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RADIANT GLOBALTECH BERHAD (Company No. 621297-A)  
 (Incorporated in Malaysia and deemed registered under the Companies Act, 2016)

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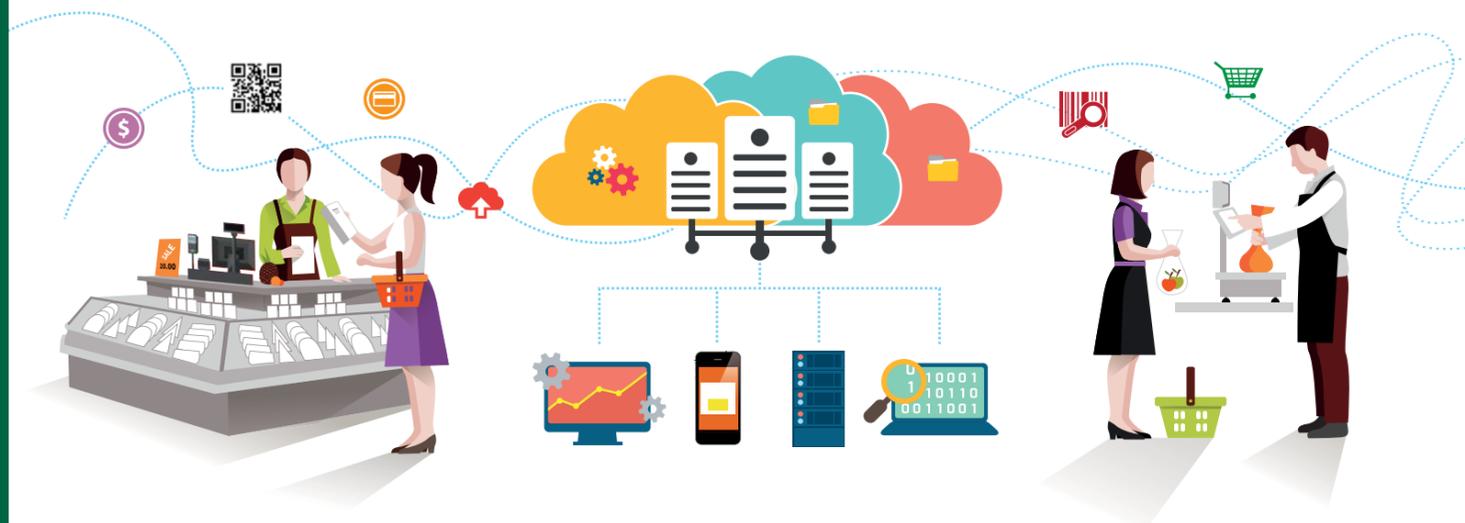
PROSPECTUS

RADIANT GLOBALTECH BERHAD (Company No. 621297-A)

# RADIANT GLOBALTECH

## RADIANT GLOBALTECH BERHAD

(Company No. 621297-A)  
 (Incorporated in Malaysia and deemed registered under the Companies Act, 2016)



## PROSPECTUS

THIS PROSPECTUS IS DATED 28 JUNE 2018

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH THE LISTING OF RADIANT GLOBALTECH BERHAD (“RADIANT GLOBALTECH” OR THE “COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING OF:-

(I) PUBLIC ISSUE OF 128,080,000 NEW ORDINARY SHARES (“SHARES”) IN THE FOLLOWING MANNER:-

- 11,000,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 21,100,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- 95,980,000 NEW SHARES MADE AVAILABLE BY WAY OF PLACEMENT TO SELECTED INVESTORS

AND

(II) OFFER FOR SALE OF 12,000,000 EXISTING SHARES BY WAY OF PLACEMENT TO SELECTED INVESTORS

AT AN IPO PRICE OF RM0.23 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

*Principal Adviser, Sponsor, Sole Underwriter and Placement Agent*



No shares will be allotted or issued based on this Prospectus after six (6) months from the date of this Prospectus.

This Prospectus has been registered by the Securities Commission Malaysia (“SC”). The registration of this Prospectus should not be taken to indicate that the SC recommends this IPO or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the shares being offered for investment.

The SC is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 32.

**THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.**

**THE ISSUE, OFFER OR INVITATION FOR THIS IPO IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”) AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.**

## RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Alliance Investment Bank Berhad ("**AIBB**"), being the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning this IPO.

## STATEMENT OF DISCLAIMER

Approval has been granted by Bursa Securities for the listing of and quotation for our shares being offered. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of this IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Forms (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

## OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Company.

Shares listed on Bursa Securities are offered to the public on the premise of full and accurate disclosure of all material information concerning this IPO for which any person set out in Section 236 of the CMSA, is responsible.

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC ("**SAC**") based on the audited consolidated financial statements for the financial year ended 31 December 2017. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah compliant securities, on the last Friday of May and November.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of the IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

This Prospectus is prepared and published solely for the IPO in Malaysia under the laws of Malaysia. Our shares are issued in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Offerors, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Offerors, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia to consult your professional advisers as to whether your application for this IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other adviser in relation to this IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any such country or jurisdiction.

Further, it shall be your sole responsibility to ensure that your application for this IPO would be in compliance with the terms of this IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted this IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptances as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

### ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities's website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The contents of the Electronic Prospectus are as per the contents of this Prospectus registered by the SC.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) is subject to the risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt as to the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House, a paper/printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which has been registered by the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:-

- (i) We and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) We and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:-

- (i) The Internet Participating Financial Institutions are liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software.

The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and

- (ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

**INDICATIVE TIMETABLE**

The following events are intended to take place on the following tentative dates:-

<b>Event(s)</b>	<b>Tentative Date(s)</b>
Issuance of this Prospectus/Opening of the application period for the IPO	28 June 2018
Closing of the application period for the IPO	10 July 2018
Balloting of the Applications	12 July 2018
Allotment of the Issue Shares/Transfer of the Offer Shares to successful applicants	23 July 2018
Listing date	24 July 2018

In the event there is any change to this timetable, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

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## PRESENTATION OF INFORMATION

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All references to “our Company” or “Radiant Globaltech” in this Prospectus are to Radiant Globaltech Berhad, while references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key senior management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or two (2) decimal places. Any discrepancies in the tables included herein between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any enactment in this Prospectus shall be a reference to that enactment as for the time being or amended or re-enacted.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the Industry Overview prepared by Smith Zander (as defined in this Prospectus), an independent market research company. We have appointed Smith Zander to provide an independent market and industry review. In compiling their data for the review, Smith Zander had relied on industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

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**FORWARD-LOOKING STATEMENTS**

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This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our Group's financial position, business strategies, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as "may", "will", "would", "could", "believe", "expect", "anticipate", "estimate", "aim", "plan", "forecast", "project" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group's control that could cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:-

- (i) demand of our products and services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which our Group operates. Additional factors that could cause our Group's actual results, performances or achievements to differ materially include, but are not limited to those discussed in Section 4 – Risk Factors and Section 11.2 – Management's Discussion and Analysis of Financial Conditions, Results of Operations and Prospects, of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the date of this Prospectus. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of Issue Shares/transfer of Offer Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

**EXCHANGE RATES**

The financial statements of our Group's subsidiaries, namely RG Vietnam are prepared in VND and RG Cambodia is prepared in USD. As our Group's reporting currency is in RM, the financial statements of RG Vietnam and RG Cambodia were translated to RM for the combined and consolidated purposes. As such, our Group faces translation risk in that any material fluctuations in VND and USD will have an effect on our combined and consolidated financial statements which are presented in RM. For illustrative purposes, we have set out below the applicable historical exchange rate in VND and USD, as the case may be.

The table below sets out the high and low exchange rates between (i) VND and RM; and (ii) USD and RM for each month during the six (6) months prior to the LPD. The table below indicates the equivalent amount of RM for VND1,000 and USD1.00.

Month	VND/RM		USD/RM	
	High	Low	High	Low
December 2017	0.0002	0.0002	4.0475	4.0870
January 2018	0.0002	0.0002	4.0225	3.8695
February 2018	0.0002	0.0002	3.9395	3.8880
March 2018	0.0002	0.0002	3.9245	3.8628
April 2018	0.0002	0.0002	3.9205	3.8635
May 2018	0.0002	0.0002	3.9895	3.9280

(Source: Bank Negara Malaysia)

The following table sets out, for each of the financial years indicated, the average and closing exchange rates between (i) VND and RM; and (ii) USD and RM. The average exchange rates between (i) VND and RM; and (ii) USD and RM are calculated using the average of the exchange rates on the last active trading day of each month during each financial year. Where applicable, the exchange rates in this table are used for our financial statements disclosed in the Prospectus.

FYE	VND/RM		USD/RM	
	Average	Closing	Average	Closing
31 December 2015	0.0002	0.0002	3.9055	4.2920
31 December 2016	0.0002	0.0002	4.1483	4.4860
31 December 2017	0.0002	0.0002	4.3004	4.0620

(Source: Bank Negara Malaysia)

The exchange rates between (i) VND and RM; and (ii) USD and RM as outlined above have been presented for information purposes only. The exchange rates should not be construed as a representation that these VND and USD amounts could have been or could be converted into RM at any particular rates, the rates above, or at all.

Fluctuations in the exchange rates between (i) VND and RM; and (ii) USD and RM will affect the VND and USD equivalent of the RM price of our Shares on Bursa Securities and the RM equivalent of any cash dividend paid by us in VND and USD.

We believe that we have extracted the relevant information in its proper form and context in this Prospectus, and have not verified the above exchange rates.

Unless otherwise stated, the following foreign exchange rates as at the LPD are utilised throughout this Prospectus:-

- VND1,000 = RM0.0002
- USD1.00 = RM3.9785

**DEFINITIONS**

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:-

<b>Accurate Computer Solutions</b>	: Accurate Computer Solutions Sdn Bhd (203925-H)
<b>Acquisition of Subsidiaries</b>	: Acquisition of RG Malaysia and its subsidiary, RG Solutions and RG Cambodia
<b>Act</b>	: Companies Act, 2016
<b>ADA</b>	: Authorised Depository Agent
<b>AIBB</b>	: Alliance Investment Bank Berhad (21605-D)
<b>AI Capital</b>	: AI Capital Sdn Bhd (663846-T)
<b>Application(s)</b>	: The application(s) for the Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
<b>Application Form(s)</b>	: The printed application form(s) for the application of the Issue Shares
<b>ATM</b>	: Automated Teller Machine
<b>Board</b>	: The Board of Directors of Radiant Globaltech
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd (165570-W)
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (635998-W)
<b>CAGR</b>	: Compound annual growth rate
<b>CCC</b>	: Certificate of Completion and Compliance
<b>CDS</b>	: Central Depository System
<b>CDS Account(s)</b>	: Account(s) established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
<b>Central Depositories Act</b>	: Securities Industry (Central Depositories) Act, 1991
<b>CMSA</b>	: Capital Markets and Services Act, 2007
<b>Depositor</b>	: A holder of a CDS Account
<b>Director(s)</b>	: Director(s) of our Company and shall have the meaning given in Section 2 of the CMSA
<b>Electronic Prospectus</b>	: A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
<b>Electronic Share Application</b>	: An application for the Issue Shares through Participating Financial Institutions' ATM
<b>EPS</b>	: Earnings per share
<b>FYE</b>	: Financial year(s) ended/ending

**DEFINITIONS (Cont'd)**

<b>Global Merits</b>	:	Global Merits Sdn Bhd (1210287-X)
<b>HR</b>	:	Human Resources
<b>Industry Overview</b>	:	Industry Overview prepared by Smith Zander
<b>Internet Participating Financial Institution(s)</b>	:	Participating financial institution(s) for the Internet Share Application, as listed in Section 14 of this Prospectus
<b>Internet Share Application</b>	:	Application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institution(s)
<b>IPO</b>	:	Initial public offering of the IPO Shares in conjunction with the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities
<b>IPO Price</b>	:	RM0.23 for each IPO Share
<b>IPO Share(s)</b>	:	The Issue Shares and Offer Shares, collectively
<b>Issue Share(s)</b>	:	128,080,000 new Radiant Globaltech Shares, representing approximately 24.39% of our enlarged issued share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
<b>Issuing House or MIH</b>	:	Malaysian Issuing House Sdn Bhd (258345-X)
<b>IT</b>	:	Information Technology
<b>Jejak Menang</b>	:	Jejak Menang Sdn Bhd (1210276-U)
<b>Listing</b>	:	The admission to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital of RM49,314,400 comprising 525,200,000 Radiant Globaltech Shares on the ACE Market of Bursa Securities
<b>Listing Requirements</b>	:	ACE Market Listing Requirements of Bursa Securities
<b>Listing Scheme</b>	:	The Public Issue, Offer for Sale and Listing, collectively
<b>LPD</b>	:	31 May 2018, being the latest practicable date prior to the issuance of this Prospectus
<b>Malaysian Public</b>	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
<b>Market Day</b>	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and when Bursa Securities is open for trading of securities
<b>MDeC</b>	:	Malaysia Digital Economy Corporation Sdn Bhd
<b>N/A</b>	:	Not applicable
<b>NA</b>	:	Net assets
<b>Offer for Sale</b>	:	Offer for sale by the Offerors of 12,000,000 Offer Shares at the IPO Price by way of placement to selected investors

**DEFINITIONS (Cont'd)**

<b>Offer Share(s)</b>	:	12,000,000 existing Radiant Globaltech Shares, representing approximately 2.28% of our enlarged issued share capital, which are to be offered for sale pursuant to the Offer for Sale and subject to the terms and conditions of this Prospectus
<b>Offerors</b>	:	Global Merits and Practical Resources, collectively
<b>Official List</b>	:	Official list of the ACE Market of Bursa Securities
<b>Participating Financial Institution(s)</b>	:	Participating financial institution(s) for the Electronic Share Application, as listed in Section 14 of this Prospectus
<b>PAT</b>	:	Profit after taxation
<b>PBT</b>	:	Profit before taxation
<b>PE Multiple</b>	:	Price earnings multiple
<b>Pink Form Allocation</b>	:	The allocation of 21,100,000 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group pursuant to the Public Issue
<b>Placement Agent</b>	:	AIBB
<b>PPE</b>	:	Property, plant and equipment
<b>Practical Resources</b>	:	Practical Resources Sdn Bhd (1210525-A)
<b>Prescribed Security</b>	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS, subject to the provision of the Central Depositories Act and the Rules
<b>Principal Adviser</b>	:	AIBB
<b>Promoters</b>	:	Global Merits, Practical Resources, Jejak Menang, Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Yap Siok Chin
<b>Prospectus</b>	:	This Prospectus dated 28 June 2018 in relation to the IPO
<b>Public Issue</b>	:	Public issue of 128,080,000 new Radiant Globaltech Shares at the IPO Price comprising:- <ul style="list-style-type: none"> <li>(a) 11,000,000 new Radiant Globaltech Shares made available for application by the Malaysian Public;</li> <li>(b) 21,100,000 new Radiant Globaltech Shares made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group; and</li> <li>(c) 95,980,000 new Radiant Globaltech Shares made available by way of placement to selected investors</li> </ul>
<b>QC</b>	:	Quality Control
<b>R&amp;D</b>	:	Research and development
<b>Radiant Globaltech or Company</b>	:	Radiant Globaltech Berhad (621297-A)

## DEFINITIONS (Cont'd)

<b>Radiant Globaltech Group or Group</b>	:	Radiant Globaltech, RG Malaysia, RG Solutions, RG Cambodia and RG Vietnam, collectively
<b>Radiant Globaltech Share(s) or Share(s)</b>	:	Issued ordinary shares in Radiant Globaltech
<b>RG Cambodia</b>	:	Radiant Global ADC Cambo Pte Ltd (00004647)
<b>RG Malaysia</b>	:	Radiant Global ADC Sdn Bhd (305424-W)
<b>RG Solutions</b>	:	Radiant Global Solutions Sdn Bhd (1029093-W) <i>(formerly known as Axiome Technologies (M) Sdn Bhd)</i>
<b>RG Vietnam</b>	:	Radiant Global ADC Vietnam Co Ltd (Enterprise Code No./Tax Code No. 0304765787)
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively
<b>Rules</b>	:	Rules of Bursa Depository
<b>SAC</b>	:	Shariah Advisory Council of the SC
<b>SC</b>	:	Securities Commission Malaysia
<b>SEA</b>	:	Southeast Asia
<b>Shamelin Office</b>	:	Three (3) storey intermediate semi-detached factory used as office, warehouse and customer support service office bearing the postal address of No. 8, Jalan 3/91A, Taman Shamelin Perkasa, Cheras, 56100 Kuala Lumpur, Wilayah Persekutuan, Malaysia
<b>Smith Zander</b>	:	Smith Zander International Sdn Bhd (1058128-V), an independent market research company
<b>Sole Underwriter</b>	:	AIBB
<b>SPEM</b>	:	Spartan Peripheral (EAST MALAYSIA) Sdn Bhd (412700-T)
<b>Sponsor</b>	:	AIBB
<b>sq ft</b>	:	Square feet
<b>Symple Apps</b>	:	Symple Apps Sdn Bhd (1222393-K)
<b>Underwriting Agreement</b>	:	The underwriting agreement dated 7 June 2018 entered into between our Company and AIBB pursuant to our IPO
<b>USD</b>	:	United States Dollar
<b>Vertical Business Suite 03-06</b>	:	An office unit on the 3 <sup>rd</sup> floor of a 32-storey office building used as head office bearing the postal address of Unit 03-06, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
<b>Vertical Business Suite 03-07</b>	:	An office unit on the 3 <sup>rd</sup> floor of a 32-storey office building used as head office bearing the postal address of Unit 03-07, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

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**DEFINITIONS (Cont'd)**

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**Vertical Business Suite 03-08** : An office unit on the 3<sup>rd</sup> floor of a 32-storey office building intended to be used as head office bearing the postal address of Unit 03-08, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia

**VND** : Vietnamese Dong

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**GLOSSARY OF TECHNICAL TERMS**


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The following technical terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:-

<b>Barcode printer</b>	:	An electronic device to print barcode labels that is used to attach to, or print directly on, physical objects
<b>Barcode scanner</b>	:	An electronic device that can read and then communicate printed barcodes to a computer
<b>Client/Server Application Language</b>	:	A programming language used in Microsoft Dynamics NAV
<b>Dot Matrix printer</b>	:	A printer that forms images from a number of tiny dots
<b>Enterprise resource planning or ERP</b>	:	A business process management software that allows organisations to manage the business and automate many business function
<b>GPRS/EDGE/3G</b>	:	Cellular communication technologies for mobile communication
<b>Handheld terminal</b>	:	A mobile electronic device that is used to enter or retrieve data
<b>Hardware consumables</b>	:	Consumables used by the hardware devices. For example, label and receipt paper.
<b>Kiosk</b>	:	A small open or enclosed structure in a public area used as booth, stall or counter
<b>Kiosk Printer</b>	:	A type of receipt printer usually used in a shopping kiosk
<b>LS Retail</b>	:	A POS software owned and developed by LS Retail ehf, a software company based in Iceland. LS Retail is a complete retail POS software with all the functions retailers would need for the management of their business operations from head office to POS terminals. LS Retail operates on Microsoft Dynamics NAV platform
<b>Microsoft .NET Compact Framework</b>	:	A version of Microsoft .NET Framework. It is specifically designed to be used to develop, install and execute software for resource-constrained devices such as personal digital assistants, mobile phones, factory controllers and set-top boxes
<b>Microsoft .NET Framework</b>	:	A software development framework that provides a controlled programming environment where software can be developed, installed and executed on Microsoft Windows operating system
<b>Microsoft ASP.NET</b>	:	A unified web development model integrated with .NET framework, designed to provide services to create dynamic web applications and web services. It is built on the common language runtime of the .NET framework, including Microsoft Visual Basic
<b>Microsoft Dynamics NAV</b>	:	An ERP software product to assist with finance, manufacturing, customer relationship management, supply chain, analytics and electronic commerce, catered primarily for small and medium-sized enterprises
<b>Microsoft SQL Server</b>	:	A relational database management system, a full-featured database which is used to store and retrieve data
<b>Microsoft Visual Basic .net</b>	:	A programming language implemented on the Microsoft .NET framework

**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

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<b>Microsoft Windows</b>	:	An operating system developed by Microsoft for personal computers, tablets and smart phones
<b>Open Source</b>	:	Refers to software for which the original source code is made freely available and may be redistributed and modified
<b>Point of Sales or POS</b>	:	Refers to a place where sales are made. For example, a shop, mall, kiosk, market, etc
<b>POS equipment/peripherals</b>	:	POS related device that operates separately from the computer but it is connected to it. For example, printer, scanner and monitor
<b>POS printer/Receipt printer</b>	:	An electronic device to print receipts, warranty information slips, or parking tickets
<b>SQRC System</b>	:	A type of QR code with read restrictions, used for storing private and/or confidential information
<b>Thermal Printer or Direct Thermal Printing</b>	:	A printer in which small heated pins form images on heat-sensitive paper
<b>Thermal Transfer Printing</b>	:	A printer in which images are formed on a paper by melting a coating of ribbon. It contrasts with direct thermal printing where no ribbon is present in the process
<b>User Acceptance Test or UAT</b>	:	Last phase of software testing to determine if the software meets the required specification
<b>Weighing scale</b>	:	A device to measure weight

