Group for FYE 2018 and FYE 2019, summarised as follows:

	Audited	
	FYE 2018	FYE 2019
	RM'000	RM'000
Revenue	9,144	15,229
Gross profit	3,783	4,968
Profit after taxation	2,216	2,926

- (c) The future prospects and potential of our business, taking into consideration our competitive strengths, business model and future plans;
- (d) The size of our fundraising and the level of dilution on our Promoters' shareholdings;
- (e) Investors' feedback vis-à-vis their demand for our Placement Shares; and
- (f) The expected timing of completing our Proposed Placement and Proposed Listing.

Nonetheless, the final price for our Placement Shares shall be determined by market demand for our Placement Shares. The final issue price for the Placement Shares will be announced prior to allotting the Placement Shares to selected Sophisticated Investors.

1.3 Share capital upon Proposed Listing

Upon completion of the Proposed Placement, our Company's entire enlarged share capital comprising 159,396,700 Shares shall be listed on the LEAP Market.

PART II: INFORMATION ON OUR PROPOSED LISTING**1.4 Objectives of our Proposed Listing**

The objectives of our Proposed Listing are as follows:

- (a) To provide an opportunity for Sophisticated Investors to participate in our equity;
- (b) To enable our Group to raise funds for the purposes specified in **Part II: Section 1.5** below;
- (c) To enable us to tap into the capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as when they arise; and
- (d) To enhance our brand image and reputation in the marketing of our products and to expand our customer base in Malaysia and abroad.

1.5 Utilisation of proceeds

The gross proceeds arising from the Proposed Placement of approximately RM4.39 million shall accrue entirely to our Company and will be utilised in the following manner:

Utilisation of proceeds	(1) Estimated timeframe for utilisation	RM'000	%
General working capital ⁽²⁾	Within 24 months	2,533	57.76
R&D expenses ⁽³⁾	Within 24 months	632	14.41
Office renovation expenses ⁽⁴⁾	Within 12 months	220	5.02
Estimated listing expenses ⁽⁵⁾	Immediately	1,000	22.81
Total		4,385	100.00

Notes:

- (1) From the date of Proposed Listing of our Shares on the LEAP Market.
- (2) Approximately RM2.53 million has been earmarked to supplement the working capital requirements of our Group. The proceeds shall be used to finance our day-to-day operations including working capital requirements. Details of the utilisation are as follows:

General working capital	RM'000
Hiring of additional technical staff, marketing and sales as well as administrative staff ^(a)	1,363
General working capital ^(b)	1,170
Total	2,533

- (a) We intend to utilise approximately RM1.36 million of the proceeds to strengthen our staff force to expand our business to both in Malaysia and overseas, as outlined in Part I: Section 2.12.1.;
- (b) We intend to allocate approximately RM1.17 million of the proceeds for the day to day operations of our Group, which shall include but are not limited to, staff costs (RM0.67 million), payments to suppliers and other creditors (RM0.10 million), marketing and promotional expenses (RM0.30 million) as well as administrative expenses (RM0.10 million).

PART II: INFORMATION ON OUR PROPOSED LISTING

- (3) Approximately RM0.63 million has been earmarked for the set-up of our R&D department for the development and enhancement of our existing machine learning and spatial analytics toolkit which would be used to improve both our current production work and package it into a SaaS based product line to be offered as enhanced solutions to potential customers. Please see Part I: Section 2.12.2 and 2.12.3 above for our R&D efforts;
- (4) Approximately RM0.22 million for office renovation. We are planning to renovate our existing office in Q-Sentral to cater for business expansion;
- (5) Approximately RM1.00 million is allocated to meet the estimated cost of our Proposed Listing. If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements.

The following summarises the estimated expenses incidental to our Proposed Listing to be borne by our Group:

Estimated listing expenses	RM'000
Professional fees (including Approved Adviser, legal counsel, IMR, share registrar, company secretaries)	600
Placement fees	186
Miscellaneous expenses (including authority fees)	214
Total	<u>1,000</u>

Pending the deployment of the proceeds from the Proposed Placement as aforementioned, the funds will be placed in short-term deposits with financial institutions, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may deem appropriate.

2. APPROVALS REQUIRED, CONDITIONS AND UNDERTAKINGS

2.1 Approvals and conditions

The Proposed Listing is subject to the following:

- (a) Approval from Bursa Securities for the admission of RedPlanet to the Official List of the Leap Market and the listing of and quotation for our entire enlarged share capital on the LEAP Market; and
- (b) Successful completion of the Proposed Placement.

Concurrent with the issuance of this Information Memorandum, M&A Securities has on behalf of our Company, made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged share capital on the LEAP Market and are awaiting the decision of Bursa Securities.

2.2 Exempt transaction

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of SC.

PART II: INFORMATION ON OUR PROPOSED LISTING**2.3 Undertakings****2.3.1 Promoters**

Pursuant to Rule 3.07 of the LEAP Listing Requirements, the Shares held by the Promoters, amounting to 105,214,000 Shares (representing approximately 66.01% of the enlarged share capital upon Listing) are to be placed under moratorium.

Our Promoters, who hold our Shares directly and indirectly upon our Listing, have fully accepted the moratorium where they will not be permitted to sell, transfer or assign any part of their interest in the Shares placed during the moratorium period as follows ("**Promoters' Moratorium Period**"):

- (a) The moratorium applies to the entire shareholdings of our Promoters for a period of 12 months from the date of our listing on the LEAP Market ("**First 12-Month Moratorium**"); and
- (b) Upon expiry of the First 12-Month Moratorium, our Company must ensure that our Promoters shall maintain an aggregate shareholding amounting to 71,728,600 Shares representing 45% of our enlarged share capital upon the Proposed Listing for further period of 36 months ("**Second 36-Month Moratorium**").

Also, our existing shareholders, other than the Promoters, as set out in the table below have agreed to place 34,252,700 of their Shares representing all of their holdings under a 12-month moratorium ("**Shareholder Moratorium**").

In this respect, the Shares are subject to moratorium.

Details of our Promoters and their Shares which will be subject to the abovesaid moratorium, are set out below:

	Moratorium shares during the First 12-Month Moratorium⁽¹⁾		Moratorium shares during the Second 36-Month Moratorium⁽²⁾	
	No. of Shares	%⁽³⁾	No. of Shares	%⁽³⁾
Promoters				
PKSen Ventures Sdn Bhd	48,813,300	30.62	33,272,700	20.88
Newventures Equity Sdn Bhd	39,845,800	25.00	27,165,800	17.04
Fajar Muda Sdn Bhd	16,554,900	10.39	11,290,100	7.08
	105,214,000	66.01	71,728,600	45.00
12-Month Shareholder Moratorium⁽¹⁾				
Other Shareholders				
Steve & Co Capital Sdn Bhd	25,159,700	15.78		
Chow Pooi Onn	4,546,600	2.85		
Catherine Lee Mei Chin	2,273,200	1.43		
Ismail Bin Azizi	2,273,200	1.43		
	34,252,700	21.49		

PART II: INFORMATION ON OUR PROPOSED LISTING

Notes:

- (1) From the date of our Proposed Listing
- (2) Upon the expiry of 12 months from the date of our Proposed Listing
- (3) Based on the enlarged share capital of 159,396,700 Shares upon completion of the Proposed Placement

All shareholders of PKSen Ventures Sdn Bhd, Newventures Equity Sdn Bhd, Fajar Muda Sdn Bhd and Steve & Co. Capital Sdn Bhd have provided written undertakings that they will not sell, transfer or assign their shareholdings in these companies under moratorium during the Promoters' Moratorium Period.

Steve & Co Capital Sdn Bhd has also procured an agreement from the investor(s) whom they are managing the investments for in RedPlanet, not to sell, transfer or assign their rights or beneficial interests in RedPlanet Shares (held via Steve & Co Capital Sdn Bhd) during the Shareholder Moratorium period.

2.4 Undertakings in relation to the Proposed Placement

- (i) All money received from the Sophisticated Investors pursuant to the subscription of our Shares will be placed in a trust account with a financial institution licensed by BNM ("**Trust Account**"). The Trust Account will be operated by M&A Securities as the Approved Adviser and Placement Agent;
- (ii) RedPlanet and M&A Securities undertake that all monies deposited in the Trust Account will not be withdrawn until the date of listing of our Shares on the LEAP Market of Bursa Securities; and
- (iii) RedPlanet undertakes to forthwith repay within 14 days without interest all monies received from the Sophisticated Investors if:
 - (a) the Proposed Listing does not take place within 6-months from the date of Bursa Securities' approval for the Proposed Listing on the LEAP Market or such further extension of time as Bursa Securities may allow; or
 - (b) the Proposed Listing is aborted by RedPlanet.

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PART III

RISK FACTORS

PART III: RISK FACTORS

An investment in our Shares is subject to a number of risks. Before making any investment decision, Sophisticated Investors should carefully consider the factors and risks attaching to an investment in our Shares together with all other information contained in this document including, in particular, the risk factors described below. Investors should consider carefully whether an investment in our Shares is suitable for them considering the information in this document and their personal circumstances.

If any of the following risks were to materialise, our Group's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of our Company's Shares could decline and an investor may lose part or all of their investment.

1. RISK SPECIFIC TO THE INDUSTRY IN WHICH WE OPERATE

1.1 We compete in a competitive industry

We operate in a competitive industry that experiences technological advancements, changes in industry standards, and changes in customer demands and requirements. Our Group competes with other local and multinational GIS technology firms. Further, our Group may also face competition from companies that increase in size or scope as the result of strategic mergers or joint ventures or acquisitions, which may result in larger competitors with significant resources, larger portfolio of services that benefit from economies of scale and scope.

If we are unable to provide our customers with GIS and ICT solutions at competitive prices or successfully market our GIS and ICT products and services to current and prospective customers, our business and financial performance may be impacted.

1.2 We are exposed to the risk of technological changes in the industry

Changes to geospatial technology used by competitors may alter the level of potential demand for our Group's GIS solutions. The rate of technology change, especially of competitors, may adversely affect our sales. Further, any rapid changes in technology or changes in geospatial research may lead a change in consumer preferences away from our Group's existing technologies.

1.3 We are exposed to changes in the regulatory environment, especially the tightening of the personal data privacy laws and regulations

Our Group handles large amount of personal data provided by our customers. Our business operation is thus sensitive to changes in the regulatory environment in Malaysia, especially the regulatory framework for personal data privacy. In light of the trends to tighten personal data privacy laws and regulations internationally, the Personal Data Protection Act 2010 ("**PDPA**"), which regulates the processing of personal data in commercial transactions, came into effect on 15 November 2013 and prior to implementation of the PDPA, there were no laws or regulations governing the protection of personal data in Malaysia. We cannot assure you that there will not be any additional and/or more stringent laws and regulations governing the protection of personal data be introduced in the future. It is also impossible to ascertain the extent of the impact of any such laws and regulations on our operation.

If we fail to adapt our operations to any new and/or amended laws and regulations that may come into effect from time to time, our business may be affected as extra costs and resources and changes to our operational systems and model will be incurred in complying with such laws and regulations.

PART III: RISK FACTORS

2. RISK SPECIFIC TO OUR GROUP

2.1 Our failure to anticipate and manage changes, or enhance our existing services, or our failure to keep pace with the technological advancement may impact our business and financial performance

The industry in which we operate is an evolving industry and consistently undergoes technological advancements. Our future success is reliant on our ability to foresee and adapt to these advances, enhance our existing services offerings or develop new service offerings as per market demand and to keep pace with technological advancement. While we believe that we have constantly strived to match global standards and keep pace with market demands by introducing or developing new services and technologies, in addition to our endeavours to regularly upgrade our existing technology, our failure to anticipate or to respond adequately to rapidly changing technology and/or requirements of our customers, could adversely impact our business, results of operations and financial condition. Furthermore, during the course of business, our Group may alter our future strategy or business model as a result of research, experience, new business opportunities, technological advancement, market trends and demand. There can be no assurance that such alteration of the Group's strategy or business model will prove to be successful or will be more successful than our current business strategy and model.

2.2 We rely on information technology and other systems

Our operations are dependent upon the performance, reliability and availability of information technology and security systems. This includes its core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war or breakdown in utilities such as electricity and fibre optic cabling. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues.

Our disaster recovery plans may not cover loss or damage that our Group may experience as a result of such a system failure. Any damage to, or failure of, our Group's key systems can impede our ability to operate our business. Such disruptions have the potential to reduce our Group's ability to generate revenue, impact customer service levels and damage our brand. This could adversely affect our ability to generate new business and result in financial loss.

2.3 We are dependent on our major customers

For FYE 2018 and FYE 2019, our single largest customer is Customer A, which had contributed approximately 40.66% and 89.77% to our Group's overall revenue, respectively. Customer A has been our customer for the past 4 years since our incorporation in 2016.

We expect that our Customer A will continue to contribute significantly to our Group's revenue in the future. We have secured multiple contracts to provide Customer A with the provision of GIS solutions and ICT solutions, as well as maintenance and support services. As such, we may be materially and adversely affected if we were to lose Customer A as our major customer without securing new customers to replace the loss of business, or if we were to encounter difficulties in collecting payments from Customer A.