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**1. CORPORATE DIRECTORY**


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**BOARD OF DIRECTORS**

<b>Name/(Designation)</b>	<b>Address</b>	<b>Nationality</b>
Dato' Siow Kim Lun @ Siow Kim Lin <i>(Independent Non-Executive Chairman)</i>	No. 30, Jalan Setiajaya Bukit Damansara 50490 Kuala Lumpur	Malaysian
Yap Ban Foo <i>(Managing Director)</i>	No. 6, PJU 3/25 Sunway Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian
Yap Sin Sang <i>(Executive Director – Operations)</i>	No. 95, Jalan 48 Taman Petaling Kepong 52100 Kuala Lumpur	Malaysian
Yap Poh Keong <i>(Executive Director – Sales and Software Development)</i>	No. 23, Jalan Sunway 1/4 Taman Sunway Cheras 43200 Batu 9 Cheras Selangor Darul Ehsan	Malaysian
Tevanaigam Randy Chitty <i>(Independent Non-Executive Director)</i>	C-39-7, 9 Bukit Utama Persiaran Bukit Utama Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian
Mashitah Binti Osman <i>(Independent Non-Executive Director)</i>	No. 2, Jalan Teluki 6C Bukit Sentosa 48300 Rawang Selangor Darul Ehsan	Malaysian

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**1. CORPORATE DIRECTORY (Cont'd)**


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**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Tevanaigam Randy Chitty	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Mashitah Binti Osman	Member	Independent Non-Executive Director

**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Tevanaigam Randy Chitty	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Mashitah Binti Osman	Member	Independent Non-Executive Director

**NOMINATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Mashitah Binti Osman	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Tevanaigam Randy Chitty	Member	Independent Non-Executive Director

**RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Tevanaigam Randy Chitty	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Mashitah Binti Osman	Member	Independent Non-Executive Director

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**1. CORPORATE DIRECTORY (Cont'd)**


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- COMPANY SECRETARY** : Tea Sor Hua (MACS 01324)  
77C, Jalan SS21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Telephone No. : (03) 7725 1777  
Professional : Malaysian Association of Company  
Qualification/ Secretaries ("**MACS**") qualification  
Membership Certified Company Secretary,  
Member of MACS  
(MACS Membership No : MACS  
01324)
- REGISTERED OFFICE** : Third Floor, No. 79 (Room A)  
Jalan SS21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Telephone No. : (03) 7725 1777  
Website : <http://www.cospec.com.my>  
Email : [cms\\_cospec@yahoo.com](mailto:cms_cospec@yahoo.com)
- HEAD OFFICE** : Unit 03-06 & 03-07, Level 3, Tower B  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Telephone No. : (03) 2242 2059  
Website : <http://www.rgtech.com.my>  
Email : [info@rgtech.com.my](mailto:info@rgtech.com.my)
- EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS** : Crowe Malaysia (*formerly known as Crowe Horwath*)  
(AF1018)  
Level 16 Tower C  
Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Telephone No. : (03) 2788 9999  
Partner-in-charge : Elvina Tay Choon Choon  
Professional : Association of Chartered Certified  
Qualification/ Accountants ("**ACCA**") qualification,  
Membership Fellow member of the Association of  
Chartered Certified Accountants, United  
Kingdom ("**FCCA**")  
(FCCA Membership No.: 0291393)  
Member of the Malaysian Institute of  
Accountants ("**MIA**")  
(MIA Membership No.: 26789)
- SOLICITORS FOR THE LISTING** : Cheang & Ariff  
39 Court @ Loke Mansion  
273A, Jalan Medan Tuanku  
50300 Kuala Lumpur  
Telephone No. : (03) 2691 0803

**1. CORPORATE DIRECTORY (Cont'd)**

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- PRINCIPAL ADVISER, SPONSOR,  
SOLE UNDERWRITER AND  
PLACEMENT AGENT** : Alliance Investment Bank Berhad  
Level 3, Menara Multi-Purpose  
Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Telephone No. : (03) 2604 3333
- SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Telephone No. : (03) 2783 9299
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Telephone No. : (03) 7841 8000
- INDEPENDENT MARKET  
RESEARCHER** : Smith Zander International Sdn Bhd  
Suite 23-3, Level 23, Office Suite  
Menara 1MK  
1 Jalan Kiara, Mont' Kiara  
50480 Kuala Lumpur  
Telephone No. : (03) 6211 2121  
*(Please refer to Section 6 of this Prospectus for the profile  
of the firm and signing partner)*
- LISTING SOUGHT** : ACE Market of Bursa Securities
- SHARIAH STATUS** : Approved by the SAC

## 2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

### 2.1 PRINCIPAL DETAILS OF THE IPO

Our IPO is subject to the terms and conditions of this Prospectus and the allocation of the IPO Shares shall be in the following manner:-

Allocation	No of Shares	%*
<b>Public Issue</b>		
- Malaysian Public <sup>(a)</sup>	11,000,000	2.09
- Eligible Directors, employees and person who have contributed to the success of our Group	21,100,000	4.02
- Private placement to selected investors	95,980,000	18.28
<b>Offer for Sale</b>		
- Private placement to selected investors	12,000,000	2.28
<b>IPO Price</b>		0.23

**Notes:-**

(a) At least 50% is to be set aside strictly for Bumiputera investors.

\* % of our enlarged issued share capital.

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters. Further details are set out in Section 8.3 of this Prospectus. Save for the moratorium on the sale of existing and pink form Shares imposed on our Promoters, there is no other moratorium imposed on our IPO Shares.

Further information on our IPO is disclosed under Section 3 of this Prospectus.

### 2.2 BACKGROUND AND OVERVIEW

Radiant Globaltech was incorporated in Malaysia and deemed registered under the Act on 10 July 2003 as a private limited company under the name of Spartan System Integration Sdn Bhd. We subsequently changed our Company name to Axiome Portal Sdn Bhd on 21 October 2013 and to Radiant Globaltech Sdn Bhd on 18 April 2017. We received our MSC-Malaysia status on 9 December 2014. Radiant Globaltech was converted into a public limited liability company and carried the legal name Radiant Globaltech Berhad on 3 August 2017.

Our Group is principally involved in the provision of retail technology solutions and investment holding. Retail technology solutions are products and services used by businesses in the retail sector to automate their operations, in order to increase efficiency and reduce costs.

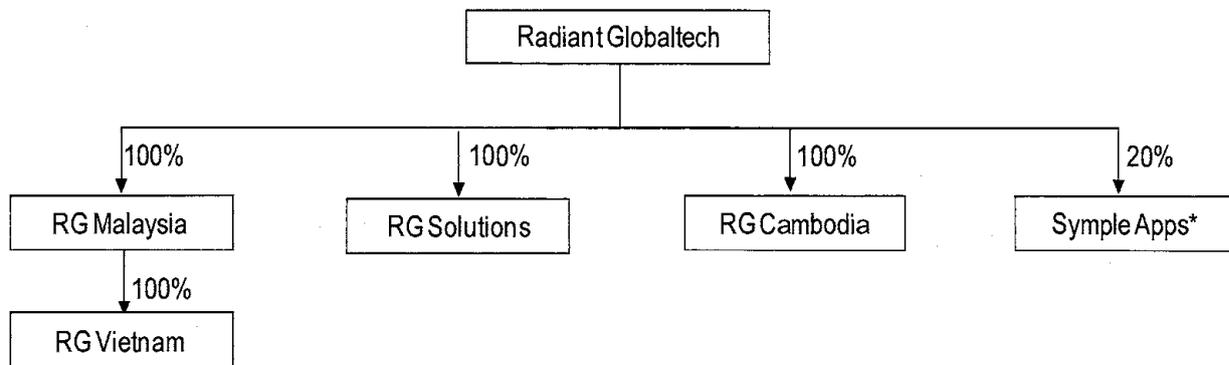
Our retail technology products and services are as follows:-

- (i) Hardware for the retail industry;
- (ii) Software for the retail industry; and
- (iii) Maintenance and technical support services for retail hardware and software.

## 2. PROSPECTUS SUMMARY (Cont'd)

Our principal market is in Malaysia and we have also sold our products mainly to Vietnam and Cambodia. We have established our presence in Vietnam and Cambodia in year 2006 and 2013, respectively, to facilitate our long-term expansion in these countries. The combined sales from RG Vietnam and RG Cambodia comprised 4.43%, 6.58% and 13.10%, respectively, of our total sales over the past three (3) FYE 31 December 2015 to 2017. Our track record in the above overseas markets has provided a foundation for our Group to further expand our market presence in SEA. Please refer to Section 5.7.3 of this Prospectus for our principal business segments and markets.

Our existing corporate Group structure is as follows:-



**Note:-**

- \* *The remaining 80% shareholding in Symple Apps is held by Incredible QR Sdn Bhd. Please refer to Section 5.2.5(c) of this Prospectus for further information.*

Details on the history and business overview of our Group are set out in Sections 5.1.1 and 5.7 of this Prospectus, respectively.

### 2.3 COMPETITIVE STRENGTHS

Our Directors believe that our key competitive strengths are as follows:-

**(i) We are a total solutions provider in retail technology solutions**

We are able to offer a full range of retail technology solutions to our customers. As a result of our ability to provide total solutions to our customers, we have managed to secure orders for new solutions from the same customers. We are responsive to the needs of our customers, thus allowing them to streamline their operations and focus on their daily operations.

**(ii) Our retail software operates on a flexible platform, giving us the ability to provide customisations and enhancements to our customers**

Our Group's retail software operates on the Microsoft .NET framework, a flexible platform, which allows us to meet our customers' requirements and specifications with no major development work needed. With a wide range of customers, this flexibility enables us to maintain our competitiveness in the marketplace.

**(iii) We are able to offer efficient and reliable after-sales service to our customers via our nationwide as well as regional customer support network**

We have customer support service offices across six (6) countries in SEA. We are in close proximity to our customers, thus enabling us to respond to requests for on-site technical support for our hardware segment. As for software segment, our Group provides remote

## 2. PROSPECTUS SUMMARY (Cont'd)

online support where the support team based in Malaysia will be able to log into the customers' system remotely to perform diagnostics and rectification works.

Please refer to Section 5.1.2 of this Prospectus for further details and the full list of our competitive strengths.

### 2.4 BUSINESS STRATEGIES

Our Group's business strategies are summarised as below:-

**(i) Our Group's future expansion is premised on continued expansion in existing overseas markets and other parts of the SEA region**

**(a) We intend to continue to focus on our retail hardware operations**

Our Group's future growth will be driven by our continued expansion in the SEA region, where we currently already have operational presence in Cambodia and Vietnam. Our Group ventured into the SEA market in 2005 and has since been active in the SEA market, particularly in Vietnam and Cambodia. This regional track record provides us with a foundation and platform for further expansion and growth for our retail hardware operations in these markets, as we are able to leverage on our presence in Vietnam and Cambodia, as well as the established relationships of our overseas outsourced customer support services offices in the other SEA countries. Given our historical track record, we expect to be able to tap into further opportunities in the SEA, with near term focus on Indonesian market.

**(b) We intend to aggressively pursue growth in our retail software business**

In light of the good gross profit margin of our software segment, we intend to aggressively pursue growth in our software business by focusing on our existing in-house and third party software products, namely *AX Retail B2B Portal*, *AX Retail Consignment Portal*, *AX Mobile Microsoft Dynamics NAV* and *LS Retail*. We intend to leverage on our large base of hardware customers to cross-sell our software products, as well as seek new customers in the retail industry. We will also intensify our sales and marketing activities across the SEA region for our software products, with the near term focus on Indonesian market.

**(ii) We aim to further expand into different customer types within the retail industry**

In order to grow our business further, we intend to acquire different customer types within the retail industry. We have identified shopping centre retailers, airport retailers and utility retailers, as potential areas for further expansion. Through this expansion of our customer base, we will be able to diversify our revenue stream and reduce the risk of relying on the performance of any one particular industry segment.

Please refer to Section 5.10 of this Prospectus for further details of our business strategies.

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## 2. PROSPECTUS SUMMARY (Cont'd)

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### 2.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations that may affect our future financial performance.

The following is a summary of the key risks relating to the business and operations of our Group that we are currently facing or that may develop in the future:-

**(i) We are dependent on our Executive Directors and key senior management team, and the loss of their continued services may affect our business**

The loss of any of our Executive Directors and/or key senior management team, and our inability to find a suitable replacement in a timely manner, may adversely affect our ability to maintain and/or improve our business performance. As such, our ability to retain and attract competent and skilled personnel is crucial for our continued success, future business growth and expansion.

**(ii) We are dependent on the retail industry for our success and growth**

We serve mainly the retail industry, as our major customer types are department stores, hypermarkets, supermarkets and convenience stores. These are the players that employ retail technology solutions in their daily operations. Hence, any challenges and/or decline in the retail market may have a material adverse effect on our Group's business operations and financial performance.

**(iii) We may be affected by the rising trend in the online retail industry**

The rising trend in the online retail industry arising from changes in consumer shopping behaviour may affect the growth of the store-based retail shops. Most of our major customers are owners of physical retail stores such as department stores, hypermarkets, supermarkets and convenience stores. As we currently serve customers, who are mainly in the store-based retail industry, the increasing trend of online retail industry could result in a decline in the number of physical stores and may have an adverse impact on our Group's sales of retail hardware and software products, business operations and financial performance.

Please refer to Section 4 of this Prospectus for further details and the full list of our risk factors, which should be carefully considered before investing in our Shares.

## 2. PROSPECTUS SUMMARY (Cont'd)

### 2.6 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

Our Company's Directors and key senior management are as follows:-

Name	Designation
<b>DIRECTORS</b>	
Dato' Siow Kim Lun @ Siow Kim Lin	Independent Non-Executive Chairman
Yap Ban Foo	Managing Director
Yap Sin Sang	Executive Director – Operations
Yap Poh Keong	Executive Director – Sales and Software Development
Tevanaigam Randy Chitty	Independent Non-Executive Director
Mashitah Binti Osman	Independent Non-Executive Director
<b>KEY SENIOR MANAGEMENT</b>	
Yap Siok Chin	General Manager – Corporate Affairs
Lee Sook Kuan	Group Accountant
Loh Soh Wei	Head of Software (Radiant Globaltech)
Ong Eng Hu	Head of Software (RG Solutions)
Yeap Chee Keong	Head of Technical
Chai Fuie Nge	Head of Sales
Yong Soo Ching	Head of Pre-sales
Tran Phu Vinh	Deputy General Director – Vietnam

Further details on our Directors and key senior management are disclosed in Section 7 of this Prospectus.

## 2. PROSPECTUS SUMMARY (Cont'd)

## 2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS OF OUR GROUP

The details of our Promoters and substantial shareholders and their respective shareholdings are as follows:-

Place of Incorporation/ Nationality	Before the IPO/As at the LPD			After the IPO <sup>^</sup>		
	<-----Direct-----> No. of Shares	%@	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	%#	<-----Indirect-----> No. of Shares
<b>Promoters and substantial shareholders</b>						
Global Merits	174,732,800	44.00	-	168,732,800	32.13	-
Practical Resources	142,963,200	36.00	-	136,963,200	26.08	-
Jejak Menang	39,712,000	10.00	-	39,712,000	7.56	-
Yap Ban Foo	-	-	174,732,800 <sup>(1)</sup>	-	-	168,732,800 <sup>(1)</sup>
Yap Sin Sang	-	-	142,963,200 <sup>(2)</sup>	-	-	136,963,200 <sup>(2)</sup>
Yap Poh Keong	-	-	39,712,000 <sup>(3)</sup>	1,500,000	0.29	39,712,000 <sup>(3)</sup>
<b>Promoter</b>						
Yap Siok Chin	-	-	-	1,500,000	0.29	-
<b>Substantial shareholders</b>						
AI Capital	39,712,000	10.00	-	39,712,000	7.56	-
Tan Chuan Hock	-	-	39,712,000 <sup>(4)</sup>	-	-	39,712,000 <sup>(4)</sup>

**Notes:-**

@ Based on our issued share capital of 397,120,000 Shares after acquisition of RG Malaysia and its subsidiary, and RG Solutions but before the IPO.  
# Based on our enlarged issued share capital of 525,200,000 Shares after the IPO.

<sup>^</sup> Assuming that all Pink Form Allocation is fully subscribed.

- (1) Deemed interested by virtue of Section 8(4) of the Act held through Global Merits's shareholdings.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through Practical Resources's shareholdings.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through Jejak Menang's shareholdings.
- (4) Deemed interested by virtue of Section 8(4) of the Act held through AI Capital's shareholdings.

Further details on our Promoters and substantial shareholders are disclosed in Section 7 of this Prospectus.

## 2. PROSPECTUS SUMMARY (Cont'd)

### 2.8 USE OF PROCEEDS FROM THE IPO

The total gross proceeds from the Public Issue will amount to RM29,458,400 based on the IPO Price. We expect the proceeds to be used in the following manner:-

Purpose	RM	%	Estimated time frame (from the listing date)
Business and capital expansion	11,600,000	39.38	Within 24 months
- <i>Malaysia operations</i>	10,000,000	33.95	
- <i>RG Vietnam's business</i>	1,600,000	5.43	
Working capital	4,756,638	16.15	Within 24 months
- <i>Operating expenses</i>	1,456,638	4.95	
- <i>Payment of inventories</i>	1,500,000	5.09	
- <i>Payroll expenses</i>	1,800,000	6.11	
Expansion of retail software business	3,000,000	10.18	Within 24 months
- <i>Advertising and marketing costs</i>	1,200,000	4.07	
- <i>Payroll expenses</i>	1,800,000	6.11	
Repayment of bank borrowings	6,601,762	22.41	Within six (6) months
- <i>Commodity murabahah term financing: Purchase of Vertical Business Suite 03-08</i>	2,441,692	8.29	
- <i>Term loan: Refinancing of Shamelin Office</i>	1,836,646	6.23	
- <i>Term loan: Purchase of Vertical Business Suite 03-06</i>	1,651,662	5.61	
- <i>Term loan: Purchase of Vertical Business Suite 03-07</i>	671,762	2.28	
Estimated listing expenses	3,500,000	11.88	Within three (3) months
<b>Total</b>	<u>29,458,400</u>	<u>100.00</u>	

There is no minimum subscription to be raised from the IPO.

Further details on the use of proceeds are set out in Section 3.6 of this Prospectus.

The Offer for Sale will raise gross proceeds of RM2,760,000. All the proceeds from the Offer for Sale will be credited to the Offerors and we will not receive any part of the proceeds. The Offerors shall bear all the expenses including registration and transfer fees, placement fees and miscellaneous expenses relating to their respective portion of the Offer for Sale amounting to approximately RM100,000 on a pro-rated basis.

The pro forma impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 31 December 2017 is reflected in Section 11.3 of this Prospectus.

## 2. PROSPECTUS SUMMARY (Cont'd)

### 2.9 FINANCIAL HIGHLIGHTS

The key financial highlights of our historical audited combined financial information of our Group for FYE 31 December 2015 and 2016 and historical audited consolidated financial information of our Group for FYE 31 December 2017 are set out below:-

	<-----Audited----->		
	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Revenue	66,402	76,847	80,783
Cost of sales	(42,704)	(45,660)	(47,254)
Gross profit	23,698	31,187	33,529
PBT	8,035	11,847	9,003
PAT	6,345	9,470	7,110
Gross profit margin <sup>(1)</sup> (%)	35.69	40.58	41.51
PBT margin <sup>(2)</sup> (%)	12.10	15.42	11.14
PAT margin <sup>(3)</sup> (%)	9.56	12.32	8.80

**Notes:-**

- (1) Gross profit margin is calculated based on gross profit divided by revenue.  
(2) PBT margin is calculated based on PBT divided by revenue.  
(3) PAT margin is calculated based on PAT divided by revenue.

Please refer to Section 11 of this Prospectus for further discussion on our historical audited combined and consolidated financial information.

### 2.10 DIVIDEND POLICY

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group.

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business.

Further details on our dividend policy are disclosed in Section 11.5 of this Prospectus.

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**3. PARTICULARS OF THE IPO**

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**3.1 DETAILS OF THE IPO****3.1.1 Public Issue**

The Public Issue of 128,080,000 new Radiant Globaltech Shares, representing approximately 24.39% of our enlarged issued share capital, at the IPO Price, is payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

**(i) Malaysian Public**

11,000,000 new Radiant Globaltech Shares, representing approximately 2.09% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which at least 50% is to be set aside strictly for Bumiputera investors.

The basis of allocation shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants in view of broadening the shareholding base of our Company to meet the public spread requirements, and to establish a liquid and adequate market in the Shares. Applicants will be selected in a manner to be determined by our Board.

**(ii) Eligible Directors, employees and persons who have contributed to the success of our Group**

21,100,000 new Radiant Globaltech Shares, representing approximately 4.02% of our enlarged issued share capital, will be made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group. Further details of our Pink Form Allocation are set out in Section 3.5 of this Prospectus.

**(iii) Private placement to selected investors**

95,980,000 new Radiant Globaltech Shares, representing approximately 18.28% of our enlarged issued share capital, will be made available by way of placement to selected investors.

### 3. PARTICULARS OF THE IPO (Cont'd)

#### 3.1.2 Offer for Sale

The Offer for Sale of 12,000,000 Offer Shares, representing 2.28% of our enlarged issued share capital, at the IPO Price, is payable in full on application upon such terms and conditions as set out in this Prospectus, and will be offered by our Offerors by way of placement to selected investors.

The breakdown of the Offer Shares offered by the respective Offerors and their relationship with our Company for the past three (3) years are as follows:-

Shareholders	Nature of relationship	Address	Before the IPO/As at the LPD		Offer for Sale		After the IPO	
			No. of Shares	% <sup>@</sup>	No. of Offer Shares	% <sup>@</sup>	No. of Shares	% <sup>#</sup>
Global Merits <sup>(1)</sup>	Promoter and substantial shareholder	Third Floor No. 79 (Room A) Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	174,732,800	44.00	6,000,000	1.51	168,732,800	32.13
Practical Resources <sup>(2)</sup>	Promoter and substantial shareholder	Third Floor No. 79 (Room A) Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	142,963,200	36.00	6,000,000	1.51	136,963,200	26.08
<b>Total</b>			<b>317,696,000</b>	<b>80.00</b>	<b>12,000,000</b>	<b>3.02</b>	<b>305,696,000</b>	<b>58.21</b>

#### Notes:-

<sup>@</sup> Based on our issued share capital of 397,120,000 Shares after the acquisition of RG Malaysia and its subsidiary, and RG Solutions but before the IPO.

<sup>#</sup> Based on our enlarged issued share capital of 525,200,000 Shares after the IPO.

(1) Global Merits is held by Yap Ban Foo and Yap Choon Hong with equity interest of 99% and 1% respectively.

(2) Practical Resources is held by Yap Sin Sang and Yong Chau Hiong with equity interest of 90% and 10% respectively.

### 3. PARTICULARS OF THE IPO (Cont'd)

#### 3.1.3 Underwriting Arrangement and Reallocation

The following Issue Shares have been fully underwritten:-

- 11,000,000 Issue Shares available for application by the Malaysian Public under Section 3.1.1(i) of this Prospectus; and
- 21,100,000 Issue Shares available for our eligible Directors, employees and persons who have contributed to the success of our Group under Section 3.1.1(ii) of this Prospectus.

If any Issue Shares allocated to the Malaysian Public under Section 3.1.1(i) of this Prospectus are undersubscribed, the balance portion will be allocated in the following order:-

- Firstly, to our eligible Directors, employees or persons who have contributed to the success of our Group as described in Section 3.1.1(ii) of this Prospectus;
- Secondly, any remaining portion will be made available for application by way of private placement to selected investors under Sections 3.1.1(iii) or 3.1.2 of this Prospectus; and
- Finally, any remaining Issue Shares thereafter will be subscribed by the Sole Underwriter, subject to the terms and conditions of the Underwriting Agreement.

If any Issue Shares allocated to our eligible Directors, employees or persons who have contributed to the success of our Group under Section 3.1.1(ii) of this Prospectus are not fully subscribed, the balance will be allocated in the following order:-

- Firstly, to our Group's other eligible Directors, employees or persons who have contributed to the success of our Group;
- Secondly, any remaining portion will be allocated to the Malaysian Public under Section 3.1.1(i) of this Prospectus;
- Thirdly, any remaining portion will be made available for application by way of private placement to identified investors under Sections 3.1.1(iii) or 3.1.2 of this Prospectus; and
- Finally, any remaining Issue Shares thereafter will be subscribed by the Sole Underwriter, subject to the terms and conditions of the Underwriting Agreement.

The 95,980,000 Issue Shares to be allocated by way of private placement to selected investors as set out in Section 3.1.1(iii) of this Prospectus, as well as the Offer Shares to be offered by way of private placement to selected investors as set out in Section 3.1.2 of this Prospectus, are not underwritten as the irrevocable undertakings from the selected investors to take up the Issue Shares and Offer Shares made available for application under the private placement have been received by our Placement Agent.

In the event of under-subscription of Issue Shares and Offer Shares under Sections 3.1.1(iii) and 3.1.2 of this Prospectus respectively and subject to a corresponding over-subscription by the Malaysian Public, the remaining portion will be clawed-back and be re-allocated to the Malaysian Public to increase the participation of retail investors under Section 3.1.1(i) of this Prospectus and / or re-allocated to our eligible Directors, employees or persons who have contributed to the success of our Group under Section 3.1.1(ii) of this Prospectus.

There is no over-allotment or 'greenshoe' option that will result in an increase in the amount of Issue Shares.

### 3. PARTICULARS OF THE IPO (Cont'd)

#### 3.2 SHARE CAPITAL AND RIGHTS ATTACHING TO THE IPO SHARES

	No. of Shares	Share Capital (RM)
<b>Issued share capital as at the date of this Prospectus</b>	397,120,000	19,856,000
New Shares to be issued pursuant to the Public Issue	128,080,000	29,458,400
<b>Enlarged issued share capital upon Listing</b>	<b>525,200,000</b>	<b>49,314,400</b>
<b>Offer for Sale</b>	<b>12,000,000</b>	<b>2,760,000</b>
<b>IPO Price</b>		0.23
		<b>RM</b>
- <b>Pro forma consolidated NA per Share</b> (based on our enlarged issued share capital after the IPO and after deducting the estimated listing expenses of approximately RM3.500 million)		0.10
- <b>Market capitalisation upon Listing</b> (based on the IPO Price and our enlarged issued share capital after the IPO)		120,796,000

The IPO Price is payable in full upon Application.

We only have one (1) class of shares, being issued ordinary shares, all of which rank equally with each other. The Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the allotment date of our Issue Shares.

The Offer Shares rank equally in all respects with our other existing issued Shares including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the date of transfer of the Offer Shares.

Subject to special rights attaching to any Share which may be issued by us in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed amongst the members in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

Each shareholder shall be entitled to vote, may vote in person or by proxy or by attorney or by duly authorised representative and on a show of hands, every person who is a shareholder, or holder of preference shares, or proxy, or attorney, or representative of a shareholder or holder of preference shares shall have one (1) vote, and on poll, every shareholder present in person, or by proxy, or attorney, or representative shall have one (1) vote for each share he holds.

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**3. PARTICULARS OF THE IPO (Cont'd)**

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**3.3 BASIS OF ARRIVING AT THE IPO PRICE**

Our Directors and AIBB, as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, had determined and agreed upon the IPO Price, after taking into consideration the following factors:-

**(i) Financial and operating history**

We have been actively involved in the retail technology solutions industry since the commencement of our business operations in 1994. We are positioned as a total solutions provider for retail technology, as we provide a full range of retail hardware and software solutions as well as maintenance and technical support services. The IPO Price accords PE Multiple of approximately 12.85 times, which was computed based on our audited consolidated PAT of RM7.110 million for the FYE 31 December 2017 achieved on the back of our existing issued share capital of 397,120,000 Shares. The PE Multiple would be 16.99 times if it is based on enlarged issued share capital of 525,200,000 Shares upon Listing.

Our detailed operating and financial history is outlined in Sections 5 and 11 of this Prospectus, respectively.

**(ii) Business strategies**

Going forward, our Group's future growth is driven by our continued expansion. Our expansion is premised on continued expansion in existing overseas markets and other parts of the SEA region, whereby we intend to continue to focus on our retail hardware operations and aggressively pursue growth in our retail software business. We aim to grow our sales in our existing overseas markets, particularly in Vietnam and we plan to strengthen our regional footprint in the near term focusing on Indonesian market before further expanding to other parts of SEA.

We also aim to expand into different customer types within the retail industry.

Please refer to Section 5.10 of this Prospectus for further details on our business strategies.

**(iii) Competitive strengths and industry prospects**

Our competitive strengths, our Group's business strategies and the industry prospects are outlined in Sections 5.1.2, 5.10 and 6 of this Prospectus, respectively.

**(iv) Pro forma consolidated NA**

The pro forma consolidated NA per Share as at 31 December 2017 of RM0.10 based on the enlarged issued share capital of 525,200,000 Shares in our Company upon Listing and after use of proceeds.

You should also note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 4 of this Prospectus before deciding to invest in our Shares.

### 3. PARTICULARS OF THE IPO (Cont'd)

#### 3.4 DILUTION

Our pro forma consolidated NA per Share as at 31 December 2017 before adjusting for the net proceeds from the Public Issue and based on the existing issued share capital as at 31 December 2017 of 397,120,000 Shares is approximately RM0.07.

Pursuant to the Public Issue in respect of 128,080,000 Issue Shares at the IPO Price, our pro forma consolidated NA per Share after adjusting for the net proceeds from the Public Issue (before use of proceeds) and based on the enlarged issued share capital upon listing of 525,200,000 Shares, would be RM0.11. This represents an increase in NA per Share of RM0.04 to our existing shareholders and a dilution in NA per Share of RM0.12 to our new investors. The following table illustrates such dilution on a per Share basis:-

	<b>RM</b>
IPO Price	0.23
Pro forma consolidated NA per Share as at 31 December 2017 before Public Issue	0.07
NA per Share after the Public Issue (before use of proceeds)	0.11
Increase in NA per Share attributable to existing shareholders	0.04
Dilution in NA per Share to new investors	0.12
Dilution in NA per Share as a percentage of the IPO Price	52.17%

**3. PARTICULARS OF THE IPO (Cont'd)**

Save as disclosed below, there is no acquisition of any existing equity securities in our Company by our substantial shareholders, Directors or key senior management, or persons connected with them from the date of our incorporation to the date of this Prospectus, or which they have the right to acquire:-

<b>Substantial shareholders and Directors</b>	<b>No. of Shares before IPO</b>	<b>No. of Shares from IPO</b>	<b>Total consideration RM</b>	<b>Effective cash cost per share RM</b>
<b>Substantial shareholders</b>				
Global Merits	174,732,800	-	8,670,641	0.05
Practical Resources	142,963,200	-	7,114,312	0.05
Jejak Menang	39,712,000	-	1,985,451	0.05
AI Capital	39,712,000	-	1,985,570	0.05
Tan Chuan Hock <sup>(4)</sup>	-	-	-	-
<b>Substantial shareholders and Directors</b>				
Yap Ban Foo <sup>(1)</sup>	-	-	-	-
Yap Sin Sang <sup>(2)</sup>	-	-	-	-
Yap Poh Keong <sup>(3)</sup>	-	1,500,000*	345,000	0.23
<b>Public Investors</b>				
Public Issue	-	128,080,000^	29,458,400	0.23
Offer for Sale	-	12,000,000	2,760,000	0.23

**Notes:-**

\* Assuming that all Pink Form Allocation is fully subscribed.

^ Prior to netting off the Pink Form Allocation.

(1) Deemed interested by virtue of Section 8(4) of the Act held through Global Merits's shareholdings.

(2) Deemed interested by virtue of Section 8(4) of the Act held through Practical Resources's shareholdings.

(3) Deemed interested by virtue of Section 8(4) of the Act held through Jejak Menang's shareholdings.

(4) Deemed interested by virtue of Section 8(4) of the Act held through AI Capital's shareholdings.

**3. PARTICULARS OF THE IPO (Cont'd)****3.5 ALLOCATION OF THE ISSUE SHARES TO OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP**

The eligible Directors, employees and persons who have contributed to the success of our Group have been allocated a total of 21,100,000 new Issue Shares.

The total number of persons eligible for the allocation is 210 comprising the following:-

Eligibility	No. of persons	Aggregate number of Issue Shares allocated <sup>(4)</sup>
Directors of Radiant Globaltech <sup>(1)</sup>	4	3,000,000
Employees <sup>(2)</sup>	199	14,045,000
Persons who have contributed to the success of our Group <sup>(3)</sup>	7	4,055,000
<b>Total</b>	<b>210</b>	<b>21,100,000</b>

**Notes:-**

- (1) *The criteria of allocation for the abovementioned Issue Shares to the Directors of our Group (save for Yap Ban Foo and Yap Sin Sang, who are the Offerors) are based on their respective roles and responsibilities as Directors in our Group.*
- (2) *The criteria of allocation for the abovementioned Issue Shares to employees of our Group (as approved by our Board) are based on, inter-alia, the following factors:-*
  - (i) *The employee must be a full time employee and on the payroll of our Group; and*
  - (ii) *The number of Issue Shares allocated to the eligible employees is based on their seniority, position, their length of service, their past performance and respective contribution made to our Group as well as other factors deemed relevant by our Board.*
- (3) *The Issue Shares to be allocated to the persons who have contributed to the success of our Group shall be based on their contribution to our Group and as approved by our Board. The persons who have contributed to the success of our Group include business contacts, suppliers and customers.*
- (4) *Any Issue Shares which are not taken up by our eligible Directors, employees or persons who have contributed to the success of our Group will be re-offered to our Group's other eligible Directors, employees or persons who have contributed to the success of our Group before being allocated to the Malaysian Public balloting portion.*

The number of Issue Shares to be allocated to our Directors are as follows:-

Name	Designation	Number of Issue Shares allocated
Dato' Siow Kim Lun @ Siow Kim Lin	Independent Non-Executive Chairman	500,000
Yap Poh Keong	Executive Director – Sales and Software Development	1,500,000
Tevanaigam Randy Chitty	Independent Non-Executive Director	500,000
Mashitah Binti Osman	Independent Non-Executive Director	500,000
<b>Total</b>		<b>3,000,000</b>

### 3. PARTICULARS OF THE IPO (Cont'd)

#### 3.6 USE OF PROCEEDS FROM THE IPO

The total gross proceeds from the Public Issue will amount to RM29,458,400 based on the IPO Price. We expect the proceeds to be used in the following manner:-

Purpose	RM	%	Estimated time frame (from the listing date)
Business and capital expansion	11,600,000	39.38	Within 24 months
- <i>Malaysia operations</i>	10,000,000	33.95	
- <i>RG Vietnam's business</i>	1,600,000	5.43	
Working capital	4,756,638	16.15	Within 24 months
- <i>Operating expenses</i>	1,456,638	4.95	
- <i>Payment of inventories</i>	1,500,000	5.09	
- <i>Payroll expenses</i>	1,800,000	6.11	
Expansion of retail software business	3,000,000	10.18	Within 24 months
- <i>Advertising and marketing costs</i>	1,200,000	4.07	
- <i>Payroll expenses</i>	1,800,000	6.11	
Repayment of bank borrowings	6,601,762	22.41	Within six (6) months
- <i>Commodity murabahah term financing: Purchase of Vertical Business Suite 03-08</i>	2,441,692	8.29	
- <i>Term loan: Refinancing of Shamelin Office</i>	1,836,646	6.23	
- <i>Term loan: Purchase of Vertical Business Suite 03-06</i>	1,651,662	5.61	
- <i>Term loan: Purchase of Vertical Business Suite 03-07</i>	671,762	2.28	
Estimated listing expenses	3,500,000	11.88	Within three (3) months
<b>Total</b>	<u>29,458,400</u>	<u>100.00</u>	

Pending the eventual use of the proceeds raised from the Public Issue, the funds will be placed in interest bearing short-term deposits or money market instruments with licensed financial institutions.

### 3. PARTICULARS OF THE IPO (Cont'd)

Further information on the use of proceeds from the IPO is as follows:-

#### (i) Business and capital expansion

The use of our gross proceeds for business and capital expansion purposes is to enable our Group to facilitate the expected growth of our operations in Malaysia and Vietnam and increase visibility and presence. We will also be in a better position to secure more orders from reputable retail customers.

If the actual expenditure costs for business and capital expansion are higher than estimated, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenditure costs for business and capital expansion are lower than budgeted, the excess will be used for working capital purposes.

#### (a) Malaysia operations

Our Group has earmarked RM10,000,000 for expansion of our Group's operations in Malaysia. The details are set out in the table below:-

Description	Estimated total cost RM
Acquisition and renovation of new office units <sup>(1)</sup>	7,500,000
Rental of warehouse <sup>(2)</sup>	500,000
Purchase of computer equipment and ERP solution <sup>(3)</sup>	2,000,000
<b>Total</b>	<b>10,000,000</b>

#### Notes:-

- (1) The new office units will be used to house the following employees, which are based in Malaysia:-
- i. our Group's existing employees from the sales, accounts, finance and administration departments will be relocated from our Shamelin Office to the new office units; and
  - ii. new employees to be employed for our regional sales support team as disclosed in Section 5.10 of this Prospectus.

The new office units are intended to accommodate the above existing and new employees, in support of our Group's business expansion in Malaysia.

After the relocation of employees from Shamelin Office to the new office units, the additional space of approximately 2,746 square feet in Shamelin Office is intended to be used as our warehouse. Pursuant thereto, Shamelin Office will be used as our warehouse and customer support service office.

Our Group plans to acquire the said new office units in Bangsar South, which is near to our current head office located in Bangsar South. The new office units are expected to be approximately 6,000 square feet in size and will house approximately 40 employees.

The exact location for the new office units is expected to be determined and finalised within six (6) months from our date of listing.

**3. PARTICULARS OF THE IPO (Cont'd)**

- (2) Our Group foresees that as business operations expand in Malaysia, the volume of hardware, for e.g. POS equipment/ peripherals, purchased from principals will increase accordingly. As such, our Group will require more warehouse space to store the hardware products.

To support our Group's business expansion in Malaysia, we anticipate that more warehouse space is required to store our hardware inventory due to the space constraints we face in our Shamelin Office. Our Group intends to rent a warehouse in Cheras with approximately 15,000 square feet in size.

The exact location for the said new rented warehouse is expected to be determined and finalised within six (6) months from our date of listing.

- (3) We intend to purchase new units of computer equipment, such as printers and server, pursuant to the acquisition of the new office units, and computers for new employees as well as upgrades/ replacements.

In addition, we also intend to implement a new ERP solution to integrate, streamline and automate our Group's operational and business processes, namely, sales, procurement, operations, inventory management, finance and logistics in order to facilitate our Group's business expansion in Malaysia.

**(b) RG Vietnam's operations**

We intend to expand our business operations in Vietnam by expanding our sales and technical teams. Notwithstanding our Group has had physical presence in Vietnam via RG Vietnam since 2006, we plan to further increase our visibility and leverage on our existing presence to expand our business in Vietnam.

Our Group has earmarked RM1,600,000 for RG Vietnam's business. The details are set out in the table below:-

Description	Estimated total costs RM
Rental of a new office unit <sup>(1)</sup>	600,000
Renovation of a new office unit <sup>(1)</sup>	400,000
Acquisition of new motor vehicles <sup>(2)</sup>	300,000
Purchase of computer equipment <sup>(3)</sup>	300,000
<b>Total</b>	<b>1,600,000</b>

**Notes:-**

- (1) Our Group intends to rent and renovate a new office unit in District 3 of Ho Chi Minh City to complement its current sales office located in Robot Tower, District 3 of Ho Chi Minh City.

The new office is anticipated to be approximately 1,500 square feet in size and approximately 20 staff, comprising our existing and new staff, to be based in this new office unit to support our Group's planned expansion in Vietnam. The exact location for the new office unit is expected to be determined and finalised within six (6) months from our date of listing.

- (2) Our Group intends to purchase a new delivery van and a 7-seater vehicle to support its sales and technical personnel in Vietnam.

**3. PARTICULARS OF THE IPO (Cont'd)**

- (3) Our Group intends to purchase new units of computer equipment, such as printers and server for the setting up of new office unit, and computers for new employees as well as upgrades/replacement.

Please refer to Section 5.10(i)(a) of this Prospectus for further details on our future plans to expand our business operations in Vietnam.

**(ii) Working capital**

We intend to use RM4,756,638 of our gross proceeds from the Public Issue as additional working capital to finance our day-to-day operations.

The use of our gross proceeds from the Public Issue for working capital purposes is expected to improve our Group's cash flow position and enable the smooth conduct of our operations. Further details are set out in the table below:

Description	Total RM
Operating expenses <sup>(1)</sup>	1,456,638
Payment of inventories <sup>(1)</sup>	1,500,000
Payroll expenses <sup>(2)</sup>	1,800,000
<b>Total</b>	<b>4,756,638</b>

**Notes:-**

- (1) In line with our Group's expected expansion and business growth, our Group expects an increase in inventory level in Malaysia as well as operating expenses in view of the increase in our scale of operations. Payment of RM1,500,000 is expected to be made to our principals solely for hardware products, whilst our operating expenses of RM1,456,638 will be mainly used for administrative expenses, such as insurance, secretarial, audit and legal fees, web hosting and office maintenance charges as well as selling and distribution expenses.
- (2) Our Group's payroll expenses are expected to increase in tandem with the increase of our staff strength to support the increase in our scale of operations and expansion plans.