PART III: RISK FACTORS

2.4 We are dependent on our major suppliers

For FYE 2018 and FYE 2019, our purchases from Supplier A comprised approximately 37.33% and 87.21% of our total purchases, respectively. Supplier A has been our supplier for the past 3 years.

We are the appointed authorised non-exclusive service provider/ partner for Supplier A. Our purchase of software has been specified by our customer in relation to our ICT solutions as well as maintenance and support project that we secured with Customer A. In the event that we cease to become the service provider/ partner for Supplier A, our Group's financial results will be adversely affected as we will lose part of the revenue streams contributed from the GIS solutions and ICT Solutions as well as maintenance and support services. We do not have any long-term agreements or arrangement with any of our major suppliers.

2.5 We are dependent on our Executive Director and key management for our continued success

Our success significantly depends on the expertise, capabilities and efforts of the Executive Directors. Our operations may be adversely impacted by the loss of any one of our Executive Directors simultaneously until we find a suitable replacement.

2.6 We may be unsuccessful in expanding into new and emerging markets, which may limit our ability to grow

The costs involved in entering and establishing ourselves in new and emerging markets, and expanding such operations, may be higher than expected and we may face significant competition in these regions. We may also face additional risks in setting up operations in new and emerging markets in which we have no prior operating history or have no experience of conducting business.

Emerging markets are subject to greater risks than more developed markets. The political, economic and market conditions in many emerging markets present risks that could make it more difficult to operate our business successfully and expand into emerging markets. Our inability to manage our expansion and related growth in these new and emerging markets or regions may have an adverse effect on our business, results of operations and financial condition.

2.7 We are not able to disclose the names of our major customer and suppliers

Our customers and suppliers comprise of local and international. As the name of our major customers and suppliers are confidential, their names are not disclosed in Part I: Section 2.7 and 2.8, respectively and this may affect the assessment of Sophisticated Investors when investing in our Shares. Nevertheless, certain background information on these customers and suppliers are disclosed for Sophisticated Investors' information in this Information Memorandum.

2.8 Our failure to win new contracts or failure to renew the existing contracts will adversely affect our business and financial performance

Our revenues are derived primarily from GIS contracts awarded to us on a project-by-project basis. Generally, it is very difficult to predict whether and when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, technical and financial qualifications.

PART III: RISK FACTORS

As our revenues are derived significantly from these contracts, our results of operations and cash flows may be adversely affected or fluctuate from period to period depending on our ability to win new contracts. The uncertainty associated with the award of new contracts may increase our cost of doing business. Further, we may decide to maintain and bear the cost of a workforce in excess of our current contract needs in anticipation of future contract awards. If an expected contract award is delayed or not received, we could incur costs in maintaining an idle workforce that may have a material adverse effect on our results of operations.

2.9 We could be liable to our customers for damages caused by system failures, disclosure of confidential information or data security breaches

Many of our contracts involve projects that are critical to the operations of our customers' businesses and provide benefits to our customers that may be difficult to quantify. In addition, we often have access to confidential customer data.

Breaches of our security measures or any accidental loss, inadvertent disclosure or unapproved dissemination of confidential customer data could expose us, our customers or the individuals affected to a risk of loss or misuse of this information, or cause interruptions in our operations. We may be required to expend significant capital and other resources to protect against such security breaches, to alleviate problems caused by or to investigate such breaches, all of which could subject us to liability, damage our reputation and diminish the value of our brand name.

Further, unauthorised disclosure of sensitive or confidential customer data, whether through breach of our computer systems, systems failure, loss or theft of assets containing confidential information or otherwise, could render us liable to our customers for damages, damage our reputation and cause us to lose customers.

2.10 We may not be able to maintain the pioneer status granted

RedPlanet Solutions is entitled to pioneer status incentives under the Promotion of Investment Act 1986 which grants a tax exemption of up to 100% of the statutory income for a period 5 years (i.e. from 29 May 2017 to 28 May 2022).

In light of Malaysia's recent commitment to implement and adhere to international taxation standards, particularly Base Erosion and Profit Shifting Action Plan introduced by the Organisation for Economic Co-operation and Development and Group of 20 Countries, the Government of Malaysia will be reviewing all relevant legislations and guidelines relating to relevant tax incentives of Malaysia so as to be consistent with the minimum standards under the aforementioned BEPS Action Plan.

As such, starting from 1 July 2018, MDeC will no longer be granting new approvals for applications for MSC status, including applications for extension of income tax exemption period or applications to add new MSC Malaysia qualifying activities. Companies that were previously granted approval for tax incentives prior to 17 October 2017 and are currently enjoying existing tax incentives will have the option to continue receiving the same treatment until 30 June 2021 or be subject to the new legislation and guidelines once the same come into effect.

As at the LPD, MDeC has yet to issue the new criteria / conditions enabling the processing of new approvals for MSC Malaysia status, including applications for extension of income tax exemption period or applications to add new MSC Malaysia qualifying activities. In view of the above developments, the expiry, revocation or non-renewal of pioneer status for RedPlanet Solutions will directly affect our financial performance, as RedPlanet Solutions will be subject to the prevailing tax rate of 24.00%.

PART III: RISK FACTORS

2.11 We are exposed to fluctuations in foreign exchange rates

All our software purchases are mainly denominated in USD or SGD and hence, subject to foreign currency exchange rate fluctuations. Any adverse movement in the foreign exchange rates markets may have an adverse impact on our business performance. However, we have taken into consideration the risk of exchange rate fluctuations and priced into our selling price. Given that the purchases are normally due for payment within 30 to 60 days from the purchase date, our Group does not foresee any movement in the foreign exchange rate during the short-term period that would have a material adverse impact on our Group.

At present, we do not use any financial instruments to hedge our exposure against transactions in foreign currencies. There can be no assurance that any future foreign currency exchange rate fluctuations will not have a material adverse impact on our Group's financial performance.

3. MARKET RISKS

3.1 No prior trading market for our Shares

Our Shares may be difficult to sell at an acceptable price or at all. We give no assurance that our Shares will be actively traded.

3.2 The trading and performance of our Shares is subject to fluctuations

The trading price of our Shares could fluctuate significantly due to regulatory or economic changes, business developments, our competitors or market sentiment.

Any of these events could result in a decline in the market price of our Shares. The LEAP Listing Requirements are less onerous than those of the Main Market and ACE Market, and an investment in shares that are traded on LEAP Market is likely to carry a higher risk than an investment in shares listed on the Main Market and ACE Market.

Furthermore, the participation in the LEAP Market is limited to mainly the Sophisticated Investors only, which in turn limits the potential liquidity level in the market. It may be more difficult for the Sophisticated Investors to realise their investment on the LEAP Market than to realise an investment in a company whose shares are quoted on the Main Market and ACE Market.

3.3 Our Proposed Listing may be delayed / terminated /aborted

We may not meet the minimum public shareholding spread of 10.00% of our enlarged share capital as required by Bursa Securities. Our approval from the relevant authorities for our Proposed Listing may be revoked, and/or we may not be admitted to the Official List of the LEAP Market.

We have done our best to comply with the regulatory requirements, but there is no assurance that the Proposed Listing will happen. If it does not take place within 6 months from the date we are approved by Bursa Securities or we abort the Proposed Listing on the LEAP Market, Sophisticated Investors will not receive any Shares but we will returned all monies paid in full, without interest, in respect of any application for our Shares within 14 days and our Directors shall be jointly and severally liable to repay the monies with interest at the rate of 10.00% per annum or other rate as may be prescribed by Bursa Securities upon expiration of that period until full refund is made.

PART IV

**INDEPENDENT MARKET
RESEARCH REPORT**

PART IV: INDEPENDENT MARKET RESEARCH REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
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24 December 2019

The Board of Directors
REDPLANET BERHAD
Unit 25-12, Q Sentral
2A Jalan Stesen Sentral 2
50470 Kuala Lumpur
Malaysia.

Dear Sirs,

Industry Overview on the Geographic Information Systems Industry in Malaysia, Asia Pacific and Australia in conjunction with the Proposed Listing of REDPLANET BERHAD on the LEAP Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("PROVIDENCE") has prepared this Industry Overview on the Geographic Information Systems Industry in Malaysia, Asia Pacific and Australia for inclusion in the Information Memorandum of REDPLANET BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics.

For and on behalf of PROVIDENCE:

ELIZABETH DHOOS
EXECUTIVE DIRECTOR

PART IV: INDEPENDENT MARKET RESEARCH REPORT

1 GEOGRAPHIC INFORMATION SYSTEMS (“GIS”) INDUSTRY IN MALAYSIA

DEFINITION AND SEGMENTATION

A GIS is a computer system that captures, stores, manipulates, analyses, manages, and presents geographical data. Geographical data can be expressed in many different forms, such as latitude and longitude, address, or postal code. GIS technology allows different types of information, no matter their source or original format, to be overlaid on top of one another on a single map. Historically, GIS was primarily a map-based system. The development of GIS dates from the 1960s, when it was first developed by IBM Corporation under contract to the Canadian Government. The early GIS were not designed for infrastructure applications, and it was not until the 1980s that utility companies, transportation agencies, and local governments began to invest heavily in automated handling of geographic information. GIS has since evolved into far more complex systems today, which run on a variety of platforms from desktop computers and laptops to large enterprise mainframes, and perform functions that range from the display of data in map form to complex analyses.

The GIS industry in Malaysia can be broadly divided into two segments, namely, GIS products and GIS services. GIS products comprise three main components, namely hardware, software, and data. Hardware is the platform on which the GIS operates such as desktop computers and laptops, while GIS software provides the functions and tools needed to store, analyse and display geographic information. GIS software components include tools for the input and manipulation of geographic information; a database management system; tools that support geographic query, analysis and visualisation; and a graphical user interface for easy access to these GIS tools. Aside from the provision of GIS products, GIS industry players may also provide GIS services. GIS services include GIS consulting services; integration of GIS with other systems, including enterprise systems; data management services; and GIS training programmes.

GIS analyses spatial location and organises layers of information into visualisations using maps and three-dimensional scenes to reveal insights into data to determine patterns and relationships. As such, data is considered to be the most important component of a GIS, where geographical data and related attribute data can be collected in-house or purchased from a commercial data provider. Examples of attribute data (additional information about each of the spatial features), which is typically coupled with geographical data such as schools, are the school name, level of education taught, and student capacity. GIS will integrate spatial data with other data resources and this data can be organised and maintained through the use of a database management system. Data uploaded onto GIS can be combined to produce a wide variety of individual maps, depending on which data layers are included. It is this correlation between geographical data and attribute data that enables GIS to be used as a tool / solution through spatial analysis. Several types of data can be uploaded onto GIS, and these include:

- **Cartographic data**

Cartographic data are already in map form, and may include such information as the location of rivers, roads, hills, and valleys. Cartographic data may also include survey data, mapping information which can be directly entered into a GIS.

- **Photographic data**

Photographic interpretation is a major part of GIS. Photo interpretation involves analysing aerial photographs and assessing the features that appear.

- **Digital data**

Digital data can also be entered into GIS. An example of this kind of information is computer data collected by satellites that show land use—the location of farms, towns, and forests. Remote

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sensing provides another tool that can be integrated into a GIS. Remote sensing includes imagery and other data collected from satellites, balloons, and drones.

- **Data in spreadsheets**

GIS can also include data in table or spreadsheet form, such as population demographics. Demographics can range from age, income, and ethnicity to recent purchases and Internet browsing preferences.

GIS can be used for various applications across multiple industries such as utilities, banking, insurance, transport and logistics, and agriculture. For example, GIS can be used for vehicle routing and scheduling, identification of flood-prone areas, and determination of the fertility and productivity of agricultural fields. GIS products currently available in the market today include ArcGIS, QGIS, GeoMedia and Smallworld.

INDUSTRY SIZE AND GROWTH POTENTIAL

The GIS solutions industry in Malaysia, measured by the revenue of GIS solutions industry players in the country, increased from RM268.5 million in 2014 to an estimated RM441.5 million in 2018, at a CAGR of 13.2%. According to the Countries Geospatial Readiness Index 2019, Malaysia was ranked 39 among 75 countries. The countries in the Countries Geospatial Readiness Index 2019 were ranked based on the following five pillars:

- **Geospatial data infrastructure**

Assesses relative strength on the basis of topographic and earth observation data infrastructure, positioning infrastructure, geospatial platforms and portals, as well as geospatial standards.

- **Policy framework**

Assesses relative strength on the basis of the country's national geospatial policy framework such as national geospatial policy, open data policy, and space, earth observation, and global navigation satellite systems policy, as well as the country's enabling policies framework such as science and technology and innovation policy, and information and communication technology policy.

- **Institutional capacity**

Assesses the relative capacity in delivering geospatial science and technology courses at post graduate and research levels, as well as geospatial domain graduation, diploma and certificate course for graduate and post graduate levels.

- **User adoption level**

Assesses on the basis of 'stage of use' of geospatial information and technology in the country, where these stages can be broadly classified as mapping of service level (digital map-based visualisation and analytics communication), asset management / business process modelling (asset mapping, monitoring and management), analytics and workflow level (integration of location information for business insights and process management), system integration level (customised solutions involving the integration of multiple platforms), and enterprise level (enterprise-wide adoption in all business processes and stakeholders).