The payroll expenses will be used over a period of 24 months and mainly consist salaries, medical expenses, staff benefits, training and development expenses and other expenses in relation to our human resource. Allocation of RM1,800,000 will be for our Group's payroll expenses for approximately 19 new operational and non-technical staff. We intend to hire a total of 14, 1 and 4 staff in Malaysia, Cambodia and Vietnam, utilising RM1,416,000, RM48,000 and RM336,000 out of the intended allocated proceeds respectively.

**(iii) Expansion of retail software business**

We intend to aggressively grow our retail software business across the SEA region, with a near term focus on the Indonesian market. As disclosed in Section 5.10(i)(b) of this Prospectus, we are planning to establish a regional sales support team to support the growth of our retail software business.

**3. PARTICULARS OF THE IPO (Cont'd)**

The use of our gross proceeds from the Public Issue for expansion of our retail software business is in line with our business strategies. Further details are set out in the table below:

Description	Total RM
Advertising and marketing cost <sup>(1)</sup>	1,200,000
Payroll expenses <sup>(2)</sup>	1,800,000
<b>Total</b>	<b>3,000,000</b>

**Notes:-**

- (1) The advertising and marketing costs of RM1,200,000 earmarked are mainly for participation in events, exhibitions or trade shows, travel expenses for regular visits to potential and existing customers, and advertising and promotion expenses intended to grow our retail software business.
- (2) The payroll expenses will be used over a period of 24 months and mainly consist salaries, medical expenses, staff benefits, training and development expenses and other expenses in relation to our human resource. Allocation of RM1,800,000 is set aside to enable our Group to gradually hire up to 11 new employees, all of whom will be software engineers, for the regional sales support team (as disclosed in Section 5.10(i)(b) of this Prospectus).

As at the LPD, our Group has not started the recruitment process for the regional sales support team. Our Group expects to commence the hiring of this team immediately after our date of listing. The payroll expenses for this purpose will be tracked by categorising the regional sales support team under a newly created department for easy monitoring.

**3. PARTICULARS OF THE IPO (Cont'd)****(iv) Repayment of bank borrowings**

We intend to use RM6,601,762 of our gross proceeds from the Public Issue to repay the total outstanding balance of certain term loans of our Group.

These term loans and commodity murabahah term financing were used to purchase our Vertical Business Suite 03-06, Vertical Business Suite 03-07 and Vertical Business Suite 03-08 and to refinance our Shamelin Office. The details are as set out in the table below:-

Bank/Type of Banking Facility	Description	Interest rate	Maturity date	Principal amount	Balance as at the LPD	Estimated Amount to be repaid from gross proceeds
				RM	RM	RM
United Overseas Bank (M) Bhd - Term loan	Purchase of Vertical Business Suite 03-06	1.25% + Cost of Financing	05/06/2020	2,070,000	1,651,662	1,651,662
United Overseas Bank (M) Bhd - Term loan	Purchase of Vertical Business Suite 03-07	1.25% + Cost of Financing	05/06/2020	842,000	671,762	671,762
Alliance Bank Malaysia Berhad - Term loan	Refinancing of Shamelin Office	Base Lending Rate – 1.85%	01/04/2027	2,000,000	1,836,646	1,836,646
RHB Bank Berhad - Commodity Murabahah Term Financing	Purchase of Vertical Business Suite 03-08	Base Lending Rate - 2.10%	11/10/2034	2,600,000	2,441,692	2,441,692
<b>Total</b>						<b>6,601,762</b>

The repayment of the abovementioned bank borrowings are expected to have a positive financial impact on our Group with interest savings of approximately RM1,771,130 based on existing prevailing interest rate ranging from 4.63% to 5.07%.

If the actual proceeds for repayment of bank borrowings are lower than estimated, the excess will be used for working capital purposes.

**3. PARTICULARS OF THE IPO (Cont'd)****(v) Estimated listing expenses**

Our listing expenses are estimated to be RM3,500,000, details of which are as follows:-

Description	Total RM
Professional fees	2,000,000
Fees to authorities	70,000
Estimated underwriting, placement and brokerage fees	500,000
Printing and advertising	170,000
Contingencies <sup>(aa)</sup>	760,000
<b>Total</b>	<b><u>3,500,000</u></b>

**Note:-**

(aa) *Include fees for, amongst others, the translators, investor relations, media expenses, venue booking charges and other miscellaneous expenses in relation to our IPO.*

If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

There is no minimum subscription to be raised from the IPO.

The Offer for Sale will raise gross proceeds of RM2,760,000. All the proceeds from the Offer for Sale will be credited to the Offerors and we will not receive any part of the proceeds. The Offerors shall bear all the expenses including registration and transfer fees, placement fees and miscellaneous expenses relating to their respective portion of the Offer for Sale amounting to approximately RM100,000 on a pro-rated basis.

The financial impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 31 December 2017 is reflected in Section 11.3 of this Prospectus.

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**3. PARTICULARS OF THE IPO (Cont'd)**

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**3.7 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE**

**3.7.1 Brokerage**

We will bear the brokerage fees to be incurred on the issue of the 11,000,000 Issue Shares pursuant to the IPO under Section 3.1.1(i) of this Prospectus at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of AIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

**3.7.2 Underwriting commission**

Our Sole Underwriter has agreed to underwrite 32,100,000 Issue Shares as set out in Sections 3.1.1(i) and 3.1.1(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at the rate of 2.00% of the total value of the Shares underwritten at the IPO Price.

**3.7.3 Placement fee**

AIBB, as our Placement Agent, has agreed to place out 95,980,000 Issue Shares and 12,000,000 Offer Shares available under the placement to selected investors as set out in Sections 3.1.1(iii) and 3.1.2 of this Prospectus, at the rate of 2.00% of the IPO Price for each IPO Share to be placed out by the Placement Agent. The placement fee to be incurred on the sale of the Offer Shares will be fully borne by the respective Offerors.

### 3. PARTICULARS OF THE IPO (Cont'd)

#### 3.7.4 Underwriting Agreement

Our Company had on 7 June 2018, entered into an Underwriting Agreement with the Sole Underwriter, whereby the Sole Underwriter agreed to underwrite 11,000,000 Issue Shares which will be made available for application by the Malaysian Public and 21,100,000 Issue Shares which will be made available for application by our eligible Directors, employees, and persons who have contributed to the success of our Group ("**Underwritten Shares**"), upon the terms and subject to the conditions therein contained.

A summary of the salient terms of the Underwriting Agreement which, amongst others, may allow the Sole Underwriter to **withdraw from its obligations** are as follows:-

- (i) *The obligations of the Sole Underwriter are conditional upon the following being fulfilled:-*
  - (a) *the letter of approval of Bursa Securities (for, amongst others, the listing of and quotation for the Company's entire enlarged issued share capital comprising 525,200,000 ordinary shares on the ACE Market of Bursa Securities) which was obtained on 26 April 2018 remaining valid and not having been revoked or amended, and all the conditions imposed in the letter having been complied by the Company prior to Listing;*
  - (b) *the receipt by AIBB of all relevant documentation and/or placement monies for the private placements of 95,980,000 Issue Shares and 12,000,000 Offer Shares to selected investors;*
  - (c) *all other necessary approvals and consents required in relation to the Public Issue and the Issue Shares having been obtained and in full force and effect;*
  - (d) *the issue of the Issue Shares having been approved by the shareholders of the Company;*
  - (e) *the issue and subscription of the Issue Shares are in accordance with the provisions of the Underwriting Agreement, the relevant laws and regulations in Malaysia, and any directive or guideline (whether or not having the force of law) issued by an authority of Malaysia;*
  - (f) *the Prospectus together with all required documents having been lodged with the Registrar of Companies and registered with the SC;*
  - (g) *no material breach of the Underwriting Agreement nor any materially incorrect certificate, statement or notice issued under or in connection with the Underwriting Agreement, on or prior to the last date or any extended last date for the receipt of the applications and payment for the Issue Shares;*
  - (h) *no material or prospective material adverse change in the financial condition or business or operations of the Group on or prior to the last or extended last date for the receipt of the applications and payment for the Issue Shares nor the occurrence or discovery of any fact which may make any statement contained in the Underwriting Agreement materially inaccurate, untrue or incorrect;*
  - (i) *the Sole Underwriter receiving a resolution of the Board of Directors of the Company approving the Listing, the Prospectus and the Underwriting Agreement and the issue and offer of the IPO Shares and authorising the execution of the Underwriting Agreement; and*

### 3. PARTICULARS OF THE IPO (Cont'd)

- (j) *the Sole Underwriter having been satisfied that the expenses of the Underwriting Agreement have been paid.*
- (ii) *The Sole Underwriter may by notice in writing to the Company at any time before the last or extended last date for the receipt of the applications and payment for the Issue Shares, withdraw its commitment to underwrite the Underwritten Shares if:-*
- (a) *the approval of Bursa Securities for the Listing is revoked, withdrawn or procured but subject to conditions not acceptable to the Sole Underwriter;*
  - (b) *there is any material breach by the Company of the Underwriting Agreement which is not capable of being remedied, or which is not remedied within the number of days notified by the Underwriter to the Company; or*
  - (c) *there is a material failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement; or*
  - (d) *there is withholding of information of a material nature from the Sole Underwriter that would have a material adverse effect on the business or operations of the Group, the success of the Public Issue, the Offer for Sale or the Listing or the distribution or sale of the IPO Shares; or*
  - (e) *there has occurred any material and adverse change in the business or financial condition of the Group; or*
  - (f) *the Listing does not take place within three (3) months from the date of the Underwriting Agreement; or*
  - (g) *there has been commencement of any legal proceedings against any member of the Group or any of their directors which would have a material adverse effect in the business or financial condition or operations of the Group; or*
  - (h) *any of the resolutions or approvals referred to in Clauses 5.1(a), (c), (d) and (i) respectively is no longer valid or is varied in any manner that would have a material adverse effect in the business or financial condition or operations of the Group; or*
  - (i) *there is a moratorium, suspension or material restriction on trading in securities which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue and the Offer for Sale, or the distribution or sale of the IPO Shares; or*
  - (j) *a material adverse change in the stock market condition occurs, including if the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:*
    - (aa) *on or after the date of the Underwriting Agreement; and*
    - (bb) *prior to the close of the offering of the Public Issue and the Offer for Sale,*

*lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the*

**3. PARTICULARS OF THE IPO (Cont'd)**

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*date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days; or*

- (k) *any material change in national or international monetary, financial, economic or political conditions or foreign exchange controls; or any change in law or regulations in any jurisdiction, or any event(s) beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); occurs which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Group as a whole, the success of the Public Issue, the Offer for Sale or the Listing, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of being performed.*

#### 4. RISK FACTORS

**NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE AND MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

##### 4.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

###### 4.1.1 We are dependent on our Executive Directors and key senior management team, and the loss of their continued services may affect our business

Our Group's continued success, future business growth and expansion depend on our Executive Directors' experience, expertise and continued efforts. Our Executive Directors, namely Yap Ban Foo, Yap Sin Sang and Yap Poh Keong, have been actively involved in our Group's operations. Their long service and in-depth knowledge on all aspects of our Group's operations are invaluable to our Group and our Group's business strategies.

Our Executive Directors are assisted by our key senior management team, who also has extensive knowledge and experience in our business and/or industry. Our Executive Directors and key senior management team are vital for the strategic direction, leadership, business planning and development, and management of our Group's operations. Further, they are also responsible for charting, formulating and implementing strategies to drive the future growth of our Group.

The loss of any of our Executive Directors and/or key senior management team, and our inability to find a suitable replacement in a timely manner, may adversely affect our ability to maintain and/or improve our business performance. As such, our ability to retain and also attract competent and skilled personnel is crucial for our continued success, future business growth and expansion.

###### 4.1.2 We are dependent on the retail industry for our success and growth

We serve mainly the retail industry, as our major customer types are department stores, hypermarkets, supermarkets and convenience stores. These are the players that employ retail technology solutions in their daily operations.

Several factors in the retail market on which industry players' growth are built on include:-

- (i) increasing per capita income of the population;
- (ii) rise in the number of commercial developments in Malaysia;
- (iii) greater Government-driven initiatives to propel the retail market in Malaysia and boost retail expenditure; and
- (iv) higher tourist arrivals coupled with tourism receipts.

#### 4. RISK FACTORS (Cont'd)

Hence, any challenges and/or decline in the retail market may have a material adverse effect on our Group's business operations and financial performance. However, an economic slowdown may cause a decline in the retail industry as consumers become more cautious in their spending. Further, rising cost of living could dampen the growth of the retail industry as it curbs consumer spending. The rising trend in the online retail industry may also affect the growth of the store-based retail segment, of which the retail technology solutions of our Group is built on, as retail spending increasingly shifts online.

##### 4.1.3 We may be affected by the rising trend in the online retail industry

The rising trend in the online retail industry arising from changes in consumer shopping behaviour may affect the growth of store-based retail shops. Most of our major customers are owners of physical retail stores such as department stores, hypermarkets, supermarkets and convenience stores. In addition, the expansion of various local and foreign online-shopping platforms and increase in mobile commerce transactions may also contribute to the change in consumer shopping behaviour as they may prefer to purchase goods and services online instead of at the physical retail shops, due to convenience, variety and lower prices.

As we currently serve customers who are mainly in the store-based retail industry, the increasing trend of online retail industry could result in a decline in the number of physical stores and may have an adverse impact on our Group's sales of retail hardware and software products, business operations and financial performance.

##### 4.1.4 We are susceptible to the evolution of technological development which may shorten the technological relevance of our retail hardware and software products

Our Group operates in a market where products and services are prone to frequent new technologies as well as technological advancement. Our Group's future growth and success would depend on our ability to keep abreast with the latest technology to meet consumers' needs and demand for faster and more streamlined products. The development of new or enhanced software products may be time consuming, along with its uncertain risks and returns. As with the IT industry in general, the retail technology solutions industry, which is the industry our Group operates in, undergoes similar technological evolution due to the use of IT hardware and software in our Group's solutions. In addition, our Group's operations may be affected by the change in consumer shopping behaviour arising from the growing trend of e-commerce market, where consumers shop online rather than at retail shops, which could negatively impact the sales of our retail hardware and software products. Please refer to Section 4.1.3 above for further details on the risk arising from the rising trend in online retail industry. As a result, our ability to adapt to these changes and to remain technologically-relevant will determine the sustainability of our business.

There can be no assurance that we would have sufficient resources to successfully and accurately anticipate technological changes and market trends as well as enhancement of our solutions on a timely and cost-effective manner. We may also experience difficulties that could delay or prevent the enhancement of solutions which may lead to a negative impact on our business and financial condition. Consequently, if the technological advancements are not reflected in our solutions, it may shorten the technological relevance of our solutions.

##### 4.1.5 We are subject to unfavourable changes in political and legal developments in the markets in which we operate

Our Group operates mainly in Malaysia with subsidiaries incorporated in Cambodia and Vietnam. As part of our business strategies, we also intend to expand our regional footprint to other parts of SEA region as disclosed in Section 5.10(i) of this Prospectus.

#### 4. RISK FACTORS (Cont'd)

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As we continue to expand our business, our prospects, financial condition and results of operations may be affected by political and legal developments that are beyond our control in the countries in which we operate, transact business or have interests.

Political factors such as changes in political leadership may affect our operations as it may cause unfavourable changes in government policies and regulations. Conducting business in other markets also requires us to comply with foreign laws and regulations which govern many aspects of our operations, including trade laws and licensing regulations.

For our operations in Vietnam, we are required to comply with, amongst others, the local legislations in relation to enterprise, investment, trading and IT issued by the National Assembly, Government, Ministry of Planning and Investment, Ministry of Industry and Trade, and Ministry of Information and Communications of Vietnam. Similarly, our operations in Cambodia also require us to comply with the local legislations in relation to commercial enterprise, taxation, civil code and other relevant regulations issued by Ministry of Commerce Cambodia and General Department of Taxation Cambodia. These foreign legislations may change, or may be updated and amended from time to time and these changes are beyond our control.

Whilst we practise prudent financial management and efficient operating procedures, there can be no assurance that any adverse political and legal developments will not lead to a material adverse effect on the business performance of our Group.

##### **4.1.6 We may not continue to be profitable in the future or achieve increasing or consistent levels of profitability**

Slower growth in the retail industries across SEA and increasing competition through the entry of new retail technology solutions companies may affect our Group's ability to sustain our gross profit margin and/or profitability, where our selling prices may be adversely impacted in our efforts to maintain market share.

There is no assurance that our Group's performance will not be adversely impacted by the changing market conditions and an evolving competitive environment, in order to continue to be profitable in our business operations.

##### **4.1.7 We are exposed to foreign exchange transaction risks**

Our purchases from our principals and sales to customers are mainly in RM and USD. For the FYE 31 December 2017, we had transacted purchases in USD equivalent to RM22.529 million and recorded revenue in USD equivalent to RM6.067 million. As a result, we are exposed to fluctuations in USD and any adverse movements in the foreign exchange markets may have an adverse impact on our business performance, financial position and operating results. Our management does not actively hedge our Group's foreign currency exposure and as at the LPD, we do not utilise any financial instruments for hedging purposes.

Further, the financial statements of our subsidiaries in Cambodia and Vietnam are denominated in USD and VND respectively. As such, any future significant depreciation in USD and/or VND against RM may have a material negative impact on our Group's combined/consolidated financial statements which is reported in RM, as we are based in Malaysia. For information purposes, the exposure of our Group to USD and VND in terms of gross profit contributed by our subsidiaries in Cambodia and Vietnam amounted to 5.23% and 8.80% of our Group's total gross profit in the FYE 31 December 2017.

Please refer to Section 11.2.1(d)(i) of this Prospectus for further information on our foreign exchange transactions.

#### 4. RISK FACTORS (Cont'd)

##### 4.1.8 **The lack of long-term maintenance and technical support contract and early termination of maintenance and technical support contracts may result in the fluctuations of our Group's business performance**

Our Group's sales are mainly based on purchase orders. This is mainly due to the nature of our Group's business, where we are engaged by our customers through purchase orders on an as-needed basis. Nonetheless, we enter into maintenance and technical support contracts with our customers which are valid for one (1) to five (5) years, where this segment contributed 13.22%, 14.62% and 14.91% of our Group's revenue for the three (3) FYE 31 December 2015 to 2017, respectively.

In addition, our maintenance and technical support contracts may be terminated by our customer earlier than expected; either within applicable notice periods stipulated pursuant to our contract terms or upon any default in performance of our obligations under the agreement and the breach is not remedied within the allowable remedy period.

The lack of substantial long-term contracts and early termination of maintenance and technical support contracts may result in the fluctuation of our Group's sales and overall business performance. This could have a negative impact on our financial condition and reputation.

##### 4.1.9 **We may not be able to effectively manage our growth or successfully implement our business strategies locally and globally**

We plan to enhance our market presence through further expansion of our local and overseas businesses with a focus to further commercialise and increase our in-house software contribution. In order to successfully implement our expansion plan, it is imperative that our Group remains competitive, and to do so, we are committed in improving our software solutions offerings through continuous enhancements, and establishing a regional sales support team based in Malaysia for the SEA region, focusing on the Indonesian market in the near term. Please refer to Section 5.10 of the Prospectus for further details of our business strategies.

Our expansion plans involve a number of risks, including but not limited to, the costs of recruiting regional sales support team, suitably-qualified technical personnel such as engineers and programmers, as well as other working capital requirements such as sales and marketing expenses. Further, our expansion plans may also be affected by increased competition in the markets where we are present, as well as change in business strategy. We may also be subject to the risks of changes in our agreements with our principals, which may restrict us from selling to certain countries and/or regions.

Whilst our Executive Directors and key senior management personnel have experience in our business operations, we are not able to guarantee that we will be successful in executing our business strategies, nor can we be assured that we will be able to anticipate all the business and operational risks arising from our business strategies. Any failure or inefficiencies in managing our business growth may lead to a material adverse effect on our business operations and financial performance.

##### 4.1.10 **We face competition from other industry players**

We operate in the retail technology solutions industry and are subject to competition from other providers of retail technology solutions in Malaysia, Cambodia and Vietnam. Our Group also faces competition from established original hardware manufacturers, both locally and internationally, as well as potential new entrants/distributors.

Our Group's future success and competitiveness largely depends on, amongst others, our technology and software know-how, our hardware technical expertise and response time of our technical support team, as well as our ability to keep abreast of emerging technology trends.

#### 4. RISK FACTORS (Cont'd)

Notwithstanding that the Group operates in a competitive environment in Malaysia, there can be no assurance that competition from other industry players within the retail technology solutions industry will not have any material impact on our Group's business and financial performance.