- **Industry fabric**

Assesses relative strength on the basis of geospatial industry presence in the international arena in terms of number of ventures and diversity, geospatial domain-specific innovation / venture support programmes, and membership-based organisations / forums representing the local geospatial industry, institutions and professionals across industry segments.

PART IV: INDEPENDENT MARKET RESEARCH REPORT**DEMAND CONDITIONS: KEY GROWTH DRIVERS****Infrastructural developments such as smart cities, water and land management, utility, and urban planning will contribute to the growth of the GIS solutions industry**

There are various stages involved in infrastructural development, ranging from planning and design to construction and operations. GIS tools play a major role in infrastructural developments as raw data, when organised, structured and linked with the map graphics as part of any GIS application, provides a knowledge base which is vital for planning or setting up of any infrastructure, including site selection. GIS technology provides decision makers with a centralised data management and visualisation tool that enables them to better manage multiple priorities, forecast asset maintenance, and plan new infrastructure budgets, thus helping ensure visibility of assets, operations and future requirements. In addition, using GIS technology helps to streamline workflows by eliminating redundant data and cost of data conversions, provides better awareness of asset lifecycle, improves cost-effective management of existing assets, improved ability to coordinate timing and scheduling of cross-asset activities, and reduces risk.

The construction industry in Malaysia, based on the value of awarded projects, grew from RM91.0 billion in 2010 to RM163.1 billion in 2017 at a CAGR of 8.7%. Due to the application and utilisation of GIS solutions in infrastructural developments, this increase in infrastructural developments in Malaysia will positively affect the GIS solutions industry.

Integration of GIS technologies with mainstream technologies will boost the adoption of GIS

GIS technology is used in a broad range of application areas including utilities management, urban planning, disaster management, construction, mining, and transportation. For example, facility managers are able to use GIS tools to support a variety of information systems and business processes for facility management functions such as route mapping, building condition assessment, and space use optimisation. The integration of GIS technologies with mainstream technologies such as artificial intelligence, Internet of Things ("IoT"), autonomous vehicles, digital cartography, and e-commerce will further boost the adoption of GIS. While the integration of GIS technologies with mainstream technologies currently has its own set of challenges, such as cost, temporal resolution, it is still expected to boost the adoption of GIS, particularly as the convergence becomes more widespread.

Growing population and increasing urbanisation will increase the need for GIS solutions

The current trends in population and urbanisation will increasingly challenge our ability to effectively manage counties and cities, and their relationship with the natural environment. Between 2010 and 2018, Malaysia's population increased from 28.6 million persons to 32.4 million persons, while the country's urban population increased from 19.9 million persons to 24.4 million persons over the same period. Malaysia's population is expected to further increase to 36.0 million persons in 2025, while its urban population is expected to increase 27.8 million persons, comprising more than three-quarters (77.2%) of the country's total population.

The growing population and increasing urbanisation in Malaysia will strain the systems and services in the country such as housing, transportation, infrastructure, and public safety. On the environmental side, these trends also mean that communities will struggle to address climate change and ways to create sustainable and resilient development. While these issues will continue to pose great challenges to local governments, the new innovations in information technology are creating "smart" approaches and solutions that will help address many of these problems. In particular, GIS and related geospatial technologies are rapidly advancing and emerging as a platform to help communities better plan and manage the complexity of the urban environment.

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Web GIS is being used as a platform for smarter planning, as it integrates real-time data from a host of sources into the GIS, including sensing devices that measure transportation flows and energy consumption. This platform is creating what some are calling an “urban nervous system.” This system immediately informs planners, decision-makers and citizens about the health of their community visually and analytically, indicating where action must be taken, thus prompting planners and decision-makers who use GIS to consider all aspects including people, infrastructure, land use and the natural environment, thus leading to a more attractive, liveable and sustainable urbanisation.

In addition, GIS can also be used interactively as a community engagement tool. For instance, GeoHub, a GIS tool, is being used by city councils as a local and regional mapping tool as well as a way to engage with the community. Individuals are able to use GeoHub to view locations such as attractions and public amenities, as well as information about these locations. This can be further enhanced to involve story maps and applications that are built around local initiatives such as fighting crime, reducing traffic accidents, trash clean up, addressing the need for low-cost housing and improving public services. As the population and urbanisation rate in Malaysia continues to grow, there will be a greater need for GIS solutions, both as a community management and engagement tool.

Growing demand for enterprise GIS solutions will propel the GIS solutions industry

Enterprises today have a large amount of data, but they may lack location-specific information that may provide business intelligence to management and product and marketing information to clients and customers. Enterprise GIS’ are systems which are designed to provide an integrated and interoperable environment in which the individual departments of an enterprise can create, access, view and analyse data relevant to the operation of the enterprise or to their tasks. This information could encompass spatial as well as non-spatial datasets, with applications ranging from complex spatial models to delivery of services encompassing government, business and citizens.

Utilisation of enterprise GIS solutions would result in a reduction in data redundancy as well as a standardisation of data acquisition and content. It would also enable interoperability across applications, and thus, applications like citizen services, road maintenance, healthcare, and market research can use geospatial data seamlessly with other business processes such as Enterprise Resources Planning systems, SCADA, and e-Governance. As such, enterprise GIS solutions would ultimately enable resource sharing, data organisation, and improved decision making. These factors will propel the demand for enterprise GIS solutions, which, in turn, will contribute to the growth of the GIS solutions industry in Malaysia.

Growing usage of cloud-based GIS platforms will drive the GIS solutions industry

GIS can be cloud-based or desktop-based. A cloud-based GIS platform is an integrated system of components and content that can be deployed off premises within a matter of hours and administered remotely. There are three deployment models for cloud-based GIS platforms, namely GIS public cloud, GIS private cloud, and GIS hybrid cloud. GIS public cloud is a cloud service where GIS features, such as map creation, are freely available to anyone, whereas GIS private cloud is a cloud service that offers GIS features only to authorized users, usually with hardware dedicated to a single organisation. GIS hybrid cloud is a mixture of public and private cloud services, where the two are used in conjunction.

Cloud-based GIS platforms offer several benefits such as improvement in collaboration and efficiency, as well as increasing cost-effectiveness. By using cloud-based GIS platforms, the collection, adding, editing and publishing of location data can be done simultaneously, thus enabling collaboration in real-time between different people who share and update the mapping data. This improved collaboration also increases efficiency due to the improved flow of information and time-savings. Further, cloud-based GIS platforms may also be more cost-effective than desktop-based GIS platforms as there is no need

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for investment in in-house servers, therefore reducing the costs of technology as well as the costs of hiring extra information technology employees for server maintenance.

Cloud-based GIS platforms can be utilised in different areas of application, and its shorter deployment and availability of real-time data can make it more suitable than its desktop-based GIS platform counterpart in certain instances. For example, cloud-based GIS platforms can be particularly useful during emergencies where GIS professionals may not have the time or resources to pull existing equipment and software offline and repurpose them to support a single web application able to serve tens of thousands of visitors daily. However, cloud-based GIS platforms would be able to provide governments and others with conduits through which they can more easily and quickly access and contribute to growing repositories of geospatial data, tools, and services.

The complexities related to storing and maintaining location-based data have also accelerated the need to adopt cloud-based GIS platforms for efficient data management, reduced cost, and improved productivity, and as such, will propel the growth of the GIS solutions industry in Malaysia.

Government initiatives will positively affect the GIS solutions industry in Malaysia

In December 2002, the Malaysian Centre for Geospatial Data Infrastructure (“MaCGDI”) was established under the Ministry of Water, Land and Natural Resources. MaCGDI is a centre established by the government to manage and promote the development of Malaysia Geospatial Data Infrastructure (“MyGDI”) as the National Spatial Data Infrastructure (“NSDI”). MaCGDI is also responsible for coordinating access and delivery of the geospatial information held by all government agencies. The main role of the centre is to continuously make available and accessible current and accurate geospatial data that promotes a sustainable living environment, economic growth and social progress for public.

MyGDI is an initiative by the government to develop a geospatial data infrastructure to enhance the awareness about data availability and improve access to geospatial information. This can be fulfilled by facilitating data sharing among participating agencies. MyGDI, as the NSDI for Malaysia, is a geospatial data infrastructure that comprises policies, standards, technology research and development and skilled human resources.

The goal of MyGDI is to enable members of the geospatial communities in Malaysia to share and access geospatial information by establishing key partnerships with federal and states agencies, local authorities, academia and the private sector. MyGDI facilitates online access to geospatial information, avoid duplication of effort in collection of data and to ensure the accuracy, timeliness, correctness and consistency of available data that enables far more comprehensive analysis of data to help decision-makers choose the best course of action. The emphasis placed on the utilisation of GIS tools by the Government will positively affect the GIS solutions industry in Malaysia.

COMPETITIVE LANDSCAPE

The competition in the GIS market is driven by various technological innovations in the geospatial industry for facilitating the acquisition of spatial data. The GIS solutions industry in Malaysia can be broadly divided into industry players who provide GIS products, industry players who provide GIS services, or industry players who provide both GIS products and services.

RedPlanet Solutions (M) Sdn Bhd is principally involved in the provision of GIS solutions and information and communications technology solutions, where the GIS solutions provided include GIS consulting services, enterprise GIS and integration, GIS training, GIS application development, data management services, and GIS audit.

In 2018, Malaysia’s GIS services industry stood at an estimated RM441.5 million. In the same year, RedPlanet Solutions (M) Sdn Bhd recorded RM9.1 million in revenue for its GIS solutions. Based on

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RedPlanet Solutions (M) Sdn Bhd's revenue relative to Malaysia's GIS services industry, RedPlanet Solutions (M) Sdn Bhd registered a market share of 2.1% in 2018.

Industry players offering GIS services

Industry player	Nature of business
AccelTeam Sdn Bhd	Provision of computer software solutions and consulting services, as well as the sale of related products
Aerodyne Geospatial Sdn Bhd	Provision of aerial system solutions
Alam Informasi Sdn Bhd	Provision of information technology services
Alam Sekitar Malaysia Sdn Bhd	Provision of environmental services
Antaragrafik Systems Sdn Bhd	Provision of solutions integration, with a focus on the geospatial industry, as well as the marketing, sales and services of computer equipment
Bandwork GPS Solutions Sdn Bhd	Involved in the trading and rental of engineering and global position system equipment
Data Solutions Sdn Bhd	Provision of consultancy, data in information technology-based products computer hardware and software, electronic commerce related business, research and development of technical knowledge and call centre operations, as well as the provision of seminars and workshops in human resource
Dr. Nik & Associates Sdn Bhd	Provision of civil engineering consulting services
E-Mapping Solutions Sdn Bhd	Provision of electronic mapping system and satellite tracking system, as well as the provision of computer data processing services and related services
Esri Malaysia Sdn Bhd	Involved in the sales and distribution of geographical information and image processing systems
Fugro Malaysia Marine Sdn Bhd	Involved as land and hydrographic surveyors, consultants and engineers
Geoinfo Services Sdn Bhd	Provision of geographical information services and consultancy, and positioning services, as well as the sale of computer hardware and software
Geomatic Solutions Sdn Bhd	Provision of professional services
Ground Data Solutions Sdn Bhd	Involved in the acquisition of topographical and geotechnical data for engineering purposes, as well as the provision of professional advice and services for all engineering works
Map2U Sdn Bhd	Involved in information technologies services activities
MapIT MSC Sdn Bhd	Involved in the development and setting up of internet-based applications, software services, and research and development for map content, as well as the provision of spatial data and map development for vehicle navigation systems, internet mapping systems and map relating services
Oracle Corporation Malaysia Sdn Bhd	Involved in the distribution of sublicenses and marketing of Oracle software products, as well as the provision of consulting, education and support services associated with the Oracle software product
RedPlanet Solutions (M) Sdn Bhd	Provision of GIS solutions and information and communications technology solutions
Sky-Shine Corporation (M) Sdn Bhd	Involved in the supply of surveyor equipment
Softline Solutions International Sdn Bhd	Involved as information technology specialists offering technical, outsourcing, and consultancy services in all areas of information technology, including the distribution of software and hardware, and the provision of information technology solutions and other information technology related services
Spatialworks Sdn Bhd	Involved in general trading and the provision of information technology equipment and services
SunData Sdn Bhd	Involved in the distribution of stationery and office machine and supplies

PART IV: INDEPENDENT MARKET RESEARCH REPORT



Industry player	Nature of business
TAC Mapping Sdn Bhd	Involved in conducting and making aerial and ground surveys, as well as the provision of geographical information systems and land surveying services
Trimble Solutions Malaysia Sdn Bhd	Involved in the sale and distribution of engineering software, as well as the provision of related maintenance services and training
Tulip Resources Sdn Bhd	Provision of information technology services
Tuxuri Sdn Bhd	Provision of information technology services
Urban Explorer Sdn Bhd	Involved in the design, development, manufacture, and servicing and repair of all kinds of navigation equipment and systems

Source: Companies Commission of Malaysia, PROVIDENCE analysis

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PART IV: INDEPENDENT MARKET RESEARCH REPORT**2 GIS INDUSTRY IN ASIA PACIFIC****INDUSTRY SIZE AND GROWTH POTENTIAL**

The GIS industry size in the Asia Pacific region stood at an estimated USD102.8 billion in 2018, and is expected to grow at a CAGR of 18.0% between 2018 and 2020.¹ Increasing use of GIS technology by governments, including for utilities management, as well as increasing urbanisation, supported by government-led initiatives and growing investments in smart cities, are expected to drive the growth of the GIS industry in the region. Government agencies in the Asia Pacific region are also contributing to the growth of the GIS industry by investing in private ventures and space start-ups. For instance, in March 2018, the Government of Japan approved USD940.0 million for space start-ups, which will generate demand for high resolution global positioning systems, receivers, and imaging sensors to improve the capture and analysis of geospatial data.

The GIS industry in the Asia Pacific region is at different stages, depending on the country. For instance, Australia is known for its advanced status in usage of geospatial information and earth observation data, while the GIS industry in Singapore is also considered to be advanced in comparison to other countries in the Asia Pacific region such as India and Malaysia. Singapore is currently using maps as a highly advanced tool for decision making, where its maps are digital and interactive, and are used for effective visualisation and communication of analysis in an engaging manner. Geospatial information and technology in Singapore are also being adopted increasingly for workflow management and at the enterprise level to provide solutions, as well as being increasingly used in specific application sectors such as real estate, building engineering, fire evacuations agriculture, construction, and disaster management. The government departments and public utilities department in Singapore also use geospatial analytics extensively in planning and decision making using historical data and future modelling. Countries with a more mature GIS industry are able to derive higher benefits as they have the capability to integrate geospatial information with applications/hardware and software of a completely different ecosystem, as well as being able to enable spatial integration with the information technology and engineering sectors to provide solutions.

On the other hand, user adoption of geospatial information in countries such as India and Malaysia are at a moderate level. While the importance of spatial data is being increasingly realised in these countries, the adoption of the technology is insignificant at the higher levels of adoption, at system integration and enterprise levels. As the GIS industry in these countries become more advanced and mature, there will be a move towards using geospatial technology for business intelligence, supply chain management, and customer relationships management.

Skilled human resources are a key component in the growth of the GIS industry. Australia has numerous doctoral and postgraduate programmes in Geodesy, Remote Sensing and GIS, Geoinformatics, Engineering and Mathematical Science streams among others, and as such, has a well-rounded geospatial knowledge and human resource creation capacity catering to overall user adoption, industry and entrepreneurship advancement. Meanwhile, India, Malaysia and South Korea are opening up their universities to more geospatial-domain related and inter-disciplinary courses, and as such, the adoption of geospatial technologies is rising in these countries in lieu of their economic growth, favourable demographics in turn contributing to demand of skilled human resource mainly in the service segments. In addition, South Korea, Japan, and Singapore have begun taking steps towards attracting international participants to their innovation/incubation programmes, thus adding to their domestic talent pool and internationalisation.

Asian economies such as the People's Republic of China ("China"), Singapore, Malaysia, India, and Philippines are moving forward on the development of a national level policy and legislation framework for the NSDI, Space and space-related activities, and unmanned aerial vehicles and drones. For

¹ Source: Geospatial Industry Outlook & Readiness Index (2019 Edition)

PART IV: INDEPENDENT MARKET RESEARCH REPORT

instance, space policies in India, Vietnam, and South Korea are in process; national geospatial policies in Malaysia and India is under development; and there are rapidly evolving guidelines in China for geospatial information usage.

The geospatial industry segment in China and India is continuing to expand due to an exponential rise in the number of technical and scientific research centres, aero-space domain strengths and national programmes for start-ups/technology business incubation on their side. Further, Australia is currently focusing on enhancing its Space sector capacities by setting up its national Space Agency. The country's Space Utilisation Policy (2013) and the Australian Space Research Program set out priorities for Australia's use of space and space-related technologies.

Generally, countries in the Asia Pacific region are proficient in integrating spatial information with mobile and web technologies and other workflow processes. The rapidly expanding, digitally transforming economies in the region such as India and China, are enhancing the geospatial user base in the region, as the adoption of geospatial information at the analytics and workflow management level is accelerating and the region is steadily moving towards the integration of geospatial at enterprise level.

The current trends in population and urbanisation will increasingly challenge our ability to effectively manage counties and cities, and their relationship with the natural environment. The population in the Asia Pacific region grew from 2.8 billion persons in 2010 to 2.9 billion persons in 2017, recording a CAGR of 0.7%. More than half of the world's mega-cities today are found in Asia Pacific, with an expected 62 mega-cities by 2025.² The increasing urbanisation in Asia Pacific will strain the systems and services in the region such as housing, transportation, infrastructure, and public safety. On the environmental side, these trends also mean that communities will struggle to address climate change and ways to create sustainable and resilient development. While these issues will continue to pose great challenges to local governments, the new innovations in information technology are creating "smart" approaches and solutions that will help address many of these problems. In particular, GIS and related geospatial technologies are rapidly advancing and emerging as a platform to help communities better plan and manage the complexity of the urban environment.

Several countries in the Asia Pacific region aim to transform their cities into smart cities. For example, India aims to transform 100 cities into smart cities, while China's central government has also selected over 200 cities to pilot smart city projects. According to the International Data Corporation, smart city initiatives in Asia Pacific, excluding Japan, is expected to reach USD35.4 billion by the end of 2019. China is to account for majority of the smart cities-related technologies investment spending in the region. Most of the outlay from the mainland will be lavished mainly on fixed visual surveillance as the government ramps up its citizen monitoring activities. Singapore is in the midst of creating its own digital twin while South Korea has become one of the most IoT-connected countries in the world. An urban population boom in India is also propelling demand for technological investments.

² Is Asia ready for smart cities?, 7 July 2016, telecomasia.net

PART IV: INDEPENDENT MARKET RESEARCH REPORT**3 GIS INDUSTRY IN AUSTRALIA****INDUSTRY SIZE AND GROWTH POTENTIAL**

The GIS industry in Australia stood at approximately USD10.0 billion in 2018.³ According to the Countries Geospatial Readiness Index 2019, Australia was ranked 15 among 75 countries. Amongst the Asia Pacific countries, Australia's adoption of GIS solutions and technology by the user community is considered to be at an advanced stage. Australia has identified its most promising growth sectors for the spatial industry as: transport, agriculture, health, defence and security, energy, mining, and the built environment, with the environment also requiring special consideration.

The geospatial industry in Australia receives broad support from the Australian government at federal, state, and local levels. The country also has a geospatial community which receives support from local bodies such as the Spatial Industries Business Association, Surveying & Spatial Sciences Institute, and also has representation from international bodies such as the Geospatial Information & Technology Association. At the inter-governmental level, Australia is represented on the UN Committee of Experts on Global Geospatial Information Management, the Group on Earth Observation, and it has an active membership base within the Open Geospatial Consortium.

With regards to overseas involvement, the Australian Cooperative Research Centre for Spatial Information (CRCSI) has announced a collaborative research project with the Japanese Aerospace Exploration Agency which is focused on using satellite positioning to assist the agricultural industry. Australia has also established working agreements with both the European Space Agency (through which it receives data from the Sentinel satellites) and with NASA (which recently helped Australia to launch three earth observation satellites, the nation's first satellites to go into orbit in over 15 years).

In 2016, the Australian government launched a Smart Cities Plan focusing on investment, policy and technology, which introduced programmes such as the 'Future Transport Technology' programme. This has led to the installation of smart beacons which guide blind and visually impaired people as they navigate through the city. In addition, Telstra recently announced plans to trial and deploy a smart cities-focused IoT project in western Australia where the telecoms provider will install solutions such as environmental sensors, monitoring temperature, humidity, pollution, light and noise. The council will also gain real-time data for civic issues. For example, redirecting traffic during rush hour, and receiving notifications when bins need emptying.

The current trends in population and urbanisation will increasingly challenge our ability to effectively manage counties and cities, and their relationship with the natural environment. Between 2010 and 2018, Australia's population increased from 22.7 million persons to 25.2 million persons, while the country's urban population increased from 18.8 million persons to 21.5 million persons over the same period.

The growing population and increasing urbanisation in Australia will strain the systems and services in the country such as housing, transportation, infrastructure, and public safety. On the environmental side, these trends also mean that communities will struggle to address climate change and ways to create sustainable and resilient development. While these issues will continue to pose great challenges to local governments, the new innovations in information technology are creating "smart" approaches and solutions that will help address many of these problems. In particular, GIS and related geospatial technologies are rapidly advancing and emerging as a platform to help communities better plan and manage the complexity of the urban environment.

In December 2015, the Australian Government launched the National Innovation and Science Agenda ("NISA"), with the aim of having Australia become a leading digital nation fostering innovation and entrepreneurship through collaboration. The 2026 Spatial Industry Transformation and Growth Agenda

³ Spatial businesses in Australia welcome the Australian Space Agency, 7 June 2018, Geospatial World

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("2026Agenda"), which was launched in 2017, provides the vision and direction to enable the spatial industry to deliver national and global services that will support NISA. The 2026Agenda aims to expand the spatial sector's impact across the economy and to equip all Australians with future-ready skills through the development of location-related technologies, services, and skills that deliver value to businesses and communities.

The development of the 2026Agenda was led by the Australia New Zealand Cooperative Research Centre for Spatial Information, the Spatial Industries Business Association-Geospatial Industry Technology Association, Australia New Zealand Land Information Council ("ANZLIC"), the Australian Earth Observation Community Coordination Group, Data61 (CSIRO), Landgate, Geoscience Australia, Department of Natural Resources and Mines (Queensland Government), and the Department of Prime Minister and Cabinet. The GIS industry in Australia receives support from the Australian government at all levels - federal, state, and local, and with bodies such as ANZLIC leading the development of the Australian Spatial Data Infrastructure (ASDI). The emphasis placed on the growth of the geospatial industry by the Australian Government will positively affect the GIS industry in the country.

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PART IV: INDEPENDENT MARKET RESEARCH REPORT

4 PROSPECTS AND OUTLOOK FOR REDPLANET BERHAD

The GIS solutions industry in Malaysia, measured by the revenue of GIS solutions industry players in the country, increased from RM268.5 million in 2014 to an estimated RM441.5 million in 2018, at a CAGR of 13.2%. According to the Countries Geospatial Readiness Index 2019, Malaysia was ranked 39 among 75 countries.

GIS technology is used in a broad range of application areas including utilities management, urban planning, disaster management, construction, mining, and transportation. The integration of GIS technologies with mainstream technologies such as artificial intelligence, IoT, autonomous vehicles, digital cartography, and e-commerce will further boost the adoption of GIS. While the integration of GIS technologies with mainstream technologies currently has its own set of challenges, such as cost, temporal resolution, it is still expected to boost the adoption of GIS, particularly as the convergence becomes more widespread.

GIS tools play a major role in infrastructural developments as raw data, when organised, structured and linked with the map graphics as part of any GIS application, provides a knowledge base which is vital for planning or setting up of any infrastructure, including site selection. Due to the application and utilisation of GIS solutions in infrastructural developments, this increase in infrastructural developments in Malaysia will positively affect the GIS solutions industry.

The growing population and increasing urbanisation in Malaysia will strain the systems and services in the country such as housing, transportation, infrastructure, and public safety. On the environmental side, these trends also mean that communities will struggle to address climate change and ways to create sustainable and resilient development. While these issues will continue to pose great challenges to local governments, the new innovations in information technology are creating “smart” approaches and solutions that will help address many of these problems. In particular, GIS and related geospatial technologies are rapidly advancing and emerging as a platform to help communities better plan and manage the complexity of the urban environment.

Utilisation of enterprise GIS solutions would result in a reduction in data redundancy as well as a standardisation of data acquisition and content. It would also enable interoperability across applications, and thus, applications like citizen services, road maintenance, healthcare, and market research can use geospatial data seamlessly with other business processes such as Enterprise Resources Planning systems, SCADA, and e-Governance. As such, enterprise GIS solutions would ultimately enable resource sharing, data organisation, and improved decision making. These factors will propel the demand for enterprise GIS solutions, which, in turn, will contribute to the growth of the GIS solutions industry in Malaysia.

MyGDI is an initiative to develop a geospatial data infrastructure to enhance the awareness about data availability and improve access to geospatial information. The goal of MyGDI is to enable members of the geospatial communities in Malaysia to share and access geospatial information by establishing key partnerships with federal and states agencies, local authorities, academia and the private sector. MyGDI facilitates online access to geospatial information, avoid duplication of effort in collection of data and to ensure the accuracy, timeliness, correctness and consistency of available data that enables far more comprehensive analysis of data to help decision-makers choose the best course of action. The emphasis placed on the utilisation of GIS tools by the Government will positively affect the GIS solutions industry in Malaysia.

PROVIDENCE believes that the prospects of RedPlanet Berhad will be supported by the proliferation of GIS arising from its broad range of application in areas such as utilities management, urban planning, disaster management, construction, mining, and transportation.