##### **4.1.11 We may inadvertently infringe on intellectual property rights and we may be unable to adequately protect our intellectual property rights**

We are reliant on a combination of copyright and contractual restrictions to establish the intellectual property of our software applications and services. There can be no assurance however that such copyright and contractual restrictions will adequately protect our intellectual property rights. Any third party may infringe on our Group's intellectual property rights and we could incur substantial costs in pursuing any actions to protect our intellectual property rights.

In the development of our in-house software products, there is also the possibility that our in-house software products could inadvertently infringe on one (1) or more intellectual property rights held by a third party. This would result in the risk of a third party challenging our Group's intellectual property rights or legal action against us, which may be time-consuming and costly.

There is also no assurance that any of the above actions will be resolved in our favour. In the event that we are unsuccessful in pursuing any action against third party infringers, or a third party has successfully established that we have infringed on its intellectual property, we may suffer significant loss, litigation costs and other risks such as adverse reputation and/or being prevented from selling our in-house software products.

##### **4.1.12 Change in or loss of MSC-Malaysia status may impact our financial performance**

Radiant Globaltech was granted MSC-Malaysia status on 9 December 2014. Presently, all MSC-Malaysia status companies are granted certain financial and non-financial incentives. MDeC is the responsible body for monitoring all MSC-Malaysia status companies. MDeC has the right to revoke a company's MSC-Malaysia status at any time in the event that there is non-compliance of the conditions contained in the conditions of grant of MSC-Malaysia status.

As such, there can be no assurance that we will continue to retain our MSC-Malaysia status or to enjoy the access to MSC-Malaysia status incentives granted to all MSC-Malaysia status companies, or that the incentives will not be changed or modified in any way in the future. All of these could have an adverse effect on our Group's business and financial results.

Pursuant to the MSC-Malaysia status, we were granted Pioneer Status which entitles us to an initial five (5) years 100 percent exemption on taxable statutory income derived from approved MSC activities, which is renewable for a further period of five (5) years upon expiry of the first five (5) years. Our Pioneer Status which was granted on 9 December 2014 will expire in December 2019 and if such Pioneer Status is not renewed, our Group will revert to the applicable statutory tax rates.

In addition, we also enjoy exemption from import duties and sales tax for the import by Radiant Globaltech of multimedia equipment and components for direct use in the operation of Radiant Globaltech's approved MSC activities subject to the provisions of the Customs Act 1967 and Sales Tax Act 1972 and such conditions as may be imposed by the Minister of Finance Malaysia.

#### 4. RISK FACTORS (Cont'd)

We are also entitled to non-financial incentives which include:-

- (i) Unrestricted employment of foreign knowledge workers;
- (ii) Freedom of ownership by exempting MSC-Malaysia status companies from local ownership requirements; and
- (iii) Freedom to source capital for MSC infrastructure globally and the right to borrow funds globally.

In the event that we divert our business from the above approved MSC activities, we would no longer be eligible for the tax exemption unless we obtain consent from MDeC for any changes to the above approved MSC activities.

Please refer to Sections 5.7.10 and 8.2 of this Prospectus for the salient conditions imposed by MDeC on our Pioneer Status and MSC-Malaysia status respectively.

##### **4.1.13 We may not be able to secure funding, especially on terms acceptable to us, to meet our future capital needs**

Our ability to obtain external financing and to make timely repayments of our debt obligations are subject to various uncertainties, including our future business operations, financial results and cash flows, the performance of the Malaysian economy and the overseas markets for our products and services, the cost of financing and the condition of the financial markets, as well as the continued willingness of banks to provide new loans. We cannot be assured that any required additional financing, either on a short-term or long-term basis, will be made available to us on terms satisfactory to us or at all.

- If adequate funding is not available when needed, or is available only on unfavourable terms, we may not be able to meet our capital needs, to take advantage of business opportunities or to respond to competitive pressures, any of which could have a material adverse effect on our business operations and financial results.

##### **4.1.14 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in the course of our business operations**

We maintain insurance at levels that are customary in our industry to protect against various losses and liabilities. Our insurance policies provide coverage for fire and burglary at our headquarters, our Cambodia office and customer support service office, our Vietnam office, warehouse and customer support service office, our customer support service office in Kuala Lumpur, Kedah, Johor, Penang, Kelantan, Pahang, Perak and our support centre for IT outsourcing services in Mont Kiara. We have also taken up general liability insurance for our Group and group personal accident insurance for our employees in Malaysia. For our Cambodia operation, we have obtained insurances regarding fire and burglary in compliance with Cambodian Law and for our Vietnam operation, we have also obtained the compulsory insurances required under Vietnamese Law.

As at the LPD, the total sum insured from insurance policies that we have taken up amounts to approximately RM57.715 million.

Moreover, we are subject to the risk that, in the future, we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant liability for which we are not fully-insured, it may have a material adverse effect on our Group's business operations and financial results.

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**4. RISK FACTORS (Cont'd)**

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**4.1.15 We may be affected by the quality of the retail hardware products from our principals**

We do not provide product warranties for the third party hardware products that we sell as these products carry with them product warranties from the principals. However, during the warranty period, we are liable to deal with our principals, on behalf of our customers, should our customers experience any hardware product defects.

As the risk of product defects is generally dependent on the quality control of hardware products manufactured or supplied by our principals, we will have limited or no ability to control the quality of our principals' products. As such, any product defects that are not resolved to our customers' satisfaction may adversely affect our Group's relationship and reputation with our customers.

**4.1.16 We are dependent on data centres operated by third party data centre providers and any disruption in the operation of these facilities could adversely affect our business**

Our *AX Retail B2B Portal* and *AX Retail Consignment Portal* software are web-based applications, where our customers and their suppliers access this software through internet portals. We host the software at data centres operated by third party data centre providers. As such, we are dependent on external third party data centre providers for data centre facilities and connectivity. Although we do not anticipate any interruptions or shortfall in delivery of our hosting partners, in the event that these external third party data centre providers are not able to deliver their services, there might be potential negative financial impact on our Group and a detrimental effect on our Group's business reputation.

Furthermore, any power outages, fire outbreaks or other calamities occurring at the premises of our data centre providers may result in the disruption of our operations which may consequentially affect our client's business operations and/or adversely affect our business reputation and financial performance.

**4.1.17 We depend on IT systems in managing our business operations**

We use IT systems as a competitive platform to place effective business and operating controls for our business operations. Therefore, we are reliant on the performance of our IT systems to control, manage and monitor, amongst others, our overall business operations. As such, there is a risk of interruption to our business operations and the loss of data if we experience any malfunction or system failure in our IT systems as well as our computer hardware or network.

Furthermore, as with any business with integrated IT systems across business operations, we are susceptible to external security threats such as malware attack, hacking, espionage or cyber intrusion, as well as internal security breaches which includes unauthorised access to restricted information by employees, or internal security threats which may originate from malware-infected mobile devices, which are brought into the network system by our employees. The failure to protect our proprietary information and our customers' information from security breaches could adversely damage our business reputation and brand name, and subsequently result in long term repercussions on our business operations.

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#### 4. RISK FACTORS (Cont'd)

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**4.1.18 We face risk on security breaches and failure to protect our proprietary information as well as our customers' information could adversely affect our business**

We are susceptible to external security threats such as malware attack, hacking, espionage or cyber intrusion, as well as internal security breaches which include unauthorised access to restricted information by our employees, or internal security threats which may originate from malware-infected mobile devices which are brought into the network system by our employees.

Under the Personal Data Protection Act 2010, any service provider that collects customer information has a responsibility to adopt and implement a policy that protects the privacy of identifiable information. Failure to protect our proprietary and customers' information from security breaches could adversely damage our business reputation and brand name, and subsequently may result in long term repercussions on our business operations.

Further, security breaches and failure to protect proprietary information as well as customers' information may result in the termination of contract by the customer as well as exposure to legal action by the customer for breach of confidentiality including but not limited to being sued for damages arising from such breach.

## 4. RISK FACTORS (Cont'd)

### 4.2 RISKS RELATING TO INVESTING IN OUR SHARES

#### 4.2.1 There has been no prior market for our Shares

Prior to the IPO, there has been no public market for our Shares. Hence, there is no assurance that upon listing, an active market for our Shares will develop, or, if developed, that such market can be sustained. The IPO Price was determined after taking into consideration various factors and we believe that a variety of factors could cause our Share price to fluctuate and such fluctuations may adversely affect the market price of our Shares.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market of Bursa Securities upon our Listing and the market price of our Shares will not decline below the IPO Price.

#### 4.2.2 Our Share price and trading volume may be volatile

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, amongst others, the following factors, some of which are beyond our control:-

- (i) Variations in our results and operations;
- (ii) Success or failure in our management team in implementing business and growth strategies;
- (iii) Changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) Changes in conditions affecting the industry, the prevailing local and global economic conditions or stock market sentiments or other events or factors;
- (v) Additions or departures of key personnel;
- (vi) Fluctuations in stock market prices and volumes; or
- (vii) Involvement in litigation.

#### 4.2.3 The interests of our Promoters who control our Company may not be aligned with the interests of our shareholders

As disclosed in Section 7.1.1 of this Prospectus, our Promoters will collectively hold in aggregate approximately 66.35% of our enlarged issued share capital upon Listing.

As a result, they have, in the foreseeable future, effective control over the business direction and management of our Group including the election of directors, and the timing and payment of dividends as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations.

Therefore, there is a risk of whether the interests of our Promoters are aligned with those of our other shareholders.

#### 4. RISK FACTORS (Cont'd)

##### 4.2.4 There may be a potential delay to or failure of our Listing

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:-

- (i) Our Sole Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations thereunder; or
- (ii) We are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25% of our issued and paid-up share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing; or
- (iii) The revocation of approvals from the relevant authorities for the Listing and/or admission to the Official List for whatever reason.

In such event, investors will not receive any of our IPO Shares and we together with the Offerors will return in full, without interest, all monies paid in respect of any application for our IPO Shares within 14 days in compliance with sub-section 243(2) of the CMSA.

In the event our Listing is aborted but our Shares have been allotted to investors, a return of monies to such investors could only be achieved by way of cancellation of share capital as provided under the Act. Such cancellation requires the sanction of shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. Alternatively, reduction of share capital can also be done by passing a special resolution supported by a solvency statement in accordance with section 117 of the Act. Thus, there can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

Our Board will endeavour to ensure compliance with the various requirements for our successful Listing.

##### 4.2.5 Forward-looking statements are subject to uncertainties and contingencies

This Prospectus contains certain forward-looking statements that are based on historical data, which may not be reflective of the future performance of our Group and others are forward-looking in nature which is subject to uncertainties and contingencies. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from future results.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies, the environment in which our present and future business strategies have been developed and the environment in which we will operate in the future.

Although our Group believes that the expectations reflected in such forward-looking statements are reasonable at this point in time, we can give no assurance that such expectations will be justifiable. Whether or not such statements prove to be accurate would be dependent upon a variety of factors that may have an effect on the business and operations of our Group.

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#### 4. RISK FACTORS (Cont'd)

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##### 4.2.6 We may not be able to pay dividends in the future

Our Company derives income mainly from profit generated from our Company as well as dividends received from our subsidiaries. Hence, our ability to pay future dividends is largely dependent on the performance of our Group.

In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but are not limited to, our financial performance, cash flow requirements, debt servicing and financing commitments, future expansion plans, loan covenants and compliance with regulatory requirements. Whilst we endeavour to make payments of dividends, no assurance can be given that we are able to pay any dividends in the future as a result of factors stated above. Please refer to Section 11.5 of this Prospectus for further information on our dividend policy.

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**5. INFORMATION ON OUR GROUP**

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**5.1 INFORMATION ON OUR GROUP****5.1.1 Our Overview and History**

Radiant Globaltech was incorporated in Malaysia and deemed registered under the Act on 10 July 2003 as a private limited company under the name of Spartan System Integration Sdn Bhd. Upon the incorporation of Radiant Globaltech, our Company undertook trading of computer related products. Between years 2005 and 2010, the Company was dormant. Radiant Globaltech recommenced its operations in 2011 and changed its principal activities to provision of retail technology software solutions. We subsequently changed our Company name to Axiome Portal Sdn Bhd on 21 October 2013 and to Radiant Globaltech Sdn Bhd on 18 April 2017. We received our MSC-Malaysia status on 9 December 2014. Radiant Globaltech was converted into a public limited company and carried the legal name Radiant Globaltech Berhad on 3 August 2017. Most of our customers and principals refer us using our commercial names "Radiant", "Radiant Globaltech" or "RG".

Our Group is principally involved in the provision of retail technology solutions and investment holdings. Retail technology solutions are products and services used by businesses in the retail sector to automate their operations, in order to increase efficiency and reduce costs.

Our retail technology products and services are as follows:-

- (i) Hardware for the retail industry;
- (ii) Software for the retail industry; and
- (iii) Maintenance and technical support services for retail hardware and software.

**5. INFORMATION ON OUR GROUP (Cont'd)****Summary of Our Business**

Products and Solutions	<b>Hardware</b>	<b>Main Product Principals/Third Party Brands*</b>	
	Barcode scanners Barcode printers POS/Receipt printers Handheld terminals POS equipment/peripherals Weighing scales Hardware consumables	<i>Datalogic, Denso, Star Micronics, Wincor Nixdorf, Zebra</i>	
	<b>Third Party Software</b>	<b>Software Brand</b>	<b>Brand Owner</b>
	POS software	<i>LS Retail</i>	LS Retail ehf
	ERP software	<i>Microsoft Dynamics NAV</i>	Microsoft Corporation
	<b>In-house Software</b>	<b>Software Brand</b>	<b>Brand Owner</b>
	Retail management software	<i>AX Retail B2B Portal</i> <i>AX Retail Consignment Portal</i>	Radiant Globaltech
	Software for handheld terminals/desktop	<i>AX Mobile</i> <i>Payment Collection System</i> <i>SQRC System</i>	Radiant Globaltech

**Note:-**

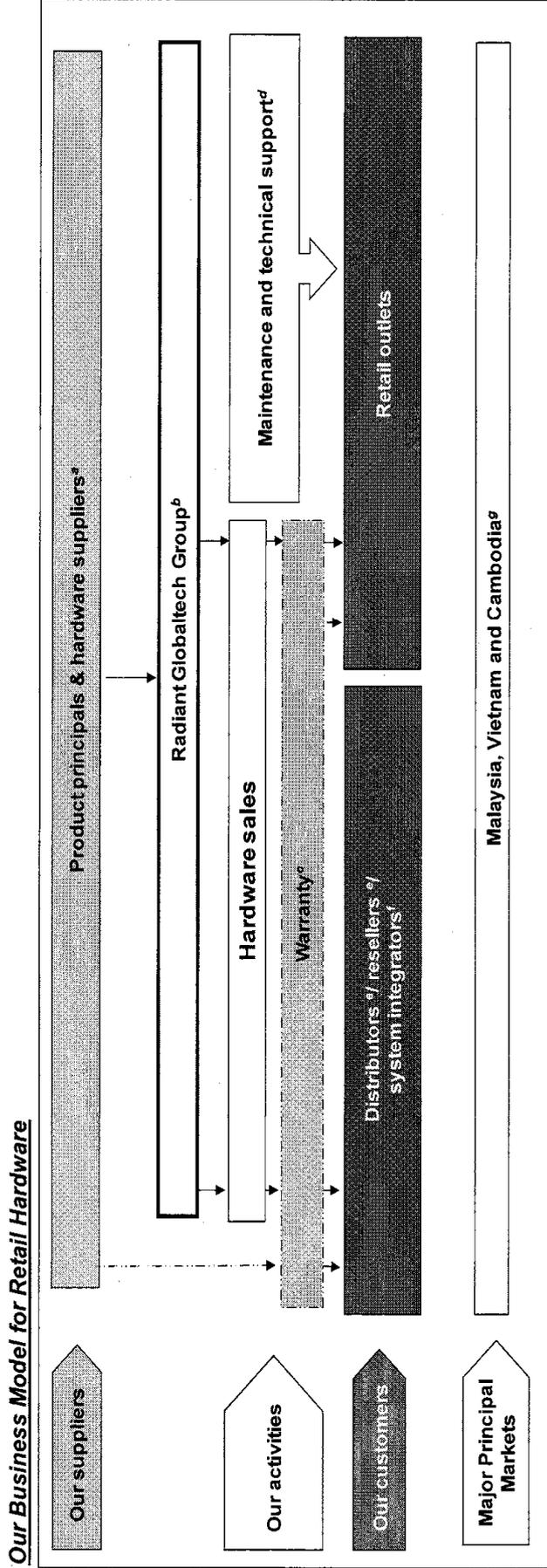
\* *The list of main product principals/ third party brands is not exhaustive.*

**5. INFORMATION ON OUR GROUP (Cont'd)**

Major Customer Types	Department stores; Hypermarkets; Supermarkets; Grocery convenience stores; Retail convenience stores; and Chain retail stores.
Location of Operations	Malaysia, Vietnam and Cambodia
Major Overseas Markets	Vietnam and Cambodia
Competitive Strengths	<ul style="list-style-type: none"> <li>(i) We are a total solutions provider in retail technology solutions;</li> <li>(ii) Our retail software operates on a flexible platform, giving us the ability to provide detailed customisations and enhancements to our customers;</li> <li>(iii) We are able to offer efficient and reliable after-sales service to our customers via our nationwide as well as regional customer support network;</li> <li>(iv) We have a strong portfolio of customers and have established long term relationships with many of our customers;</li> <li>(v) We have an experienced and technically strong key senior management team;</li> <li>(vi) We are well-positioned for future regional expansion; and</li> <li>(vii) We were granted the MSC-Malaysia status, which enables our Company to reap the financial and non-financial incentives attached.</li> </ul>
Business Strategies	<ul style="list-style-type: none"> <li>(i) Our Group's future expansion is premised on continued expansion in existing overseas markets and other parts of the SEA region:- <ul style="list-style-type: none"> <li>a. We intend to continue to focus on our retail hardware operations; and</li> <li>b. We intend to aggressively pursue growth in our retail software business; and</li> </ul> </li> <li>(ii) We aim to further expand into different customer types within the retail industry.</li> </ul>

**5. INFORMATION ON OUR GROUP (Cont'd)**

The diagram below depicts our Group's business model for our hardware segment:-



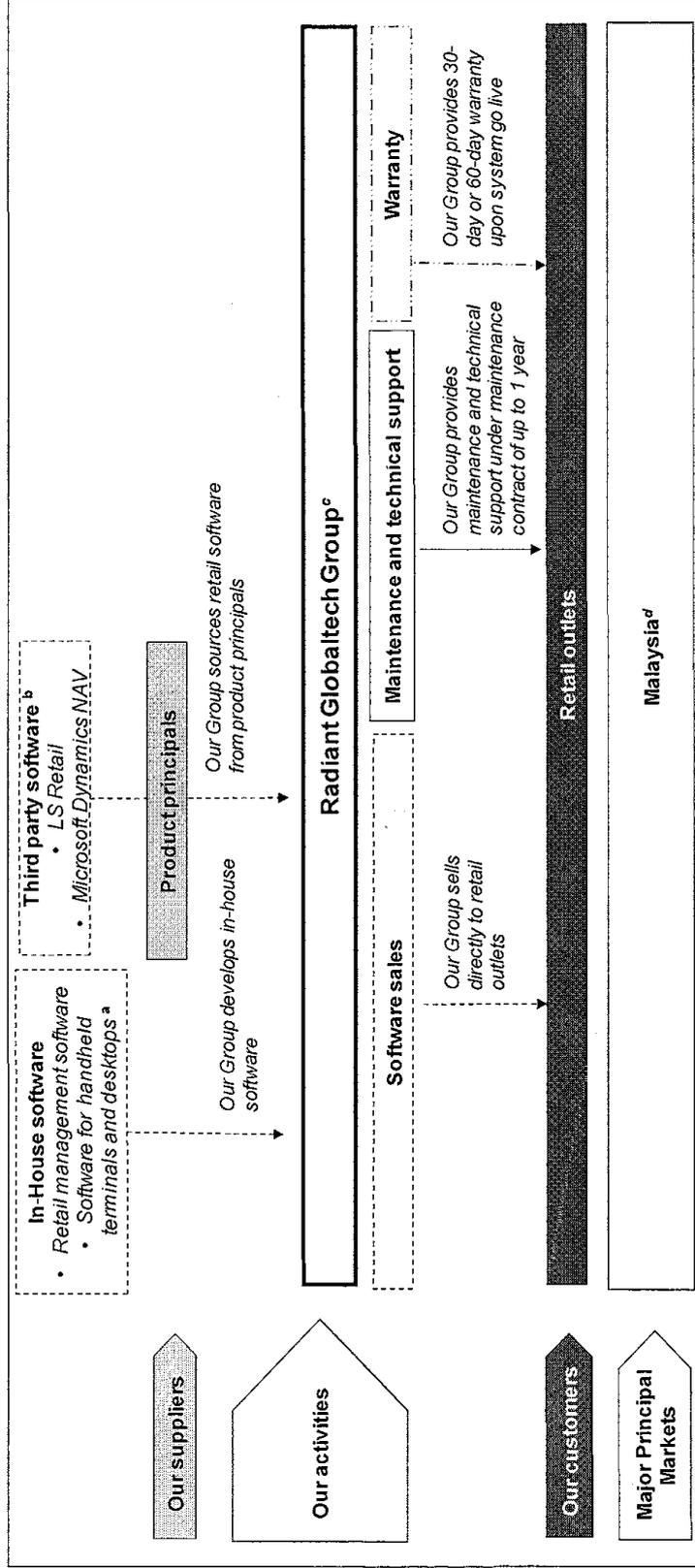
**Notes:-**

- a. Our Group sources retail hardware from product principals and hardware supplier. Our distributorship agreements with our product principals are not exclusive.
- b. Radiant Globaltech was incorporated in Malaysia with subsidiaries incorporated in Malaysia, Vietnam and Cambodia.
- c. Our Group assists customers to liaise with product principals during warranty period. Product principals typically provide 1-year manufacturing defect warranty for their retail hardware.
- d. Our Group provides maintenance and technical support under maintenance contract of 1 to 5 years to mainly retail outlets. We also provide maintenance and technical support to Vinx Malaysia Sdn Bhd, who is involved in the trading of merchandise relating to information technology, facility management services and IT consultancy services.
- e. Distributors and resellers are trading companies who purchase retail hardware from our Group for onward sale to their customers.
- f. System integrators are IT companies who purchase retail hardware from our Group for integration with other third party software.
- g. Our principal market is in Malaysia with operational presence in Vietnam and Cambodia. Please refer to Section 5.7.3 for further information on our principal markets.