PART V

**ADDITIONAL
INFORMATION**

PART V: ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENTS

Our Directors and Promoters have seen and approved this Information Memorandum, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted, would make any statement in this Information Memorandum false or misleading.

M&A Securities acknowledges that, based on all available information and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing.

2. SHARE CAPITAL

- (a) As at the date of this Information Memorandum, we have only 1 class of shares, namely ordinary shares;
- (b) Other than the Proposed Placement, our Board does not have intention to issue any new Shares on the basis of this Information Memorandum; and
- (c) As at the date of this Information Memorandum, we do not have any outstanding convertible debt securities.

3. MATERIAL LITIGATION AND CONTINGENT LIABILITIES

As at LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our financial position or our subsidiaries. As at LPD, our Directors confirm that there are no contingent liabilities incurred by us or our subsidiaries, which upon becoming enforceable, may have a material effect on our financial position or our subsidiaries.

4. MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into the ordinary course of business) which have been entered by our Company or our subsidiaries, within the past 2 years immediately preceding the date of this Information Memorandum:

- (i) Sale and purchase agreement dated 3 September 2019 between RedPlanet and the Vendors for the acquisition of RedPlanet Solutions for a purchase consideration of RM2,091,999 to be satisfied by the issuance of 139,466,600 new RedPlanet Shares at an issue price of RM0.015 to the Vendors, credited as fully paid-up. RedPlanet and the Vendors subsequently entered into a supplemental letter agreement dated 1 November 2019 to extend the period for completion. The Acquisition was completed on 12 November 2019; and
- (ii) Share subscription agreement dated 15 March 2019 between RedPlanet Solutions and Steve & Co Capital Sdn Bhd in respect of the subscription of 17,998 ordinary shares in RedPlanet Solutions by Steve & Co Capital Sdn Bhd at the price of RM23.00 per share for the total amount of RM413,954.00. The subscription agreement was completed on 15 March 2019 and the allotment and issuance of the shares to Steve & Co Capital Sdn Bhd was entered into the register of members on 15 March 2019.

PART V: ADDITIONAL INFORMATION**5. FURTHER INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT****5.1 Interest outside our Group**

Save as disclosed below, none of our Promoters, substantial shareholders, Directors and key management has any other interests outside our Group in the 3 years up to LPD:

(i) Lian Wah Seng

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Newventures Equity Sdn Bhd	Investment holding company	Director / Shareholder	02.04.2019	-	100.00	-
Sektor Perintis Sdn Bhd	Investment holding company	Director/ Shareholder	25.06.2013	-	50.00	-
AZTI Engineering (M) Sdn Bhd	Engineering, procurement, commissioning and project management services for the rail industry	Director	25.10.2017	-	-	70.83 ⁽¹⁾
Newventures Capital Sdn Bhd	Investment holding company	Director/ Shareholder	15.06.2016	-	50.00	-
AZTI Technology Sdn Bhd	Research and development of platform security system, business development and licensing of intellectual property rights as well as investment holding	Director /Shareholder	22.08.2017	-	18.33	52.50 ⁽²⁾
Infotech Trekker Sdn Bhd	Provision of mobile application services	Shareholder			29.99	-
Dazzling Commerce Sdn Bhd	General trading, land and property investment and investment holding	Shareholder	30.07.2013	18.04.2014	24.99	-

PART V: ADDITIONAL INFORMATION

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Newbricks Solution Sdn Bhd	Dormant	Shareholder	18.07.2005	25.06.2014	50.00	-
Dazzling Prosperity Sdn Bhd (1041263-U)	Commercial trading, property dealing, investment holding	Shareholder	20.06.2013	18.04.2014	34.99	-
Gobike Company Limited (Hong Kong Company)	Investment holding and provision of information technology services	Director/ Shareholder	21.12.2015	-	100.00 ⁽³⁾	-
Gobike Company Limited (Thailand Company)	Provide services of calling the motorcycle taxi rider for travelling and delivery via mobile application.	Director	18.12.2015	-	-	100.00 ⁽⁴⁾
Gobike (M) Sdn Bhd	IT development support services	Director / Shareholder	23.03.2016	-	~ ⁽⁵⁾	100.00 ⁽⁶⁾
Past involvement						
Rcomm Solutions Sdn Bhd	Struck off as at 10.01.2017	Director/ Shareholder	07.03.2013	-	50.00	-
Techbitz (M) Sdn Bhd	Struck off as at 08.06.2018	Director/ Shareholder	12.03.2010	-	20.00	-
Global Polaris Sdn Bhd	Struck off as at 29.11.2016	Director/ Shareholder	09.05.2005	-	80.00	-
Orangetee Global Properties Sdn Bhd	Struck off as at 22.07.2016	Director/ Shareholder	05.03.2008	-	80.00	-
Flagship Assets Sdn Bhd	Struck off as at 17.03.2017	Shareholder	-	-	50.00	-

PART V: ADDITIONAL INFORMATION**Notes:**

- (1) Deemed interested via his shareholdings held in AZTI Technology Sdn Bhd and Newventures Capital Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interested via his shareholdings held in Newventures Capital Sdn Bhd pursuant to Section 8 of the Act.
- (3) As at LPD, he also holds 6,150,000 Class A shares (43.90%) and 2,976,323 Class D shares (31.69%)
- (4) Gobike Company Limited, Thailand is a subsidiary of Gobike Company Limited, Hong Kong
- (5) Negligible shareholdings (0.002%)
- (6) Gobike (M) Sdn Bhd is a subsidiary of Gobike Company Limited, Hong Kong

(ii) P.K. Senthil Kumar

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
PKSen Ventures Sdn Bhd	Investment holding company	Director/ Shareholder	22.11.2018	-	93.46	-
Pksen Ventures Private Limited (India)	Investment holding company	Director/ Shareholder	13.05.2019	-	93.46	-
Past involvement						
Hexamap Solutions Private Limited (<i>formerly known as Red Planet Consulting Private Limited</i>) (India)	Provision of geographic information system solutions in India	Director	28.09.2005	5.06.2019	-	-

PART V: ADDITIONAL INFORMATION

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Spatial XY, Inc. <i>(formerly known as Red Planet Consulting, Inc)</i> (USA)	Provision of geographic information system solutions in USA	Shareholder Disposed shares on 11.06.2019.	-	-	-	-

(iii) Azhar Ahmad

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Fajar Muda Sdn Bhd	Investment holding company	Director/ Shareholder	13.11.2017	-	100.00	-
Past involvement						
Newventures Capital Sdn Bhd	Investment holding company	Director	18.03.2015	15.06.2016	-	-
Align Systems Sdn Bhd	Providing information technology solutions and geographical information systems (GIS) support	Director/ Shareholder Disposed shares on 13.05.2019	15.04.2013	27.11.2017	-	-
Asra Creative Sdn Bhd	In the process of being struck off	Shareholder	-	-	~ ⁽¹⁾	-

Note:

⁽¹⁾ Negligible shareholdings (0.004%)

PART V: ADDITIONAL INFORMATION**(iv) Phong Hon Wai**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
HWTP Tax Sdn Bhd	Accounting, bookkeeping, auditing activities and tax consultancy	Director/ Shareholder	25.02.2019	-	50.00	-
CSC Steel Holdings Berhad	Investment holding and provision of management services	Director	02.03.2015	-	-	-
HP Tax Services Sdn Bhd	Tax consultancy services	Director/ Shareholder	13.01.2010	-	50.00	-
All2One F M B Sdn Bhd	Operating beauty and health care centre, operating marketing, management, franchising of goods, products, articles and merchandise, investment holding company	Director/ Shareholder	09.09.2008	-	66.67	-
All21 Alliance Sdn Bhd	General trading	Director/ Shareholder	18.02.2005	-	12.50	-
H W Phong Services (NF0128)	Accounting, bookkeeping, auditing activities and tax consultancy	Principal Partner	01.12.1996	-	100.00	-
MW. Phong (AF1217) <i>(formerly known as HW Phong & Associates)</i>	Audit firm	Principal Partner	18.08.1999	-	100.00	-
MW (Partnership) (AF002256)	Audit firm	Partner	17.11.2017	-	33.33	-
<u>Past involvement</u>						
Santai Terapeutik Sdn Bhd	Struck off on 13.05.2016	Director	26.01.2007			

PART V: ADDITIONAL INFORMATION**(v) Steve & Co Capital Sdn Bhd (substantial shareholder)**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Asiawizard MSC Sdn Bhd	Other information technology service activities	Shareholder	-	-	81.8	-

(vi) Dato' Steve Wan Siew Kum (substantial shareholder)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
DVS Ventures Sdn Bhd	Buying, selling, renting and operating self-owned or leased real estate residential buildings; real estate activities with own or leased property; sale by commission agents	Director / Shareholder	14.10.2019	-	33.3	-
Paperwork World Sdn Bhd	Other information technology service activities; secretarial support services and business management consultancy services	Director / Shareholder	24.12.2018	-	60.0	-
Steve & Co Tax Advisors Sdn Bhd	Tax and accounting management services	Director / Shareholder	23.07.2004	-	55.0	-
Azalia Ventures Sdn Bhd	Dormant	Director / Shareholder	13.03.2009	-	33.3	-
Steve & Co Property Management Sdn Bhd	Investment advisory services	Director / Shareholder	14.01.2009	-	99.9	-
Steve & Co Private Equity Sdn Bhd	Investment advisory services	Director / Shareholder	14.01.2009	-	99.9	-

PART V: ADDITIONAL INFORMATION

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Bluestream Capital Sdn Bhd	Venture capital company	Director / Shareholder	28.07.2016	-	50.0	-
Steve & Co Land Sdn Bhd	Business management consultancy services, sale by commission agents, management of real estate on a fee or contract basis	Director / Shareholder	28.12.2015	-	50.0	50.0 ⁽¹⁾
Steve & Co Capital Sdn Bhd	Venture capital company	Director / Shareholder	23.12.2015	-	100.0	-
Azalia Dagang Sdn Bhd	Other human health services	Director / Shareholder	27.10.2014	-	99.9	-
Midas Arrow Sdn Bhd	Export and import of a variety of goods without any particular specialization; buying, selling, renting and operating of self-owned or leased real estate residential buildings	Director / Shareholder	21.10.2013	-	24.0	-
Asiawizard MSC Sdn Bhd	Other information technology service activities	Director / Shareholder	27.11.2013	-	18.2	81.8 ⁽²⁾
Steve & Co Asia (M) Sdn Bhd	Account, payroll, company secretary and advisory services	Director / Shareholder	15.08.2013	-	100.0	-
NST Consolidated Sdn Bhd	Oil and gas extraction service activities provided on a fee or contract basis; export and import of crude petroleum oils	Director	06.08.2013	-	-	-
Plenitude Power Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate non-residential building	Director	19.07.2013	-	-	-

PART V: ADDITIONAL INFORMATION

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held		
					Direct	Indirect	
Astar (M) Sdn Bhd	Multi-level marketing, trading and online business on consumer health, beauty, household and lifestyle products	Director	16.07.2018				
Satvat Group Education Consultant Sdn Bhd ⁽³⁾	Wholesale of a variety of goods without any particular specialisation	Shareholder	-	-	51.0	-	
Advance Science Sdn Bhd	Retail sale of household appliances and consumer electronics via stall or markets	Shareholder	-	-	1.5	-	
Steve & Co (NF0817)	Corporate advisory services	Sole proprietor	15.08.2006	-	100.0	-	
Past involvement Irama Kesuma Sdn Bhd ⁽⁴⁾	General trading; land and property investment and investment holding	Director	30.05.2014	-	-	-	
Keris Medical Sdn Bhd ⁽⁵⁾	Dormant	Director / Shareholder	30.03.2010	-	50.0	-	
Matrix Divine Sdn Bhd ⁽⁶⁾	Venture capital management	Director / Shareholder	25.08.2003	-	5.0	-	
Valencia Lifestyle Sdn Bhd	Investment advisory services	Director	06.03.2013	1.12.2016	-	-	
Biomedical Strategy Consultants Sdn Bhd ⁽⁷⁾	Dormant	Director	08.12.2009	-	-	-	
Gift Experience Sdn Bhd ⁽⁸⁾	Loyalty programme, marketing agent and event management	Director	11.11.2009	-	50.0	-	
TFS Ventures Sdn Bhd	Investment holding company	Director	09.01.2009	02.07.2018	-	-	

PART V: ADDITIONAL INFORMATION

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Autocosec Sdn Bhd	Business management consultancy services; other information service activities; other information technology service activities	Director	08.06.2018	24.01.2019	-	-
Maxwell Frontier Sdn Bhd	To lease houses and other properties of company	Director	03.05.2012	04.09.2018	-	-
Magnificent Parade Sdn Bhd	Activities of holding companies; buying, selling, renting and operating of self-owned or leased real estate residential buildings; export and import of a variety of goods without any particular specialization	Director	01.06.2018	10.06.2019	-	-

Notes:

- (1) Deemed interested pursuant to Section 59(11)(c) of the Act by virtue of his father's equity interest in the company.
- (2) Deemed interested via his shareholdings in Steve & Co Capital Sdn Bhd pursuant to Section 8 of the Act.
- (3) In the midst of being struck off.
- (4) Struck off the register on 10.08.2017.
- (5) Struck off the register on 08.06.2018.
- (6) Struck off the register on 16.06.2017.
- (7) Struck off the register on 19.01.2018.
- (8) Struck off the register on 08.06.2018.

PART V: ADDITIONAL INFORMATION

(vii) Catherine Lee Mei Chin (key management)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Rising Star Domain Sdn Bhd	Investment holding company	Preference Shareholder ⁽¹⁾	-	-	-	-

Note:

⁽¹⁾ Holds 1 preference share in the company

Save as disclosed above, the involvement of our Directors and key management in those business activities outside our Group does not give rise to any conflict of interest situation with our business.

The involvement of our Executive Directors in those business activities outside our Group also does not require significant amount of time as there is separate management team in those companies and our Executive Directors is not involved in the daily operations of those companies. As such, their involvement in other companies does not affect their ability to perform their executive roles and responsibilities to our Group.

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PART V: ADDITIONAL INFORMATION**5.2 Interests in similar business and in businesses of our clients and suppliers****5.2.1 Interest in similar business**

As at LPD, none of our Directors and substantial shareholders has any interest in other business similar to those of our Group.

5.2.2 Interest in businesses of our clients and suppliers

As at LPD, none of our Directors and substantial shareholders has any interest in businesses of our clients and suppliers.

5.3 Declaration by our Directors

None of our Directors:

- (a) are undischarged bankrupts nor are they subject to any proceedings under bankruptcy laws;
- (b) have ever been charged with, convicted for or compounded for any offence under securities laws, corporations' laws or any other laws involving bribery, fraud or dishonesty in a court of law;
- (c) have ever had any action taken against them for any breach of the listing requirements or rules issued by Bursa Securities, for the past 5 years; and
- (d) have been subjected to any inquiry or investigation by any government or regulatory authority or body for the past 5 years.

5.4 Remuneration and material benefits-in-kind of our Directors

The aggregate remuneration and material benefits-in-kind proposed to be paid to our Directors and Key management for the FYE 2020 are as follows:

Remuneration Band	Estimated for FYE 2020 RM'000
Directors	
Lian Wah Seng ⁽ⁱ⁾	0-50
P.K Senthil Kumar ⁽ⁱⁱ⁾	251-350
Azhar Ahmad ⁽ⁱⁱⁱ⁾	151-250
Phong Hon Wai ^(iv)	0-50
Key management	
Catherine Lee Mei Chin	151-250
Ng Chen Wei	51-150

Notes:

- (i) Lian Wah Seng was appointed on 22 November 2019
- (ii) P.K Senthil Kumar was appointed on 22 November 2019
- (iii) Azhar Ahmad was appointed on 22 November 2019
- (iv) Phong Hon Wai was appointed on 27 May 2019

PART V: ADDITIONAL INFORMATION

6. CONSENT

The written consents of the Approved Adviser, Placement Agent, Continuing Adviser, Company Secretary, Auditors, Legal Counsel, Share Registrar and Independent Market Research Consultant to the inclusion in this Information Memorandum of their names in the form and context in which such names appear have been given before the issue of this Information Memorandum and have not subsequently been withdrawn.

7. DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

- (a) M&A Securities has given its written confirmation that, as at the date of this Information Memorandum, there is no existing or potential conflict of interest in its capacity as the Approved Adviser, Continuing Adviser and Placement Agent for our Proposed Listing;
- (b) Messrs Ilham Lee has given its written confirmation that, as at the date of this Information Memorandum, there is no existing or potential conflict of interest in its capacity as the Legal Counsel for our Proposed Listing;
- (c) Messrs Crowe Malaysia PLT has given its written confirmation that, as at the date of this Information Memorandum, there is no existing or potential conflict of interest in its capacity as Auditors for our Proposed Listing; and
- (d) PROVIDENCE has given its written confirmation that, as at the date of this Information Memorandum, there is no existing or potential conflict of interest in its capacity as Independent Market Research Consultant for our Proposed Listing.

8. THIRD PARTY INFORMATION

Where information has been sourced from a third party, the information has been accurately reproduced and, as far as our Company and our Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9. COMMUNICATIONS WITH SHAREHOLDERS

Upon successful listing on the LEAP Market, we may from time to time send to our shareholders, documents such as, but not limited to shareholders' circulars, annual reports, written resolutions and notices as required by LEAP Listing Requirements ("**Documents**") via electronic means. The Documents shall be transmitted to the electronic mail address of our shareholders registered with our Share Registrar or published on our website.

However, in the event the electronic mail address of any of our shareholders is not available, or if our shareholders request for a hardcopy to be sent to them, our Company will forward a copy of the Documents to the shareholders as soon as reasonably practicable after the receipt of the request, free of charge. If the Documents are published on our website, our Company will immediately and separately send a written notification of such publication to our shareholders.

PART V: ADDITIONAL INFORMATION

10. PRINTED COPIES OF THIS INFORMATION MEMORANDUM

Copies of this Information Memorandum are available free of charge for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at:

- (i) M&A Securities at Level 11, No. 45 & 47, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur;
- (ii) RedPlanet Office at Unit 25-12, Level 25, Q Sentral, 2A Jalan Stesen Sentral 2, 50470 Kuala Lumpur; and
- (iii) RedPlanet's registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

for at least one month after our listing on the LEAP Market.

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APPENDIX

**AUDITED FINANCIAL
STATEMENTS OF
REDPLANET SOLUTIONS
(M) SDN BHD FOR FYE
2019**

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

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REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of provision of geographic information system ("GIS") solutions, information and communication technology ("ICT") solutions as well as maintenance and support services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	2,925,698	2,861,767

DIVIDENDS

The Company paid an interim dividend of RM4.41 per ordinary share amounting to RM1,587,609 for the financial year ended 30 June 2019.

The directors do not recommend the payment of any further dividends for the 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.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM360,002 to RM773,956 by an issuance of 17,998 new ordinary shares for a total cash consideration of RM413,954.

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

- (b) there were no issues of debentures by the Company.

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) 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 of the Group and of the Company 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 Group and of the Company to meet its obligations when they fall due.

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

DIRECTORS' REPORT

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during financial year and up to the date of this report are as follows:-

Mohamad Azhar Bin Ahmad
Panjetty Kumaradevan Senthil Kumar

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Uma Karthikeyan (Appointed on 5 November 2018)

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	←	Number of Ordinary Shares		→
	At	Bought	Sold	At
	1.7.2018			30.6.2019
<u>The Company</u>				
<i>Direct Interest</i>				
Panjetty Kumaradevan Senthil Kumar	175,000	-	(175,000)	-
<i>Indirect Interests</i>				
Mohamad Azhar Bin Ahmad #	185,002	-	(140,133)	44,869
Panjetty Kumaradevan Senthil Kumar ^	-	175,000	(42,700)	132,300

Notes:-

- # - Deemed interested by virtue of his direct substantial shareholding in Fajar Muda Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- ^ - Deemed interested by virtue of his direct substantial shareholding in Pksen Ventures Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group and of the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 19 to the financial statements.

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

DIRECTORS' REPORT

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 26 to the financial statements.

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

DIRECTORS' REPORT

AUDITORS

The auditors, Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia), have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 19 to the financial statements.

Signed in accordance with a resolution of the directors dated **13 SEP 2019**



Mohamad Azhar Bin Ahmad



Panjetty Kumaradevan Senthil Kumar

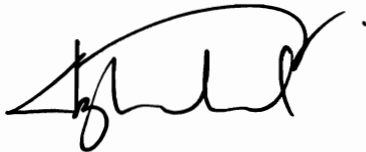
REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Mohamad Azhar Bin Ahmad and Panjetty Kumaradevan Senthil Kumar, being the two directors of Redplanet Solutions (M) Sdn. Bhd., state that, in our opinion, the financial statements set out on pages 12 to 61 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 30 June 2019 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated **13 SEP 2019**



Mohamad Azhar Bin Ahmad




Panjetty Kumaradevan Senthil Kumar

**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Mohamad Azhar Bin Ahmad, being the director primarily responsible for the financial management of Redplanet Solutions (M) Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 12 to 61 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Mohamad Azhar Bin Ahmad, NRIC Number: 720219-05-5117
at Kuala Lumpur
in the Federal Territory
on this

13 SEP 2019



Mohamad Azhar Bin Ahmad

Before me

B-3A-4, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
REDPLANET SOLUTIONS (M) SDN. BHD.**

(Incorporated in Malaysia)

Company No: 1117638 - T

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Opinion**

We have audited the financial statements of Redplanet Solutions (M) Sdn. Bhd., which comprise the statements of financial position as at 30 June 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 61.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDPLANET SOLUTIONS (M) SDN. BHD. (CONT'D)

(Incorporated in Malaysia)

Company No: 1117638 - T

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDPLANET SOLUTIONS (M) SDN. BHD. (CONT'D)

(Incorporated in Malaysia)
Company No: 1117638 - T

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

- 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 and of 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 of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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, are disclosed in Note 5 to the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
REDPLANET SOLUTIONS (M) SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No: 1117638 - T

OTHER MATTERS

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


Crowe Malaysia PLT
LLP0018817-LCA & AF 1018
Chartered Accountants

Kuala Lumpur

13 SEP 2019


Chin Kit Seong
03030/01/2019 J
Chartered Accountant

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)

Company No: 1117638 - T

STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2019

		The Group	The Company	
	Note	2019	2019	2018
		RM	RM	RM
ASSETS				
NON-CURRENT ASSETS				
Investment in subsidiaries	5	-	39,989	-
Equipment	6	784,972	784,972	177,108
		<u>784,972</u>	<u>824,961</u>	<u>177,108</u>
CURRENT ASSETS				
Inventories	7	-	-	122,473
Trade receivables	8	1,191,754	637,579	2,719,893
Other receivables, deposits and prepayments	9	1,025,977	1,014,959	1,135,766
Contract assets	10	1,429,835	1,392,890	-
Amount owing by a subsidiary	11	-	488,400	-
Current tax assets		7,320	7,320	-
Short-term investments	12	-	-	1,700,000
Cash and bank balances		495,759	479,612	501,260
		<u>4,150,645</u>	<u>4,020,760</u>	<u>6,179,392</u>
TOTAL ASSETS		<u>4,935,617</u>	<u>4,845,721</u>	<u>6,356,500</u>
EQUITY AND LIABILITY				
EQUITY				
Share capital	13	773,956	773,956	360,002
Retained profits		3,069,769	3,005,838	1,731,680
Foreign exchange translation reserve	14	(599)	-	-
TOTAL EQUITY		<u>3,843,126</u>	<u>3,779,794</u>	<u>2,091,682</u>
CURRENT LIABILITIES				
Trade payables	15	191,230	191,230	972,783
Contract liabilities	10	400,265	400,265	-
Other payables, deposits received and accruals	16	483,336	474,432	750,395
Deferred income	17	-	-	2,017,821
Current tax liabilities		17,660	-	523,819
TOTAL LIABILITY		<u>1,092,491</u>	<u>1,065,927</u>	<u>4,264,818</u>
TOTAL EQUITY AND LIABILITY		<u>4,935,617</u>	<u>4,845,721</u>	<u>6,356,500</u>

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 1117638 - T

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Note	The Group 2019 RM	The Company 2019 RM	2018 RM
REVENUE	18	15,229,058	14,978,558	9,144,164
COST OF SALES		(10,260,605)	(10,151,705)	(5,360,884)
GROSS PROFIT		4,968,453	4,826,853	3,783,280
OTHER INCOME		67,986	67,986	8,103
		5,036,439	4,894,839	3,791,383
ADMINISTRATIVE EXPENSES		(1,597,468)	(1,537,459)	(1,264,592)
OTHER EXPENSES		(232,505)	(232,505)	(53,418)
LISTING EXPENSES		(129,370)	(129,370)	-
FINANCE COSTS		-	-	(1,373)
PROFIT BEFORE TAXATION	19	3,077,096	2,995,505	2,472,000
INCOME TAX EXPENSE	20	(151,398)	(133,738)	(255,822)
PROFIT AFTER TAXATION		2,925,698	2,861,767	2,216,178
OTHER COMPREHENSIVE INCOME		-	-	-
<u>Item that Will be Reclassified</u> <u>Subsequently to Profit or Loss</u> Foreign currency translation differences		(599)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		2,925,099	2,861,767	2,216,178
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company		2,925,698	2,861,767	2,216,178
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company		2,925,099	2,861,767	2,216,178

REDPLANET SOLUTIONS (M) SDN. BHD.