5. INFORMATION ON OUR GROUP (Cont'd)

The diagram below depicts our Group's business model for our software segment:-

Our Business Model for Retail Software



**Notes:-**

- Software for handheld terminals and desktops are bundled with hardware sales.
- LS Retail may be sold separately, however the primary function of Microsoft Dynamics NAV is as a platform to operate LS Retail.
- Radiant Globaltech was incorporated in Malaysia with subsidiaries incorporated in Malaysia, Vietnam and Cambodia.
- Majority of our software sales are currently to our customers in Malaysia.

**5. INFORMATION ON OUR GROUP (Cont'd)****Incorporation Details**

The summary of the incorporation details of our Company and subsidiaries are as set out below:-

	<b>Incorporation Date</b>	<b>Previous Name</b>	<b>Date of Name Changed</b>	<b>Present Name</b>
(i)	24 June 1994	Spartan Peripheral (M) Sdn Bhd	5 September 2014	Radiant Global ADC Sdn Bhd
(ii)	10 July 2003	Spartan System Integration Sdn Bhd	21 October 2013	Axiome Portal Sdn Bhd
		Axiome Portal Sdn Bhd	18 April 2017	Radiant Globaltech Sdn Bhd
		Radiant Globaltech Sdn Bhd	3 August 2017*	Radiant Globaltech Berhad
(iii)	21 December 2006	Spartan Vietnam Limited Company	15 January 2016	Radiant Global ADC Vietnam Co, Ltd
(iv)	24 December 2012	Axiome Technologies (M) Sdn Bhd	29 June 2017	Radiant Global Solutions Sdn Bhd
(v)	25 January 2013	Inspire Technologies Cambo Pte., Ltd	19 March 2014	Radiant Global ADC Cambo Pte Ltd

**Note:-**

\* Conversion from Sdn Bhd to Berhad.

**History of our Business**

***We started our business as a hardware supplier to the retail industry in Malaysia in 1994***

Our Group's history can be traced from the incorporation of our wholly-owned subsidiary RG Malaysia on 24 June 1994. The founder of RG Malaysia is Goh Han Siong. The directors and shareholders of RG Malaysia during that time were Goh Han Siong, Chiew Mei Hoon and Chiew Mei Chern.

On 1 September 1994, RG Malaysia commenced business in the trading of retail hardware such as POS terminals, barcode printers, scanners, receipt printers, handheld terminals and other POS peripherals. RG Malaysia was managed by Goh Han Siong prior to our Managing Director, Yap Ban Foo, becoming a Director and shareholder of RG Malaysia.

Our Managing Director, Yap Ban Foo, became a Director and shareholder of RG Malaysia on 23 January 1995 and 24 January 1995 respectively. Since then, Yap Ban Foo was mainly involved in the day-to-day operations and sales of hardware products of RG Malaysia while Goh Han Siong was mainly involved in overseeing the finance and accounting functions of RG Malaysia.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Prior to 1995, Yap Ban Foo spent six (6) years as a computer programmer specialising in retail software solutions. His experience as a programmer and understanding of the opportunities in the retail solutions industry led him to joining RG Malaysia to advance his career. On 11 November 1995, our Executive Director - Operations, Yap Sin Sang, was appointed Director of RG Malaysia and subsequently on 18 December 1995, he became a shareholder of RG Malaysia. Chiew Mei Hoon and Chiew Mei Chern resigned as directors on 24 January 1995 and sold their shareholdings in RG Malaysia on 18 December 1995, while Goh Han Siong sold his shareholdings and resigned as director of RG Malaysia on 30 May 2013 with the intention to realise his investment in RG Malaysia.

As we made inroads into the retail solutions industry and began to grow our customer base, we secured notable customers in Malaysia including Star Cruise (M) Sdn Bhd in 1999, Giant TMC Bhd in 2000, Cold Storage Retail Sdn Bhd in 2001 and Watson's Personal Care Stores Sdn Bhd in 2001.

Our retail hardware business continued to expand, where our major achievements, amongst others, included securing the following customers between 2003 and 2015:

- (i) Parkson Corporation Sdn Bhd ("**Parkson Malaysia**");
- (ii) Padini Corporation Sdn Bhd;
- (iii) 99 Speed Mart Sdn Bhd;
- (iv) AEON BIG (M) Sdn Bhd; and
- (v) Guardian Health and Beauty Sdn Bhd.

### ***We ventured into the sales of hardware in SEA in 2005***

We ventured into the overseas market when we secured our first overseas sales for retail hardware in 2005, via an order from Parkson Vietnam Co, Ltd ("**Parkson Vietnam**"). In line with our expansion into Vietnam, we incorporated RG Vietnam on 21 December 2006.

In 2013, we further expanded our regional presence with the incorporation of RG Cambodia on 25 January 2013. Concurrently, RG Malaysia secured our first sales order in Cambodia from DFI Lucky Private Limited ("**DFI Cambodia**").

In 2013, RG Vietnam successfully engaged AEON Vietnam Co, Ltd ("**AEON Vietnam**") and secured our first sales to them. In 2014, RG Cambodia secured AEON Cambodia Co, Ltd ("**AEON Cambodia**") as our customer.

Our overseas business has continued to expand as we have on-going sales with the above customers and have also secured new customers in Vietnam and Cambodia.

Please refer to Section 11.2.1(a)(iii) of this Prospectus for details of overseas markets.

### ***We expanded our business into the provision of software in 2005 for the retail industry, both in Malaysia and SEA, and commenced provision of third party software since 2009***

Our Group continued expanding our revenue streams when we ventured into the provision of third party software for the retail industry. Our management team saw the need to provide retail software solutions to complement our retail hardware business as this offered a more complete retail solution to our customers. Hence, on 4 August 2005, Yap Ban Foo and Yap Sin Sang acquired Ideasoftware Solutions Sdn Bhd ("**Ideasoftware Solutions**"), a company with its own retail POS software known as *Ideasoftware*. Between 2005 and 2012, our Group offered *Ideasoftware* software to our customers.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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In 2009, Ideasoftware Solutions commenced the provision of third party software using *Microsoft Dynamics NAV* as an ERP software with back-end functions including accounting modules to complement *Ideasoftware*. After almost three (3) years of running *Ideasoftware* with *Microsoft Dynamics NAV*, Ideasoftware Solutions decided to upgrade its retail POS software to *LS Retail* and signed an LS Retail Partner Agreement with LS Retail ehf on 2 August 2012.

This allowed Ideasoftware Solutions to offer *LS Retail* as a retail POS software running on the *Microsoft Dynamics NAV* platform to clients, as a replacement to the legacy *Ideasoftware* retail POS software.

Ideasoftware Solutions was thus able to enhance its retail POS solutions as *LS Retail* is a complete retail POS software with all the functions retailers would need for the management of their business operations from head office to POS terminals. Please refer to Section 5.7.2(ii) of this Prospectus for further information on *Microsoft Dynamics NAV* and *LS Retail*.

With the introduction of *LS Retail* into our solution portfolio, packaged with *Microsoft Dynamics NAV* as a complete retail POS software solution, we believed it was important to rebrand and reposition our business in retail POS software to be distinct from Ideasoftware Solutions as Ideasoftware Solutions had become associated in the retail solutions industry with the *Ideasoftware* retail POS software.

As such, on 24 December 2012, RG Solutions was incorporated to replace the business of Ideasoftware Solutions, which had been on a declining trend, and to align *LS Retail* and *Microsoft Dynamics NAV* with RG Solutions.

However, Ideasoftware Solutions did not immediately cease its operations after its business was replaced by RG Solutions as it continued to provide third party software renewal services to fulfil their existing customers' orders until year 2015.

Effective 5 June 2013, Ideasoftware Solutions' LS Retail Partner Agreement with LS Retail ehf ("**LS Retail Agreement**") was assigned to RG Solutions via an Addendum ("**First Addendum**") to the LS Retail Partner Agreement. Subsequently, the parties entered into a second addendum dated 6 June 2017 ("**Second Addendum**") which affirmed that the transfer of rights and obligations in the First Addendum should rightly have been referred to as a novation, as it was a transfer of both rights and obligations. The parties to the LS Retail Agreement had, since the First Addendum was signed, continued the Partnership in good faith under the common understanding that RG Solutions took over as a party to the LS Retail Partner Agreement in 2013, effectively replacing Ideasoftware Solutions. The effect of a novation is to extinguish the rights and obligations under the existing contract between two (2) parties and to enter into a new contract, on the same terms between the ongoing party and a new party. Once the novation occurs, the new party must perform the contractual obligations under the new contract that were formerly the obligation of the retiring party. Pursuant to the above novation, the LS Retail Agreement between Ideasoftware Solutions and LS Retail ehf. is regarded to have been replaced with a new contract between RG Solutions and LS Retail ehf. As such, the impending liquidation of Ideasoftware Solutions will not have any effect on the LS Retail Partner Agreement.

In 2013, RG Solutions also signed a Microsoft Solution Provider Agreement (the "**MS Agreement**") with Microsoft Sales Corporation allowing us to implement *Microsoft Dynamic NAV* solutions via RG Solutions. Currently, the terms of the MS Agreement are split into two (2) separate agreements namely Microsoft Dynamic Solution Provider License Agreement ("**SPA License**") and Microsoft Dynamic Solution Provider Distribution Agreement ("**SPA Purchase Term**").

## 5. INFORMATION ON OUR GROUP (Cont'd)

The SPA License specifically governs the rights and limitations in relation to the distribution of Licensed Software whereas the SPA Purchase Terms specifically governs the purchase of the Licensed Software such as the requirements to be met before being able to place an order and the minimum revenue requirements to be an SPA partner.

In 2013, we achieved our first major overseas sales for *Microsoft Dynamics NAV* and *LS Retail* when we secured an order from Parkson Vietnam via RG Vietnam. This was as a result of our ongoing business relationship with Parkson Vietnam where we had sold them retail hardware in the past since 2005.

Also in 2013, our current Executive Director – Sales and Software Development, Yap Poh Keong, joined as Sales Director, bringing with him a decade of experience in POS engineering and sales, to focus on developing our Group's retail software business.

Our business in retail software continued to grow under RG Solutions, where our achievements included securing the following customers for *Microsoft Dynamics NAV* and *LS Retail*:-

- (i) Speedy Video Distributors Sdn Bhd in 2013;
- (ii) Parkson Malaysia in 2014; and
- (iii) BRG Polo Haus Sdn Bhd in 2016.

Speedy Video Distributors Sdn Bhd, Parkson Malaysia and BRG Polo Haus Sdn Bhd were already our customers for retail hardware, and the provision of retail software to these customers complemented our retail hardware business.

### ***We increased our offerings by providing in-house software to our customers in 2011***

In 2009, we commenced in-house R&D for the development of our business-to-business ("**B2B**") retail management software, presently known as *AX Retail B2B Portal* and *AX Retail Consignment Portal*.

We began to realise our Group's internal R&D efforts when we commercialised our Group's in-house retail management software, known as *AX Retail B2B Portal* and *AX Retail Consignment Portal* with our earliest sales to the following customers:-

- (i) Parkson Malaysia in 2011 for customised *AX Retail Consignment Portal* known as Parkson Supplier Portal System; and
- (ii) Aeon Topvalu Malaysia Sdn Bhd in 2015 for *AX Retail B2B Portal*.

In 2012, we commenced R&D for the development of in-house software for handheld terminals, known as *AX Mobile* and began commercialisation efforts. We recorded sales of our *AX Mobile* software in 2014 to a security services firm, namely Safeguards G4S Sdn Bhd. In 2014, we were awarded MSC-Malaysia status by MDeC for our *AX Retail B2B Portal*, *AX Retail Consignment Portal* and *AX Mobile*.

In 2016, we relocated to our new office headquarters located in Vertical Business Suite, Bangsar South, an approved MSC-Malaysia Cybercentre building, in order to comply with the MSC-Malaysia status requirement.

In 2017, RG Vietnam began offering retail POS software for the Vietnam market, specifically targeted at small individual retail outlets in Vietnam, pursuant to a Deed of Assignment dated 23 December 2016 entered into between Ideasoftware Solutions Sdn Bhd and RG Vietnam for usage of *Ideasoftware* source codes ("**Deed of Assignment**"). This enables RG Vietnam to offer retail POS software with retail hardware equipment we sell to provide a more complete and affordable solution to our customers in

## 5. INFORMATION ON OUR GROUP (Cont'd)

Vietnam. An assignment of copyright involves the transfer of the ownership of the proprietary rights in the copyright by way of a sale, hire, under a will or by way of gift for natural love and affection. The assignment is completed when the ownership is transferred in writing and the assignment is signed by or on behalf of the assignor. The Deed of Assignment between Ideasoftware Solutions and RG Vietnam was completed on the date of the Deed as the consideration had been satisfied on that date and all the property, rights, title and interest in the software have been assigned to RG Vietnam. As such, the impending liquidation of Ideasoftware Solutions will have no effect on the assignment.

Please refer to Section 5.7.7 of this Prospectus for details of our on-going and future R&D projects.

***With our businesses in retail hardware and software, we are a total solutions provider for retail technology solutions***

Our Group has grown from the trading of retail hardware such as POS terminals, barcode printers, scanners, receipt printers, handheld terminals and other POS peripherals; to the provision of retail software. Retail software includes the following:-

- (i) third party software such as *Microsoft Dynamics NAV* and *LS Retail*; and
- (ii) our in-house B2B retail management software, namely *AX Retail B2B Portal* and *AX Retail Consignment Portal*, and software for handheld terminals, namely *AX Mobile*.

With this, our Group is positioned as a total solutions provider for retail technology, as we are able to provide a full range of retail hardware and software solutions as well as maintenance and technical support services to our customers in the retail industry. Our Group has also successfully penetrated the regional overseas markets, where we have set up regional offices in Vietnam and Cambodia to provide our retail hardware and software solutions to customers in Vietnam and Cambodia. In 2017, the retail technology solutions industry size in Malaysia was estimated at RM404.19 million. Based on our Group's revenue of RM80.78 million in the FYE 31 December 2017, we captured an industry revenue share of 19.99% for 2017 in Malaysia (*Source: Industry Overview*).

On 15 March 2017, we have further expanded our business by investing RM500,000 (equivalent to a 20% equity stake) in Symple Apps for the purpose of venturing into the provision of field employee management, via a mobile application software ("**mobile app**"), whereby the mobile app enables the management to manage their company employees who frequently work out of office, such as sales representatives and technical service personnel. This business complements our Group's existing business as the field employee management mobile app is able to run on handheld terminals sold by our Group. Our investment in Symple Apps offers us an opportunity to cross-sell the field employee management mobile app with our handheld terminals as well as to explore the mobile app technology. The field employee management mobile app by Symple Apps is currently available in the market and we have already started cross-selling the products bundled together with our Group's handheld terminals or sold independently since May 2017.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### Shareholdings Changes

The changes in ownership of Radiant Globaltech since its incorporation is summarised below:-

Year	Changes in ownership of Radiant Globaltech
2003	<ul style="list-style-type: none"> <li>Incorporation of Radiant Globaltech with three (3) initial shareholders, Yap Ban Foo, Yap Sin Sang and Anthony Chin Mun Lee, each holding 33.33% equity interest. Anthony Chin Mun Lee has no family relationship to the substantial shareholders and/or Directors of our Group.</li> </ul>
2010	<ul style="list-style-type: none"> <li>On 15 June 2010, Anthony Chin Mun Lee sold his entire shareholding of one (1) ordinary share to Yap Ban Foo for a total consideration sum of RM1.00. He has also resigned as director on the even date; and</li> <li>Radiant Globaltech had recommenced its operations in the subsequent year to provide retail technology software solutions.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Global Merits, Practical Resources, Jejak Menang and AI Capital became shareholders of Radiant Globaltech through allotment of new shares and acquisition of existing shares, holding 44.00%, 36.00%, 10.00% and 10.00% equity interest respectively; and</li> <li>Lee Zhi Ru became a shareholder of Radiant Globaltech with one (1) ordinary share on 30 December 2016. She has no family relationship to the substantial shareholders and/or Directors of our Group. She disposed of her share on 30 June 2017 and is no longer a shareholder of Radiant Globaltech.</li> </ul>

The changes in ownership of RG Malaysia since its incorporation is summarised below:-

Year	Changes in ownership of RG Malaysia
1994	<ul style="list-style-type: none"> <li>Incorporation of RG Malaysia with three (3) initial shareholders, Chiew Mei Hoon, Chiew Mei Chern and Goh Han Siong, each holding 33.33% equity interest. Goh Han Siong was the founder of RG Malaysia. Chiew Mei Hoon, Chiew Mei Chern and Goh Han Siong have no family relationships with the substantial shareholders and/or Directors of our Group.</li> </ul>
1995	<ul style="list-style-type: none"> <li>Chiew Mei Hoon sold her entire shareholding of one (1) ordinary share to Yap Ban Foo for a total consideration sum of RM1.00;</li> <li>Chiew Mei Chern sold her entire shareholding of one (1) ordinary share to Goh Han Siong for a total consideration sum of RM1.00;</li> <li>Yap Ban Foo became a shareholder of RG Malaysia holding 20.00% equity interest, when he was allotted new shares and acquired existing shares of RG Malaysia; and</li> <li>Yap Sin Sang became a shareholder of RG Malaysia holding 10.00% equity interest, when he acquired existing shares of RG Malaysia.</li> </ul>

**5. INFORMATION ON OUR GROUP (Cont'd)**

Year	Changes in ownership of RG Malaysia
1997 - 2013	<ul style="list-style-type: none"> <li>Between the years 1997 and 2013, Goh Han Siong's shareholdings had increased from two (2) to 360,000 ordinary shares pursuant to a few allotments of new shares. Goh Han Siong had sold his shareholdings of 360,000 ordinary shares to Yap Ban Foo and Yap Sin Sang for a total consideration sum of RM5,118,125; and</li> <li>Through allotment of new shares and acquisition of existing shares between 1997 and 2013, Yap Ban Foo and Yap Sin Sang emerged as the only two (2) shareholders of RG Malaysia with 52.50% and 47.50% equity interest, respectively.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Yap Poh Keong and Tan Chuan Hock became a shareholder of RG Malaysia, each holding a 10.00% equity interest, when they were allotted new shares in RG Malaysia;</li> <li>Yap Sin Sang disposed part of his existing shares of 30,000 ordinary shares to Yap Ban Foo for a total consideration sum of RM1.00, resulting in him holding a 36.00% equity interest in RG Malaysia; and</li> <li>With the above, Yap Ban Foo's equity interest in RG Malaysia stood at 44.00%.</li> </ul>

The changes in ownership of RG Solutions since its incorporation is summarised below:-

Year	Changes in ownership of RG Solutions
2012	<ul style="list-style-type: none"> <li>Incorporation of RG Solutions with two (2) initial shareholders, Hiew Huei Pang and Liew Khin Kheong, each holding 50.00% equity interest.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Hiew Huei Pang and Liew Khin Kheong are the initial shareholders of RG Solutions. Hiew Huei Pang and Liew Khin Kheong sold their entire shareholdings of 10,000 ordinary shares to Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock for a total consideration sum of RM5.00. Both Hiew Huei Pang and Liew Khin Kheong have no family relationship with the substantial shareholders and/or Directors of our Group;</li> <li>Yap Ban Foo became a shareholder of RG Solutions holding a 44.00% equity interest, when he acquired existing shares in RG Solutions;</li> <li>Yap Sin Sang became a shareholder of RG Solutions holding a 36.00% equity interest, when he acquired existing shares in RG Solutions;</li> <li>Yap Poh Keong became a shareholder of RG Solutions holding a 10.00% equity interest, when he acquired existing shares in RG Solutions; and</li> <li>Tan Chuan Hock became a shareholder of RG Solutions holding a 10.00% equity interest, when he acquired existing shares in RG Solutions.</li> </ul>

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.1.2 Our competitive strengths

Our Directors believe that our competitive strengths are as follows:-

**(i) We are a total solutions provider in retail technology solutions**

We are able to offer a full range of retail technology solutions to our customers. As a result of our ability to provide total solutions to our customers, we have managed to secure orders for new solutions from the same customers. Please refer to Sections 5.1.1 and 6 of this Prospectus on the history of our recurring customers and the solutions we offer them as well as the industry prospects.