(Incorporated in Malaysia)

Company No: 1117638 - T

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Note	Share Capital RM	Retained Profits RM	Foreign Exchange Translation Reserve RM	Total Equity RM
The Group					
Balance at 1.7.2018		360,002	1,731,680	-	2,091,682
Contribution by and distribution to owners of the Company:					
- Issuance of shares	13	413,954	-	-	413,954
- Dividend	21	-	(1,587,609)	-	(1,587,609)
Total transactions with owners		413,954	(1,587,609)	-	(1,173,655)
Profit after taxation/Total comprehensive income for the financial year		-	2,925,698	(599)	2,925,099
Balance at 30.6.2019		773,956	3,069,769	(599)	3,843,126
The Company					
Balance at 1.7.2017		360,002	595,508	-	955,510
Distribution to owners of the Company:					
- Dividend	21	-	(1,080,006)	-	(1,080,006)
Profit after taxation/Total comprehensive income for the financial year		-	2,216,178	-	2,216,178
Balance at 30.6.2018/1.7.2018		360,002	1,731,680	-	2,091,682
Contribution by and distribution to owners of the Company:					
- Issuance of shares	13	413,954	-	-	413,954
- Dividend	21	-	(1,587,609)	-	(1,587,609)
Total transactions with owners		413,954	(1,587,609)	-	(1,173,655)
Profit after taxation/Total comprehensive income for the financial year		-	2,861,767	-	2,861,767
Balance at 30.6.2019		773,956	3,005,838	-	3,779,794

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Note	The Group 2019 RM	The Company 2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		3,077,096	2,995,505	2,472,000
Adjustments for:-				
Depreciation of equipment		167,411	167,411	36,819
Interest income		(63,387)	(63,387)	-
Operating profit before working capital changes		3,181,120	3,099,529	2,508,819
Decrease/(Increase) in inventories		122,473	122,473	(122,473)
Decrease in trade and other receivables		1,637,928	2,203,121	1,873,462
(Decrease)/Increase in trade and other payables		(1,048,612)	(1,057,516)	962,784
Increase in contract assets		(1,429,835)	(1,392,890)	-
Increase in contract liabilities		400,265	400,265	-
Decrease in deferred income		(2,017,821)	(2,017,821)	(579,119)
Amount owing to a subsidiary		-	(488,400)	-
CASH FROM OPERATIONS		845,518	868,761	4,643,473
Income tax paid		(664,877)	(664,877)	-
NET CASH FROM OPERATING ACTIVITIES		180,641	203,884	4,643,473
CASH FLOWS FOR INVESTING ACTIVITIES				
Acquisition of a subsidiary	22	-	(1)	-
Interest income received		63,387	63,387	-
Purchase of equipment		(775,275)	(775,275)	(72,667)
Subscription of shares in subsidiaries		-	(39,988)	-
NET CASH FOR INVESTING ACTIVITIES		(711,888)	(751,877)	(72,667)

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)**

		The Group	The Company	
	Note	2019	2019	2018
		RM	RM	RM
CASH FLOWS FOR FINANCING ACTIVITIES				
Dividend paid		(1,587,609)	(1,587,609)	(280,006)
Proceeds from issuance of ordinary shares		413,954	413,954	-
Repayment to directors		-	-	(1,859,177)
Repayment to shareholders		-	-	(300,000)
		<hr/>	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITIES		(1,173,655)	(1,173,655)	(2,439,183)
		<hr/>	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,704,902)	(1,721,648)	2,131,623
		<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		2,201,260	2,201,260	69,637
		<hr/>	<hr/>	<hr/>
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(599)	-	-
		<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	23(b)	495,759	479,612	2,201,260
		<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : Unit 30-01, Level 30,
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South No. 8,
Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan.

Principal place of business : Unit 25-12, Q Sentral, 2A,
Jalan Stesen Sentral 2,
KL Sentral,
50470 Kuala Lumpur,
Wilayah Persekutuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 13 September 2019.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of provision of GIS solutions, ICT solutions as well as maintenance and support services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

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

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'

Amendments to MFRS 140 - Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 - 2016 Cycles

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held to maturity, loans and receivables and available-for-sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with the 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. There is no material impacts on the Group's financial statements upon the initial application of this accounting standard other than the new classification of financial assets as disclosed in Note 25.3 to the financial statements. Accordingly, the statements of financial position at the beginning of the preceding period is not presented.

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3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group is currently assessing the financial impact that may arise from the adoption of this standard.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables and contract assets.

(b) Revenue Recognition for Services

The Group recognises services revenue by reference to the services progress using the input method, determined based on the proportion of services costs incurred for work performed to date over the estimated total services costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 (2018 - MFRS 139) or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that 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 financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured 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 a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting Policies Applied Until 30 June 2018

The Group has applied MFRS 9 retrospectively but has elected not to restate comparative information of its financial instruments. As a result, the comparative information of the Group's financial assets continues to be accounted for in accordance with their previous accounting policies as summarised below:-

- Unquoted trade receivables and other receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 EQUIPMENT

All items of equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

Depreciation on equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer hardware and software	20%
Office equipment	10%
Renovation	20%
Telecommunication equipment	20%
Motor vehicles	20%
Furniture and fittings	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. Any changes are accounted for as a change in estimate.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 EQUIPMENT (CONT'D)

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.7 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 - Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.9 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

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

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses 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 measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group 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, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Accounting Policy Applied Until 30 June 2018

The Group has applied MFRS 9 retrospectively but has elected not to restate comparative information of its financial instruments. As a result, the comparative information of the Group's financial assets continues to be accounted for in accordance with their previous accounting policies as summarised below:-

- The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset (or group of financial assets) was impaired. Impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event(s) had an impact on the estimated future cash flows of the financial asset (or group of financial assets) that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.10 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Rendering of Services

Revenue from GIS solutions services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of project costs incurred for work performed to date over the estimated total project costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Revenue for maintenance and support services is recognised on a straight-line basis over the term of the fixed price contract.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Sale of Information and Communication Technology ("ICT") Solutions

Revenue from ICT solutions includes sales of software, licences and hardware. Software and licences may be provided to the customer at a point in time, activated or ready to be activated by the customer at a later stage, therefore revenue is recognised when customer obtains control of the software or licences. Revenue for hardware is recognised where transfer of control is deemed to occur upon delivery of products and customer acceptances.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.14 REVENUE FROM OTHER SOURCES AND OTHER INCOME

Interest Income

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

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2019 RM	2018 RM
Unquoted shares, at cost		
At 1 July 2018/2017	-	-
Addition during the financial year	39,989	-
At 30 June	<u>39,989</u>	<u>-</u>

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5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2019 %	2018 %	
Prudentlogic Sdn. Bhd. ("Prudentlogic")	Malaysia	100	-	Provision of GIS solutions, ICT solutions as well as maintenance and support services.
Redplanet Solutions (Aust) Pty Ltd. ^	Australia	100	-	Provision of GIS solutions, ICT solutions as well as maintenance and support services. The company is dormant during the financial year.

^ - Not required to be audited under the laws of the country of incorporation.

- (a) On 5 November 2018, the Company subscribed for the entire equity interest in Redplanet Solutions (Aust) Pty Ltd. for a total cash consideration RM29,989.

In consequent thereof, Redplanet Solutions (Aust) Pty Ltd. became a wholly-owned subsidiary of the Company.

- (b) On 7 January 2019, the Company acquired the entire equity interest in Prudentlogic, representing 1 ordinary share for a total cash consideration of RM1.

In consequent thereof, Prudentlogic became a wholly-owned subsidiary of the Company.

- (c) On 14 March 2019, the Company subscribed for the additional 9,999 ordinary shares in Prudentlogic for a total cash consideration of RM9,999. The equity interest in Prudentlogic remained unchanged.

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**NOTES TO THE FINANCIAL STATEMENTS
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	At 1.7.2018 RM	Additions RM	Depreciation Charges RM	At 30.6.2019 RM
The Group/The Company				
2019				
<i>Carrying Amount</i>				
Computer hardware and software	72,116	422,802	(66,692)	428,226
Office equipment	3,866	1,065	(556)	4,375
Renovation	92,430	-	(27,729)	64,701
Telecommunication equipment	8,696	2,833	(2,969)	8,560
Motor vehicles	-	333,575	(66,715)	266,860
Furniture and fittings	-	15,000	(2,750)	12,250
	177,108	775,275	(167,411)	784,972

	At 1.7.2017 RM	Additions RM	Depreciation Charges RM	At 30.6.2018 RM
The Company				
2018				
<i>Carrying Amount</i>				
Computer hardware and software	16,771	63,419	(8,074)	72,116
Office equipment	4,330	-	(464)	3,866
Renovation	120,159	-	(27,729)	92,430
Telecommunication equipment	-	9,248	(552)	8,696
	141,260	72,667	(36,819)	177,108

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019****6. EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group/The Company			
2019			
Computer hardware and software	504,338	(76,112)	428,226
Office equipment	5,703	(1,328)	4,375
Renovation	138,645	(73,944)	64,701
Telecommunication equipment	12,081	(3,521)	8,560
Motor vehicles	333,575	(66,715)	266,860
Furniture and fittings	15,000	(2,750)	12,250
	<u>1,009,342</u>	<u>(224,370)</u>	<u>784,972</u>

The Company

2018

Computer hardware and software	81,536	(9,420)	72,116
Office equipment	4,638	(772)	3,866
Renovation	138,645	(46,215)	92,430
Telecommunication equipment	9,248	(552)	8,696
	<u>234,067</u>	<u>(56,959)</u>	<u>177,108</u>

7. INVENTORIES

	The Group 2019 RM	The Company 2019 RM	2018 RM
Inventories	<u>-</u>	<u>-</u>	<u>122,473</u>
Recognised in profit or loss:- Inventories recognised as cost of sales	<u>122,473</u>	<u>122,473</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	The Group 2019 RM	The Company 2019 RM		2018 RM
Trade receivables	1,191,754	637,579		354,641
Retention sums	-	-		53,458
Accrued billings	-	-		2,311,794
	<u>1,191,754</u>	<u>637,579</u>		<u>2,719,893</u>

(a) The Group's normal trade credit term is 30 (2018 - 30) days.

(b) In the previous financial year:-

- (i) the retention sums were unsecured, interest-free and were expected to be collected upon expiry of the defects liability period, in the financial year ending 2020.
- (ii) accrued billings represented services rendered but not yet billed.

These retention sums and accrued billings have been represented as 'contract assets' (Note 10) during the current financial year pursuant to the adoption of MFRS 15.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2019 RM	The Company 2019 RM		2018 RM
Other receivables	779,729	778,611		227,991
Deposits	44,691	34,791		22,152
Prepaid expense	201,557	201,557		885,623
	<u>1,025,977</u>	<u>1,014,959</u>		<u>1,135,766</u>

Prepaid expense represents payment made in advance to trade payables.

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**NOTES TO THE FINANCIAL STATEMENTS
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	The Group 2019 RM	The Company 2019 RM	2018 RM
Contract assets relating to services contracts	1,429,835	1,392,890	-
Contract liabilities relating to services contracts	400,265	400,265	-

- (a) The contract assets primarily relate to the Group's right to consideration for services completed on service contracts but not yet billed as at the reporting date. The amount will be invoiced within 30 (2018 - Nil) days.

Included in the contract assets are retention sum receivables totalling RM359,962 (2018 - Nil). The retention sums are expected to be collected in the financial year ending 2020.

In the previous financial year, the contract assets and retention sums were presented as part of trade receivables as "accrued billings" and "retention sums" as disclosed in Note 8 to the financial statements.

- (b) The contract liabilities primarily relates to advance considerations received from few customers of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, ranging from 12 (2018 - Nil) months.

In the previous financial year, the contract liabilities were presented as "deferred income" as disclosed in Note 17 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019****10. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

- (c) The changes to contract asset and contract liability balances during the financial year are summarised below:-

	The Group 2019 RM	The Company 2019 RM	2018 RM
At 1 July 2018/2017			
- as previously reported	-	-	-
- upon adoption of MFRS 15	347,431	347,431	-
- as restated	347,431	347,431	-
Revenue recognised in profit or loss during the financial year	8,344,999	8,344,999	-
Billings to customer during the financial year	(7,969,364)	(7,969,364)	-
Retention sum billed but not due	306,504	269,559	-
At 30 June	1,029,570	992,625	-
Represented by:-			
Contract assets	1,429,835	1,392,890	-
Contract liabilities	(400,265)	(400,265)	-
	1,029,570	992,625	-

- (d) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts is RM2,613,438 (2018 - Nil). These remaining performance obligations are expected to be recognised within 1 year.

Comparative information is not presented by virtue of the exemption given in MFRS 15.C5(d).

11. AMOUNT OWING BY A SUBSIDIARY

The amount owing is trade in nature and subject to normal credit term of 30 (2018 - Nil) days.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019****12. SHORT-TERM INVESTMENTS**

	The Group 2019 RM	The Company 2019 RM	2018 RM
Financial assets at fair value through profit or loss:			
- money market funds	-	-	1,700,000

In the previous financial year, investment in money market funds represented investment in highly liquid money market instruments, which were readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

13. SHARE CAPITAL

	2019 Number of Shares	The Group/The Company 2018 Number of Shares	2019 RM	2018 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 June 2018/2017	360,002	360,002	360,002	360,002
Issuance of new shares	17,998	-	413,954	-
At 30 June	378,000	360,002	773,956	360,002

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

14. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

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**NOTES TO THE FINANCIAL STATEMENTS
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	The Group 2019 RM	The Company 2019 RM	2018 RM
Trade payables	-	-	850,310
Accrued costs	191,230	191,230	122,473
	<u>191,230</u>	<u>191,230</u>	<u>972,783</u>

The normal trade credit term granted to the Company is 30 (2018 - 30) days.

16. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	The Group 2019 RM	The Company 2019 RM	2018 RM
Other payables	34,286	34,286	-
Deposits received	-	-	183,400
Accruals	449,050	440,146	566,995
	<u>483,336</u>	<u>474,432</u>	<u>750,395</u>

17. DEFERRED INCOME

In the previous financial year, revenue invoiced in advance was deferred and recognised as revenue upon rendering of services.

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**NOTES TO THE FINANCIAL STATEMENTS
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	The Group 2019 RM	The Company 2019 2018 RM RM	
<u>Revenue recognised over time</u>			
GIS solution services	5,069,493	4,953,738	6,309,493
Maintenance and support services	3,406,262	3,406,261	2,526,223
	<u>8,475,755</u>	<u>8,359,999</u>	<u>8,835,716</u>
<u>Revenue recognised at a point in time</u>			
ICT solutions	6,753,303	6,618,559	308,448
	<u>15,229,058</u>	<u>14,978,558</u>	<u>9,144,164</u>

19. PROFIT BEFORE TAXATION

	The Group 2019 RM	The Company 2019 2018 RM RM	
Profit before taxation is arrived at after charging/(crediting):-			
Audit fee:			
- for the financial year	44,000	40,000	30,000
- underprovision in the previous financial year	-	-	15,000
Depreciation of equipment	167,411	167,411	36,819
Directors' fee	17,777	12,000	14,000
Directors' non-fee emoluments:			
- salaries, bonuses and allowances	221,664	221,664	166,688
- defined contribution benefits	14,661	14,661	12,696
Penalty:			
- overprovision in the previous financial year	(31,449)	(31,449)	(71,537)
Preliminary expense	3,500	-	-
Rental expense on premises	108,000	91,500	78,000
Staff costs:			
- short-term employee benefits	3,744,471	3,740,071	1,980,747
- defined contribution plan	243,823	243,823	61,007
Realised loss on foreign exchange	62,149	62,149	8,496
Interest income on financial assets measured at amortised cost	(63,387)	(63,387)	-

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**NOTES TO THE FINANCIAL STATEMENTS
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	The Group 2019 RM	The Company 2019 RM		2018 RM
Current tax:				
- for the financial year	158,456	140,796		143,775
- overprovision in the previous financial year	(7,058)	(7,058)		(217,246)
	<u>151,398</u>	<u>133,738</u>		<u>(73,471)</u>
Deferred tax:				
- overprovision in the previous financial year	-	-		329,293
	<u>151,398</u>	<u>133,738</u>		<u>255,822</u>

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	The Group 2019 RM	The Company 2019 RM		2018 RM
Profit before taxation	<u>3,077,096</u>	<u>2,995,505</u>		<u>2,472,000</u>
Tax at the statutory tax rate of 24% (2018 - 24%)	738,503	718,921		593,280
Tax effects of:-				
Non-deductible expenses	158,421	154,409		69,220
Non-taxable income	(419,098)	(419,098)		(427,155)
Differential in tax rates	(40,934)	(35,000)		(30,000)
Utilisation of deferred tax assets previously not recognised	(278,436)	(278,436)		(61,570)
Overprovision in the previous financial year:				
- current tax	(7,058)	(7,058)		(217,246)
- deferred tax	-	-		329,293
Income tax expense for the financial year	<u>151,398</u>	<u>133,738</u>		<u>255,822</u>

The corporate tax rate of the Company on the first RM500,000 of chargeable income is 17% (2018 - 18%). The tax rate applicable to the balance of the chargeable income is 24% (2018 - 24%). The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

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The Company is not subject to tax as it has been granted the MSC Malaysia status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act 1986. On 7 August 2018, the Company will enjoy full exemption from income tax on its statutory income from pioneer activities for a period of 5 years, from 29 May 2017 to 28 May 2022.

No deferred tax assets are recognised in the statements of financial position on the following items:-

	The Group 2019 RM	The Company 2019 RM		2018 RM
Deferred tax assets:				
- deferred income	403,760	403,760		2,017,821
- deposits received	-	-		183,400
	<u>403,760</u>	<u>403,760</u>		<u>2,201,221</u>
Deferred tax liabilities:				
- prepaid expense	(200,042)	(200,042)		(885,623)
- accelerated capital allowances over depreciation	(72,343)	(72,343)		(24,071)
	<u>(272,385)</u>	<u>(272,385)</u>		<u>(909,694)</u>
	<u>131,375</u>	<u>131,375</u>		<u>1,291,527</u>

21. DIVIDEND

	The Group 2019 RM	The Company 2019 RM		2018 RM
Interim dividend of RM4.41 (2018 - RM3) per ordinary share in respect of the current financial year	1,587,609	1,587,609		1,080,006
	<u>1,587,609</u>	<u>1,587,609</u>		<u>1,080,006</u>

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22. ACQUISITION OF A SUBSIDIARY

On 7 January 2019, the Company acquired the entire equity interest in Prudentlogic Sdn. Bhd., representing 1 ordinary share for a total cash consideration of RM1.

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

	The Group 2019 RM
Cash in hand	1
Net identifiable assets acquired/Total purchase consideration, to be settled by cash	1
Less: Cash in hand of subsidiary acquired	(1)
Net cash outflow from the acquisition of a subsidiary	-

There were no acquisitions of new subsidiaries in the previous financial year.

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(a) The reconciliations of liabilities arising from financing activities are as follows:-

	Amount Owing To Directors RM	Amount Owing To Shareholders RM	Total RM
The Company			
2018			
At 1 July	1,359,177	-	1,359,177
<u>Changes in Financing Cash Flows</u>			
Advances from	50,000	-	50,000
Advances to	(850,000)	(300,000)	(1,150,000)
Net repayment	(1,084,177)	(255,006)	(1,339,183)
Dividend paid	25,000	255,006	280,006
	(1,859,177)	(300,000)	(2,159,177)
<u>Non-cash Changes</u>			
Dividend	500,000	300,000	800,000
At 30 June	-	-	-

(b) The cash and cash equivalents comprise the following:-

	The Group 2019 RM	The Company 2019 RM	2018 RM
Short-term investments (Note 12)	-	-	1,700,000
Cash and bank balances	495,759	479,612	501,260
	495,759	479,612	2,201,260

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24. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company 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 or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group 2019 RM	The Company 2019 RM	2018 RM
A subsidiary			
Services rendered by	488,400	488,400	-
Shareholders			
Advances to	-	-	300,000
Dividend paid	1,587,609	1,587,609	555,003
Directors			
Advances from	-	-	50,000
Advances to	-	-	850,000
Dividend paid	-	-	525,000

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

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25. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of the Group. The currency giving rise to this risk are primarily Australian Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entity within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

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25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)**(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure*

	Australian Dollar RM	Ringgit Malaysia RM	Total RM
The Group			
2019			
<u>Financial Assets</u>			
Trade receivables	-	1,191,754	1,191,754
Other receivables	1,118	778,611	779,729
Cash and bank balances	8,884	486,875	495,759
	<u>10,002</u>	<u>2,457,240</u>	<u>2,467,242</u>
<u>Financial Liabilities</u>			
Trade payables	-	191,230	191,230
Other payables and accruals	2,904	480,432	483,336
	<u>2,904</u>	<u>671,662</u>	<u>674,566</u>
Net financial assets	7,098	1,785,578	1,792,676
Less: Net financial assets denominated in the respective entities's functional currencies	(7,098)	(1,785,578)	(1,792,676)
Currency Exposure	<u>-</u>	<u>-</u>	<u>-</u>

The Company

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

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25. FINANCIAL INSTRUMENTS

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Interest Rate Risk

The Group does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(ii) Equity Price Risk

The Group principal exposure to equity price risk arises mainly from changes in market price of money market unit trust funds. Equity price risk is monitored closely and managed to an acceptable level.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in market price of money market funds at the end of the reporting period, with all other variables held constant:-

	The Group/ The Company 2019 RM	The Company 2018 RM
Effects On Profit After Taxation		
Increase by 5%	-	64,600
Decrease by 5%	-	(64,600)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 customers which constitutes approximately 99% of its trade receivables at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and retention sums and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 120 days are deemed credit impaired.

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25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)**(iii) Assessment of Impairment Losses (Cont'd)**

The expected loss rates are based on the payment profiles of sales over a period of 4 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Group			
2019			
Current (not pass due)	1,179,034	-	1,179,034
1 to 30 days past due	-	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	12,720	-	12,720
Trade receivables	1,191,754	-	1,191,754
Contract assets	1,429,835	-	1,429,835
	2,621,589	-	2,621,589

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25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)**(iii) Assessment of Impairment Losses (Cont'd)**

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2019			
Current (not pass due)	624,859	-	624,859
1 to 30 days past due	-	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	12,720	-	12,720
Trade receivables	637,579	-	637,579
Contract assets	1,392,890	-	1,392,890
	2,030,469	-	2,030,469

In the last financial year, the loss allowance on trade receivables was calculated under MFRS 139. The ageing analysis of trade receivables is as follows:-

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
The Company				
2018				
Not past due	2,703,802	-	-	2,703,802
Past due:				
- less than 30 days	-	-	-	-
- 31 to 60 days	-	-	-	-
- more than 61 days	16,091	-	-	16,091
	2,719,893	-	-	2,719,893

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

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25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
The Group						
2019						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	191,230	191,230	191,230	-	-
Other payables and accruals	-	483,336	483,336	483,336	-	-
		674,566	674,566	674,566	-	-
The Company						
2019						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	191,230	191,230	191,230	-	-
Other payables and accruals	-	474,432	474,432	474,432	-	-
		665,662	665,662	665,662	-	-

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25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)*Maturity Analysis(Cont'd)*

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
The Company						
2018						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	972,783	972,783	972,783	-	-
Other payables and accruals	-	750,395	750,395	750,395	-	-
		1,723,178	1,723,178	1,723,178	-	-

25.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. As the Group has no external borrowings, the debt-to-equity ratio at the end of the reporting period is not presented as it may not provide a meaningful indicator of the risk of borrowings.

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25.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group 2019 RM	The Company 2019 RM	2018 RM
Financial Assets			
<u>Amortised Cost</u>			
Trade receivables (Note 8)	1,191,754	2,030,469	-
Other receivables (Note 9)	779,729	778,611	-
Amount owing by subsidiaries (Note 11)	-	488,400	-
Cash and bank balances	495,759	479,612	-
	2,467,242	3,777,092	-
<u>Loans and Receivables Financial Assets</u>			
Trade receivables (Note 8)	-	-	2,719,893
Other receivables (Note 9)	-	-	227,991
Cash and bank balances	-	-	501,260
	-	-	3,449,144
<u>Fair value through profit or loss</u>			
Short-term investments (Note 12)	-	-	1,700,000
	-	-	1,700,000
Financial Liability			
<u>Amortised Cost</u>			
Trade payables (Note 15)	191,230	191,230	-
Other payables and accruals (Note 16)	483,336	474,432	-
	674,566	665,662	-
<u>Other Financial Liabilities</u>			
Trade payables (Note 15)	-	-	972,783
Other payables and accruals (Note 16)	-	-	750,395
	-	-	1,723,178

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25.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group 2019 RM	The Company 2019 RM	2018 RM
Financial Asset			
<u>Amortised Cost</u>			
Net gains recognised in profit or loss	(63,387)	(63,387)	-
<u>Loans and Receivables Financial Assets</u>			
Net gains recognised in profit or loss	-	-	-

25.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
The Group/The Company					
2019					
<u>Financial Asset</u>					
Short-term investments:					
- money market funds	-	-	-	-	-
The Company					
2018					
<u>Financial Asset</u>					
Short-term investments:					
- money market funds	1,700,000	-	-	1,700,000	1,700,000

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Carried at Fair Value

The fair value of short-term investments is determined at their quoted closing prices at the end of the reporting period.

There were no transfer between level 1 and level 2 during the financial year.

26. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 5 November 2018, the Company subscribed for the entire equity interest in Redplanet Solutions (Aust) Pty Ltd. for a total cash consideration RM29,989.

In consequent thereof, Redplanet Solutions (Aust) Pty Ltd. became a wholly-owned subsidiary of the Company.
- (b) On 7 January 2019, the Company acquired the entire equity interest in Prudentlogic Sdn. Bhd., representing 1 ordinary share for a total cash consideration of RM1.

In consequent thereof, Prudentlogic Sdn. Bhd. became a wholly-owned subsidiary of the Company.
- (c) On 28 February 2019, the Company appointed M&A Securities Sdn. Bhd. as the Principal Adviser in relation to the Proposed Listing on the Leap Market of Bursa Malaysia Securities Berhad.
- (d) On 14 March 2019, the Company subscribed for the additional 9,999 ordinary shares in Prudentlogic Sdn. Bhd. for a total cash consideration of RM9,999. The equity interest in Prudentlogic Sdn. Bhd. remained unchanged.

27. COMPARATIVE FIGURES

These are the first set of the consolidated financial statements prepared by the Group after the completion of the acquisition of a subsidiary during the current financial year. Hence, no comparative figures for the consolidated financial statements are presented.