Our Group's emphasis on total solutions to our customers has been the cornerstone of our growth and expansion to-date, and will continue to drive our growth initiatives in the future. It will help us to continuously introduce new solutions to meet market demand in Malaysia and SEA, as we seek to expand our market presence. In 2017, the retail technology solutions industry size in Malaysia was estimated at RM404.19 million. Based on our Group's revenue of RM80.78 million in the FYE 31 December 2017, we captured an industry revenue share of 19.99% for 2017 in Malaysia (*Source: Industry Overview*).

As a total solutions provider, we are responsive to the needs of our customers, allowing them to streamline their operations by reducing the number of POS suppliers/service providers that they have to engage with. This enables our customers to focus on their daily operations.

**(ii) Our retail software operates on a flexible platform, giving us the ability to provide customisations and enhancements to our customers**

Our Group's retail software operates on the Microsoft .NET framework, a flexible platform that is used to create mobile, desktop, and web applications that run on Windows PCs, devices and servers. With a flexible platform, we are able to provide customisations, enhancements, localisations and/or add-ons to our retail software based on our customers' requirements.

This ability to provide customisations, enhancements, localisations and/or add-ons is an important feature of our retail software business. Our Group has customers from the retail industry ranging from large hypermarkets to small retail outlets, each with its own unique requirements and specifications. A flexible platform allows us to meet our customers' requirements and specifications with no major development work needed. With such a wide range of customers, this flexibility enables us to maintain our competitiveness in the marketplace.

**(iii) We are able to offer efficient and reliable after-sales service to our customers via our nationwide as well as regional customer support network**

We are committed to providing efficient and reliable after-sales service, in terms of maintenance or technical support, in order to maintain strong relationships with our customers.

In Peninsular Malaysia, we have eight (8) in-house customer support service offices; while in East Malaysia, we have four (4) customer support service offices which are outsourced to a third party due to the geographical distances ("**outsourced customer support service**").

Outside of Malaysia, we have two (2) in-house customer support service offices located in Phnom Penh, Cambodia; and Ho Chi Minh City, Vietnam, which are

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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provided by our overseas offices in the respective countries. Furthermore, we have three (3) overseas outsourced customer support service offices located in Jakarta, Indonesia; Quezon City, Philippines; and Singapore.

Please refer to Section 5.4 of this Prospectus for further details of our customer support service offices.

Having customer support service offices across six (6) countries in SEA ensures that we are in close proximity to our customers, thus enabling us to respond to requests for on-site technical support for our hardware segment. In the event that on-site technical support is required by our client, the nearest customer support service will be able to arrange an on-site engineer to reach our customer site promptly. This has accorded us with our industry reputation as a trusted and reliable retail technology solutions provider amongst our customers.

For locations where our Group does not have customer support service offices, the customers will return the faulty hardware to the nearest customer support service to be repaired by our principals or our technical personnel. Once the hardware has been repaired, it will be sent back to the customer.

As for software segment, our Group provides remote online support where the support team based in Malaysia will be able to log into the customers' system remotely to perform diagnostics and rectification works.

Our Group ensures the timeliness and quality of the services provided for customers who have maintenance or technical support arrangement with us, by having optional bi-weekly meetings with the customer via physical meetings or conference calls in order to ensure that customer satisfaction is met.

## 5. INFORMATION ON OUR GROUP (Cont'd)

## (iv) We have a strong portfolio of customers and have established long term relationships with many of our customers

Many of our customers are retail customers, namely major department stores, hypermarkets, supermarkets, grocery convenience stores, retail convenience stores and chain retail stores in Malaysia, as well as the overseas businesses of some of these retailers. We sell our solutions directly to these customers. We also sell directly to distributors, resellers and system integrators. For those customers who have maintenance or technical support arrangement with us, we provide these services to all their outlets and/or branches across the region.

The breakdown of our number of customers and revenue by business activities for the past three (3) FYE 31 December 2015 to 2017 are as follows:-

Business Activities	-----Audited-----					
	2015		2016		2017	
	Number of Customers <sup>^</sup>	Total Revenue RM'000	% of Total Revenue	Number of Customers <sup>^</sup>	Total Revenue RM'000	% of Total Revenue
Hardware	816	51,277	77.23	700	58,509	76.14
Software	28	6,344	9.55	28	7,104	9.24
➤ In-house	4	1,924	2.90	5	3,384	4.40
➤ Third party	24	4,420	6.65	23	3,720	4.84
Maintenance and technical support services	45	8,781	13.22	48	11,234	14.62
				63	12,045	14.91
				964	58,306	72.18
				44	10,432	12.91
				4	4,007	4.96
				40	6,425	7.95

**Note:-**

<sup>^</sup> The number of customers in the above table is from individual business segment, namely hardware, software, and maintenance and technical support services which may have common customers. Our Group served a total of 840, 726 and 978 distinct customers for the past three (3) FYE 31 December 2015 to 2017, respectively. Out of the distinct customers, 271, 234 and 411 were retail customers, representing 35.76%, 40.81% and 49.49% of our revenue for the past three (3) FYE 31 December 2015 to 2017.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Throughout the years, our Group has focused more on securing larger purchase orders and continuous purchases as well as from our longstanding customers. Thus, this resulted in the gradual decrease of the total number of customers but an increase in revenue from FYE 31 December 2015 to FYE 31 December 2016. In the FYE December 2017, our revenue marginally increased even though there was a substantial increase in number of customers mainly due to smaller purchases made by our new customers in Vietnam.

With our established presence in the retail technology solutions business coupled with our product quality, customer service and proven track record, we have built a strong customer base consisting of several longstanding customers. Some of our longstanding customers, which we have secured continuous sales since the establishment of our business relationships, are as follows:-

Name of customer	Length of business relationship (years)
GCH Retail (Malaysia) Sdn Bhd (formerly known as Giant TMC Bhd)	18
Guardian Health and Beauty Sdn Bhd	17
Parkson Malaysia	15
Parkson Vietnam	13
Padini Corporation Sdn Bhd	7
99 Speed Mart Sdn Bhd	7
Vinx Malaysia Sdn Bhd*	5
AEON Vietnam	5
AEON Cambodia	4

**Note:-**

\* Customer for products and services delivered to end users, i.e. Japanese based departmental stores, hypermarkets and pharmacies.

**(v) We have an experienced and technically strong key senior management team**

We have been operating in the retail technology solutions industry, supporting retail outlets, for more than 23 years and throughout these years, we have been led by an experienced and technically strong key senior management team.

Our Managing Director and Executive Directors are supported by our key senior management team. The commitment and teamwork between them and our key senior management team have provided impetus for the continuous growth of our Group. Our Executive Directors and key senior management team comprises:-

Name	Designation	Description
Yap Ban Foo	Managing Director	Yap Ban Foo has been with our Group since 1995 and has over 30 years of experience in the retail technology and POS industry.
Yap Sin Sang	Executive Director – Operations	Yap Sin Sang has been with our Group since 1995 and has over 30 years of experience in the retail technology and POS industry.

**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>Name</b>	<b>Designation</b>	<b>Description</b>
Yap Poh Keong	Executive Director – Sales and Software Development	Yap Poh Keong has been with our Group since 2013 and has over 20 years of sales and marketing experience.
Yap Siok Chin	General Manager – Corporate Affairs	Yap Siok Chin has been with our Group since 2001 and has over 20 years of experience in administration, finance, human resource and accounting.
Lee Sook Kuan	Group Accountant	Lee Sook Kuan joined our Group in 2016 and brings with her almost 11 years of experience in finance and accounting.
Loh Soh Wei	Head of Software (Radiant Globaltech)	Loh Soh Wei has been with our Group since 2009 and has over 10 years of experience in the software industry.
Ong Eng Hu	Head of Software (RG Solutions)	Ong Eng Hu has been with our Group since 2009 and has almost 11 years of experience in the software industry.
Chai Fui Nge	Head of Sales	Chai Fui Nge joined our Group in 2016 and brings with her almost 21 years of experience in the sales in industry.
Yeap Chee Keong	Head of Technical	Yeap Chee Keong joined our Group in 2012 and has over 20 years of experience in the IT industry.
Yong Soo Ching	Head of Pre-sales	Yong Soo Ching has been with our Group since 2000 and has 18 years of experience in the retail solutions industry.
Tran Phu Vinh	Deputy General Director – Vietnam	Tran Phu Vinh has been with our Group since 2006 and has 20 years of experience in the retail solutions and IT industry.

Throughout these years, we have built an established industry reputation through our management's experience, technical know-how and industry knowledge. Our ability to provide reliable solutions, coupled with our consistent levels of dependable service, has been instrumental in attracting new customers, and has enabled us to maintain our business relationships with our existing customers. We believe that the strength and experience of our key senior management team will enable us to continue to further grow our business and expand our market presence.

**(vi) We are well-positioned for future regional expansion**

Our retail technology solutions are sold directly to local as well as overseas customers. We have established our presence in Vietnam and Cambodia to facilitate our long term expansion in these countries. The combined sales from RG Vietnam and RG Cambodia comprised 4.43%, 6.58% and 13.10% respectively of our total sales over the past three (3) FYE 31 December 2015 to 2017. Our track record in the above overseas markets has provided a foundation for our Group to further expand our market presence in SEA.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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As a total solutions provider to the retail industry, our growth will remain in tandem with growth in the retail industry. Please refer to Section 6 of this Prospectus for details on outlook and prospects of the retail industries in SEA. With the anticipated and sustained growth in the retail industry in the SEA region driving growth for retail technology solutions, and our success in the SEA markets, we are well-positioned to benefit from this growth and continue on our long term regional expansion.

**(vii) We were granted the MSC-Malaysia status, which enables our Company to reap the financial and non-financial incentives attached**

We were granted MSC-Malaysia status in December 2014 by MDeC. Presently, all MSC-Malaysia status companies are granted financial and non-financial incentives which are guaranteed under the Malaysian Government's Bill of Guarantees for MSC-Malaysia status companies.

Pursuant to the MSC-Malaysia status, we were granted Pioneer Status which entitled us to an initial five (5) years 100 percent exemption on taxable statutory income derived from approved MSC activities, which is renewable for a further period of five (5) years upon expiry of the first five (5) years. We also enjoy exemption from import duties and sales tax for the import by Radiant Globaltech of multimedia equipment and components for direct use in the operation of Radiant Globaltech's approved MSC activities subject to the provisions of the Customs Act 1967 and Sales Tax Act 1972 and such conditions as may be imposed by the Minister of Finance.

We are also entitled to non-financial incentives which include:-

- (i) Unrestricted employment of foreign knowledge workers;
- (ii) Freedom of ownership by exempting MSC-Malaysia status companies from local ownership requirements; and
- (iii) Freedom to source capital for MSC infrastructure globally and the right to borrow funds globally.

Access to these benefits and incentives will provide us with the necessary resources to accelerate our R&D efforts and bring new products and services to the market.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.1.3 Share capital and changes in share capital

As at the LPD, our issued share capital is RM19,856,000 comprising 397,120,000 Shares.

The details of the changes in our issued share capital since incorporation up to the LPD are as follows:-

Date of Allotment	No. of Shares allotted	Consideration	Nature of transaction	Cumulative Issued Share Capital (RM)
10 July 2003	3	Cash of RM3	Incorporation	3
12 April 2011	497	Cash of RM497	Issue of shares	500
8 October 2015	99,500	Cash of RM99,500	Issue of shares	100,000
30 December 2016	50,000	Cash of RM50,000	Issue of shares	150,000
27 June 2017	3,000,000 <sup>^</sup>	-	Subdivision of shares	150,000
28 June 2017	90,000,000 <sup>*</sup>	Capitalisation of reserves of RM4,500,000	Bonus issue of shares	4,650,000
30 June 2017	282,660,000	Otherwise than cash of RM14,133,000	Issue of shares for the acquisition of RG Malaysia	18,783,000
30 June 2017	21,460,000	Otherwise than cash of RM1,073,000	Issue of shares for the acquisition of RG Solutions	19,856,000

**Notes:-**

<sup>^</sup> Number of subdivided shares.

<sup>\*</sup> Number of shares issued pursuant to bonus issue.

There were no discounts, special terms or installment payment terms given in consideration of the allotment.

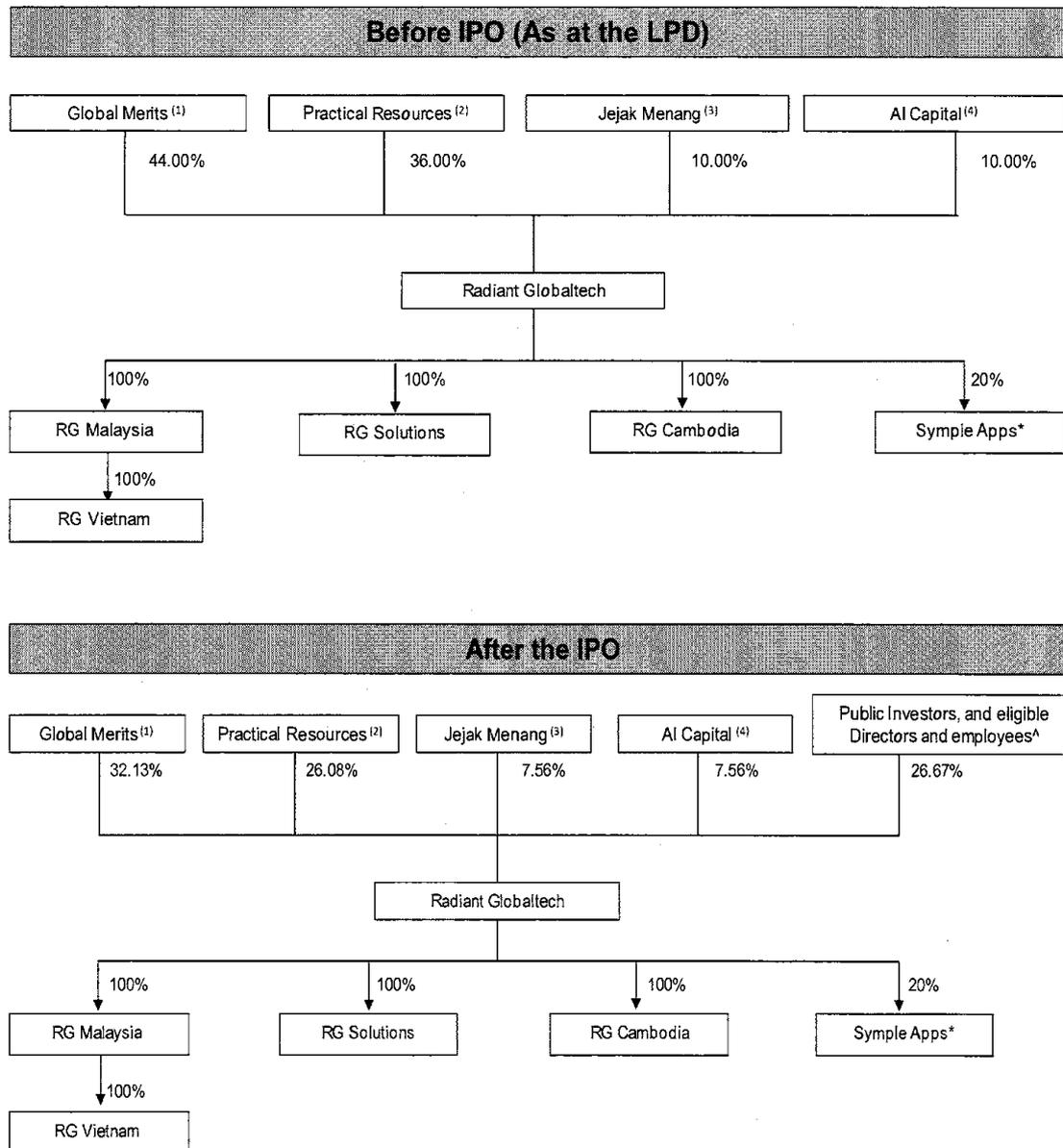
Upon completion of our Listing, our issued share capital will increase to RM49,314,400 comprising 525,200,000 Shares.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.1.4 Subsidiaries and Associate Company

Our Group structure before and after the IPO is illustrated below:-



#### Notes:-

- \* The remaining 80% shareholding in Sympie Apps is held by Incredible QR Sdn Bhd. Please refer to Section 5.2.5(c) of this Prospectus for further information.
- ^ Assuming that all Pink Form Allocation is fully subscribed.
- (1) Global Merits is held by Yap Ban Foo and Yap Choon Hong with equity interest of 99.00% and 1.00%, respectively.
- (2) Practical Resources is held by Yap Sin Sang and Yong Chau Hiong with equity interest of 90.00% and 10.00%, respectively.
- (3) Jejak Menang is held by Yap Poh Keong and Chong Wee Hong with equity interest of 90.00% and 10.00%, respectively.
- (4) AI Capital is held by Tan Chuan Hock and Lim Geok Keong with equity interest of 90.00% and 10.00%, respectively.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Details of our subsidiaries and associate company are set out below:-

Subsidiaries and Associate Company	Date/Place of Incorporation	Issued Share Capital	Effective Equity Interest (%)	Principal Activities
<b>Subsidiaries of Radiant Globaltech</b>				
RG Malaysia	24 June 1994/Malaysia	RM1,500,000	100.00	Trading in retail technology hardware, provision of maintenance and technical support services, and investment holding
RG Solutions	24 December 2012/Malaysia	RM10,000	100.00	Provision of retail technology software solutions
RG Cambodia	25 January 2013/Kingdom of Cambodia	20,000,000 Riels	100.00	Trading in retail technology hardware and provision of retail technology software solutions, maintenance and technical support services
<b>Subsidiary of RG Malaysia</b>				
RG Vietnam	21 December 2006/Vietnam	Capital Contribution of USD100,000*	100.00	Trading in retail technology hardware and provision of retail technology software solutions, maintenance and technical support services
<b>Associate Company of Radiant Globaltech</b>				
Symple Apps	15 March 2017/Malaysia	RM2,500,000	20.00	Provision of mobile application software

**Note:-**

\* Pursuant to the laws of Vietnam, company incorporated in Vietnam shall have charter capital, which is contributed by its owner. The capital contributed to the company by the owner shall be the capital contribution and is not divided into shares.

Further details on our subsidiaries and associate company are set out in Section 5.2 of this Prospectus below.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.2 INFORMATION ON OUR SUBSIDIARIES AND ASSOCIATE COMPANY

In conjunction with the IPO, we undertook an internal reorganisation. Further details are as below:-

(i) Acquisition of RG Malaysia

On 29 June 2017, Radiant Globaltech entered into a share sale agreement with the vendors of RG Malaysia namely Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock to acquire the entire issued share capital of RG Malaysia amounting to RM1,500,000 comprising 1,500,000 ordinary shares for a purchase consideration of RM14,133,000, which was wholly satisfied by the issuance of 282,660,000 Radiant Globaltech Shares at an issue price of RM0.05 per Share.

The purchase consideration of RG Malaysia of RM14,133,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration the NA position of RG Malaysia as at 31 December 2016 of RM17.427 million. The acquisition of RG Malaysia was completed on 30 June 2017 and became a wholly-owned subsidiary of our Company.

(ii) Acquisition of RG Solutions

On 29 June 2017, Radiant Globaltech entered into a share sale agreement with the vendors of RG Solutions namely Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock to acquire the entire issued share capital of RG Solutions of RM10,000 comprising 10,000 ordinary shares for a purchase consideration of RM1,073,000, which was wholly satisfied by the issuance of 21,460,000 Shares at an issue price of RM0.05 per Share.

The purchase consideration of RG Solutions of RM1,073,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration the NA position of RG Solutions as at 31 December 2016 of RM1.073 million. The acquisition of RG Solutions was completed on 30 June 2017 and became a wholly-owned subsidiary of our Company.

(iii) Acquisition of RG Cambodia

On 29 June 2017, Radiant Globaltech entered into a share sale agreement with the vendor of RG Cambodia namely Yap Ban Foo to acquire the entire share capital of RG Cambodia amounting to 20,000,000 Riels comprising 1,000 ordinary shares of 20,000 Riels each in RG Cambodia for a purchase consideration of RM1.00, which was satisfied cash.

The purchase consideration of RG Cambodia of RM1.00 was arrived at on a willing-buyer willing-seller basis after taking into consideration the net liabilities position of RG Cambodia as at 31 December 2016 of RM0.011 million. The acquisition of RG Cambodia was completed on 25 August 2017 and became a wholly-owned subsidiary of our Company.

Information on our existing subsidiaries and associate company is set out below.

#### 5.2.1 RG Malaysia

(a) Background, history and principal activities

RG Malaysia was incorporated in Malaysia and deemed registered under the Act on 24 June 1994 as a private limited liability company under the name of Spartan Peripheral (M) Sdn Bhd. It subsequently changed its name to Radiant Global ADC Sdn Bhd on 5 September 2014.

RG Malaysia commenced its business operations in 1994 and its principal place of business is in Kuala Lumpur, Malaysia.

It is principally involved in trading in retail technology hardware, provision of maintenance and technical support services, and investment holding.

**5. INFORMATION ON OUR GROUP (Cont'd)**

Pursuant to the internal reorganisation, Radiant Globaltech acquired the shares of RG Malaysia from Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock.

**(b) Share capital**

RG Malaysia's present issued share capital is RM1,500,000 comprising 1,500,000 ordinary shares.

Details of the changes in the issued share capital of RG Malaysia since incorporation up to the LPD are as follows:-

<b>Date of Allotment</b>	<b>No. of shares allotted</b>	<b>Consideration</b>	<b>Nature of transaction</b>	<b>Cumulative Issued Share Capital (RM)</b>
24 June 1994	3	Cash of RM3	Incorporation	3
24 January 1995	199,997	Cash of RM199,997	Issue of shares	200,000
1 November 2004	300,000	Cash of RM300,000	Issue of shares	500,000
7 November 2008	400,000	Otherwise than cash of RM400,000	Bonus issue of shares	900,000
8 November 2016	300,000	Otherwise than cash of RM300,000	Bonus issue of shares	1,200,000
30 December 2016	300,000	Cash of RM300,000	Issue of shares	1,500,000

There were no discounts, special terms or installment payment terms given in consideration of the allotment.

As at the LPD, RG Malaysia does not have any outstanding warrants, options, convertible securities and uncalled capital.

**(c) Substantial shareholder**

As at the LPD, RG Malaysia is our wholly-owned subsidiary.

**(d) Subsidiary and associate company**

RG Malaysia has a subsidiary, RG Vietnam. The details of RG Vietnam are set out in Section 5.2.4 of this Prospectus.

On 18 May 2017, RG Malaysia had disposed of its entire interest in an existing subsidiary namely Accurate Computer Solutions Sdn Bhd. The entire issued share capital of RM50,000 comprising 50,000 ordinary shares were disposed to Yap Ban Foo and Yap Sin Sang on an equal basis for disposal consideration of RM50,000.

As at the LPD, RG Malaysia does not have any associate company.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.2.2 RG Solutions****(a) Background, history and principal activities**

RG Solutions was incorporated in Malaysia and deemed registered under the Act on 24 December 2012 as a private limited liability company under the name Axiome Technologies (M) Sdn Bhd. It subsequently changed its name to Radiant Global Solutions Sdn Bhd on 29 June 2017.

RG Solutions commenced its business operations in 2012 and its principal place of business is in Kuala Lumpur, Malaysia.

It is principally involved in provision of retail technology software solutions.

Pursuant to the trust deed dated 24 December 2012, the shares of RG Solutions were initially held in trust for Yap Ban Foo and Yap Sin Sang by Hiew Huei Pang and Liew Khin Kheong respectively as RG Malaysia was supplying hardware to some software suppliers who were in competition with RG Solutions. The trust arrangement has since been terminated and the shares in RG Solutions were transferred to Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock on 30 December 2016. Subsequently, as part of the internal reorganisation, Radiant Globaltech acquired the shares of RG Solutions from Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock.

Notwithstanding this, RG Solutions expects that this reorganisation will not materially impact to the business of RG Malaysia as RG Malaysia currently has established long term relationships with a strong portfolio of customers. The percentage of revenue contribution to our Group which are derived from those software suppliers, who are deemed in competition with RG Solutions for the past three (3) FYE 31 December 2015 to 2017 were 10.31%, 7.85% and 5.98% respectively.

**(b) Share capital**

RG Solutions' present issued share capital is RM10,000 comprising 10,000 ordinary shares.

There have been no changes in the issued share capital of RG Solutions since incorporation up to the LPD.

There were no discounts, special terms or installment payment terms given in consideration of the allotment.

As at the LPD, RG Solutions does not have any outstanding warrants, options, convertible securities and uncalled capital.

**(c) Substantial shareholder**

As at the LPD, RG Solutions is our wholly-owned subsidiary.

**(d) Subsidiary and associate company**

As at the LPD, RG Solutions does not have any subsidiary or associate company.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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**5.2.3 RG Cambodia****(a) Background, history and principal activities**

RG Cambodia was incorporated in Cambodia under Law on Commercial Enterprises, dated 19 June 2005 on 25 January 2013 as a private limited liability company under the name of Inspire Technologies Cambo Pte., Ltd. It subsequently changed its name to Radiant Global ADC Cambo Pte., Ltd. on 19 March 2014.

RG Cambodia commenced its business operations in 2013 and its principal place of business is in Phnom Penh, Cambodia.

It is principally involved in trading in retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.

Pursuant to the internal reorganisation, Radiant Globaltech acquired the shares of RG Cambodia from Yap Ban Foo.

**(b) Share capital**

RG Cambodia's present issued share capital is 20,000,000 Riel comprising 1,000 ordinary shares of 20,000 Riel each.

There have been no changes in the issued share capital of RG Cambodia for the past three (3) years.

There were no discounts, special terms or installment payment terms given in consideration of the allotment.

As at the LPD, RG Cambodia does not have any outstanding warrants, options, convertible securities and uncalled capital.

**(c) Substantial shareholder**

As at the LPD, RG Cambodia is our wholly-owned subsidiary.

**(d) Subsidiary and associate company**

As at the LPD, RG Cambodia does not have any subsidiary or associate company.

**5.2.4 RG Vietnam****(a) Background, history and principal activities**

RG Vietnam was incorporated in Vietnam pursuant to the Law on Investment No. 59/2005/QH11 of the National Assembly of Vietnam and the Law on Enterprises No. 60/2005/QH11 of the National Assembly of Vietnam on 21 December 2006 as a sole member limited company under the name of Spartan Vietnam Limited Company. It subsequently changed its name to Radiant Global ADC Vietnam Co, Ltd on 15 January 2016.

RG Vietnam commenced its business operations in 2007 and its principal place of business is in Ho Chi Minh, Vietnam.

It is principally involved in trading in retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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**(b) Share capital**

Pursuant to the laws of Vietnam, a company incorporated in Vietnam shall have charter capital, which is contributed by its owner. The capital contributed to the company by the owner shall be the capital contribution and is not divided into shares.

As at the LPD, the charter capital of RG Vietnam is USD100,000 and has been USD100,000 since its incorporation.

There were no discounts, special terms or installment payment terms given in consideration of the allotment.

As at the LPD, RG Vietnam does not have any outstanding warrants, options, convertible securities and uncalled capital.

**(c) Substantial shareholder**

As at the LPD, RG Vietnam is a wholly-owned subsidiary of RG Malaysia, our wholly-owned subsidiary.

**(d) Subsidiary and associate company**

As at the LPD, RG Vietnam does not have any subsidiary or associate company.

**5.2.5 Symple Apps****(a) Background, history and principal activities**

Symple Apps was incorporated in Malaysia under the Act on 15 March 2017 as a private limited liability company under the present name.

Symple Apps commenced its business operations in 2017 and its principal place of business is in Kuala Lumpur, Malaysia.

It is principally involved in the provision of field employee management, via mobile application software.

**5. INFORMATION ON OUR GROUP (Cont'd)****(b) Share capital**

Symple Apps's present issued share capital is RM2,500,000 comprising 2,500,000 ordinary shares.

Details of the changes in the issued share capital of Symple Apps since incorporation up to the LPD are as follows:-

<b>Date of Allotment</b>	<b>No. of shares allotted</b>	<b>Consideration</b>	<b>Nature of transaction</b>	<b>Cumulative Issued Share Capital (RM)</b>
15 March 2017	1	Cash of RM1	Incorporation	1
29 June 2017	499,999	Cash of RM499,999	Issue of shares	500,000
29 June 2017	2,000,000	Otherwise than cash of RM2,000,000	Issue of shares	2,500,000

There were no discounts, special terms or installment payment terms given in consideration of the allotment.

As at the LPD, Symple Apps does not have any outstanding warrants, options, convertible securities and uncalled capital,

**(c) Substantial shareholder**

Symple Apps is a 20% associate company of Radiant Globaltech.

The remaining 80% shareholding in Symple Apps is held by Incredible QR Sdn Bhd, a company incorporated in Malaysia and deemed registered under the Act on 10 August 2012. The shareholders of Incredible QR Sdn Bhd are Lim Chiew Shan, Lim Chew Shyan, Eric Tan Chin Siong and Tan Chin Kwan, with an equity interest of 68.00%, 2.00%, 15.00% and 15.00% respectively.

None of the shareholders of Incredible QR Sdn Bhd have any family relationship with the substantial shareholders and/or Directors of our Group.

**(d) Subsidiary and associate company**

As at the LPD, Symple Apps does not have any subsidiary or associate company.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.3 LISTING SCHEME

In conjunction with and as an integral part of our listing of and quotation for the entire enlarged issued share capital of our Company on the ACE Market of Bursa Securities, the details of our Listing Scheme are as follows:-

#### 5.3.1 Public Issue

Our Company will undertake a public issue of 128,080,000 new Shares, at the IPO Price, representing approximately 24.39% of our enlarged issued share capital, payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

- (a) 11,000,000 new Radiant Globaltech Shares, representing approximately 2.09% of our enlarged issued share capital, made available for application by the Malaysian Public via balloting, of which at least 50% is to be set aside strictly for Bumiputera investors;
- (b) 21,100,000 new Radiant Globaltech Shares, representing approximately 4.02% of our enlarged issued share capital, made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group; and
- (c) 95,980,000 new Radiant Globaltech Shares, representing approximately 18.28% of our enlarged issued share capital, made available by way of placement to selected investors.

All the Issue Shares shall rank equally in all respects with the existing issued share capital of our Company, including the voting rights and rights to all dividends and distributions that may be declared, made or paid subsequent to the date of the allotment thereof.

Upon completion of the Public Issue, the issued share capital of our Company will increase from RM19,856,000 comprising 397,120,000 Shares to RM49,314,400 comprising 525,200,000 Shares.

#### 5.3.2 Offer for Sale

Concurrent with our Listing, the Offerors will undertake an offer for sale of 12,000,000 Offer Shares, representing approximately 2.28% of the enlarged issued share capital at the IPO Price, payable in full on application upon such terms and conditions as set out in this Prospectus, by way of placement to selected investors.

Pursuant to the Offer for Sale, the Offerors are expected to raise approximately RM2.760 million based on the IPO Price.

All the Offer Shares shall rank equally in all respects with the existing issued shares of our Company, including the voting rights and rights to all dividends and distributions that may be declared, made or paid subsequent to the date of the transfer thereof.

#### 5.3.3 Listing

The admission and the listing of and quotation for our entire enlarged issued share capital of RM49,314,400 comprising 525,200,000 Shares on the ACE Market of Bursa Securities have been approved by Bursa Securities.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.4 LOCATION OF OPERATIONS**

The location of our Group's operational and administrative premises is as follows:-

<b>Facilities</b>	<b>Owned/Rented</b>	<b>Address</b>
<b>Malaysia</b>		
Head Office	Owned	Unit 03-06 & 03-07, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
Office, warehouse and customer support service office	Owned	No. 8, Jalan 3/91A, Taman Shamelin Perkasa, Cheras, 56100 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
Customer support service office	Rented	No. 5010, Taman PKNK, Jalan Tun Razak, 05200 Alor Setar, Kedah, Malaysia.
Customer support service office	Rented	No. 17-2, Taman Permata, Jalan Hj. Jaib, 84000 Muar, Johor, Malaysia.
Customer support service office	Rented	No. 30A, Jalan Layang 16, Taman Perling, Johor Bahru, 81200 Johor, Malaysia.
Customer support service office	Rented	70-2-56A, D'Piazza Mall, Jalan Mahsuri, Bayan Baru 11900 Bayan Lepas, Pulau Pinang, Malaysia
Customer support service office	Rented	Lot No. A-04-06, Pelangi Mall, Jalan Post Office Lama, 15000 Kota Bharu, Kelantan, Malaysia.
Customer support service office	Rented	Second Floor, B-156, Jalan Haji Ahmad, Perumahan Sekilau, 25300 Kuantan, Pahang, Malaysia.
Customer support service office	Rented	No. 3A, (1st Floor), Lengkok Tasek Timur 1A, Pusat Perdagangan Tasek Indra, 31400 Ipoh, Perak, Malaysia.
Support centre for IT outsourcing services	Rented	B-03A-13A, Gateway Kiaramas, No. 1, Jalan Desa Kiara, Mont Kiara, 50480, Kuala Lumpur, Malaysia.
<b>Cambodia</b>		
Office and customer support service office	Rented	Cambodiana Hotel, No. 313, Room 10, Sisowath Quay, Phnom Penh, Kingdom of Cambodia.

**5. INFORMATION ON OUR GROUP (Cont'd)**

Facilities	Owned/Rented	Address
<b>Vietnam</b>		
Office, warehouse and customer support service office	Rented	No. 456/57, Cao Thang Street, Ward 12, District 10, Ho Chi Minh City, Vietnam.
Sales office	Rented	Robot Tower, 308-308C Dien Bien Phu Street, Ward 4, District 3, Ho Chi Minh City, Vietnam.

The parties that our Group outsourced our customer support services to are as follows:-

Location	Outsourced Service Provider
Kuching, Sarawak Miri, Sarawak Kota Kinabalu, Sabah Tawau, Sabah	SPEM
Jakarta, Indonesia	Xetron Solutions Sdn Bhd
Quezon City, Philippines	Radiant Global HD Inc
Singapore	Radiant Global System (S) Pte Ltd

Please refer to Section 9.1 of this Prospectus for further information of our Group's land and buildings.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.5 KEY ACHIEVEMENTS/MILESTONES/AWARDS

Since the commencement of our business, we have achieved the following key achievements, milestones and awards:-

Year	Key Achievements/Milestones/Awards
1994	<ul style="list-style-type: none"> <li>Incorporation of RG Malaysia (<i>formerly known as Spartan Peripheral (M) Sdn Bhd</i>) and commencement of our retail hardware business in Malaysia.</li> </ul>
2003	<ul style="list-style-type: none"> <li>Incorporation of Radiant Globaltech (<i>formerly known as Axiome Portal Sdn Bhd and Spartan System Integration Sdn Bhd</i>) to undertake trading of computer related products.</li> </ul>
2005	<ul style="list-style-type: none"> <li>Acquisition by Yap Ban Foo and Yap Sin Sang of Ideasoft Solutions to venture into the retail software business in Malaysia.</li> <li>Secured our first hardware overseas sales to Vietnam.</li> </ul>
2006	<ul style="list-style-type: none"> <li>Incorporation of RG Vietnam (<i>formerly known as Spartan Vietnam Limited Company</i>) to facilitate our expansion into Vietnam.</li> </ul>
2009	<ul style="list-style-type: none"> <li>Commenced in-house R&amp;D for the development of our in-house B2B retail management software.</li> </ul>
2011	<ul style="list-style-type: none"> <li>Secured first sales for <i>AX Retail Consignment Portal</i>, one of our in-house B2B retail management software.</li> </ul>
2012	<ul style="list-style-type: none"> <li>Incorporation of RG Solutions (<i>formerly known as Axiome Technologies (M) Sdn Bhd</i>) to replace the business of Ideasoft Solutions for rebranding and repositioning our business in retail POS software.</li> <li>Commenced in-house R&amp;D for the development of our in-house software for handheld terminals.</li> </ul>
2013	<ul style="list-style-type: none"> <li>Secured our first overseas retail software sales for <i>Microsoft Dynamics NAV</i> and <i>LS Retail</i> in Vietnam.</li> <li>Expansion into Cambodia with the incorporation of RG Cambodia (<i>formerly known as Inspire Technologies Cambo Pte., Ltd</i>) for retail hardware business.</li> <li>Secured our first sales in Cambodia from DFI Cambodia.</li> </ul>
2014	<ul style="list-style-type: none"> <li>Radiant Globaltech was awarded the MSC-Malaysia status.</li> <li>Secured first sales for <i>AX Mobile</i>, our in-house software for handheld terminals/desktop.</li> </ul>
2015	<ul style="list-style-type: none"> <li>Secured first sales for <i>AX Retail B2B Portal</i>, one of our in-house B2B retail management software.</li> </ul>
2017	<ul style="list-style-type: none"> <li>Invested a 20% equity stake in Symples Apps to venture into the business of field employee management via a mobile application software.</li> </ul>

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.6 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURE

Our Group's material capital expenditure or investments for the past three (3) FYE 31 December 2015 to 2017 and as at the LPD were as follows:-

Material Capital Expenditure or Investments	Transaction value				As at the LPD RM'000
	FYE 31 December				
	2015 RM'000	2016 RM'000	2017 RM'000		
Office buildings	3,458	2,894	-	-	
- <i>Malaysia</i>	3,458	2,894	-	-	
- <i>Vietnam</i>	-	-	-	-	
- <i>Cambodia</i>	-	-	-	-	
Motor vehicles	630	-	478	-	
- <i>Malaysia</i>	630	-	366	-	
- <i>Vietnam</i>	-	-	112	-	
- <i>Cambodia</i>	-	-	-	-	
<b>Total</b>	<b>4,088</b>	<b>2,894</b>	<b>478</b>	<b>-</b>	

Our material capital expenditure during the FYE 31 December 2015 to 2017 comprised capital expenditure on office buildings and motor vehicles. Our material capital expenditure was primarily funded via a combination of bank borrowings and internally generated funds.

For the FYE 31 December 2016, our Group's capital expenditure for office buildings was due to the acquisition of our Vertical Business Suite 03-08, which was funded via bank borrowings.

The capital expenditure incurred for motor vehicles for the FYE 31 December 2017 was mainly related to the acquisition of one (1) new car for our director and one (1) motor vehicle for our Vietnam's business operations.

**5. INFORMATION ON OUR GROUP (Cont'd)**

Our Group's material capital divestment for the past three (3) FYE 31 December 2015 to 31 December 2017 and as at the LPD were as follows:-

	<-----Cost value----->			
	<----- FYE 31 December ----->			As at the LPD
	2015	2016	2017	
<b>Material Capital Divestment</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Office equipment	441	116	-	-
- <i>Malaysia</i>	441	116	-	-
- <i>Vietnam</i>	-	-	-	-
- <i>Cambodia</i>	-	-	-	-
<b>Total</b>	<b>441</b>	<b>116</b>	<b>-</b>	<b>-</b>

Our Group's material capital divestments for the FYEs 31 December 2015 and 2016 were mainly due to writing off of our office equipment, such as printers, computers and air conditioners, which are more than 10 years.

**Material plans to construct, expand or improve property, plant and equipment**

As at the LPD, our Group has no other immediate plans to construct, expand or improve on existing facilities, save for the following:-

Description	Estimated expenditure amount RM'000	Amount already paid as at the LPD RM'000	Method of financing	Estimate timeframe for completion from the LPD
Vertical Business Suite 03-08 - Renovation and furniture and fittings	400	-	Internally generated funds	Within three (3) months

Save for the above and the proposed utilisation of proceeds from our IPO for our proposed capital expenditure are set out in Section 3.6 of this Prospectus, we have neither paid for any material capital expenditure nor undertaken any material capital expenditure and divestiture that is currently in progress or made firm commitments.

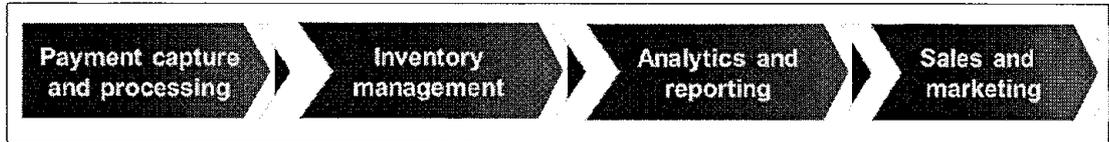
5. INFORMATION ON OUR GROUP (Cont'd)

5.7 BUSINESS OVERVIEW

5.7.1 Our principal activities

Our Group is principally involved in the provision of retail technology solutions. Retail technology solutions are products and services used by businesses in the retail sector to automate their operations, in order to increase efficiency and reduce costs.

The value chain of the retail technology solutions industry is set out below.

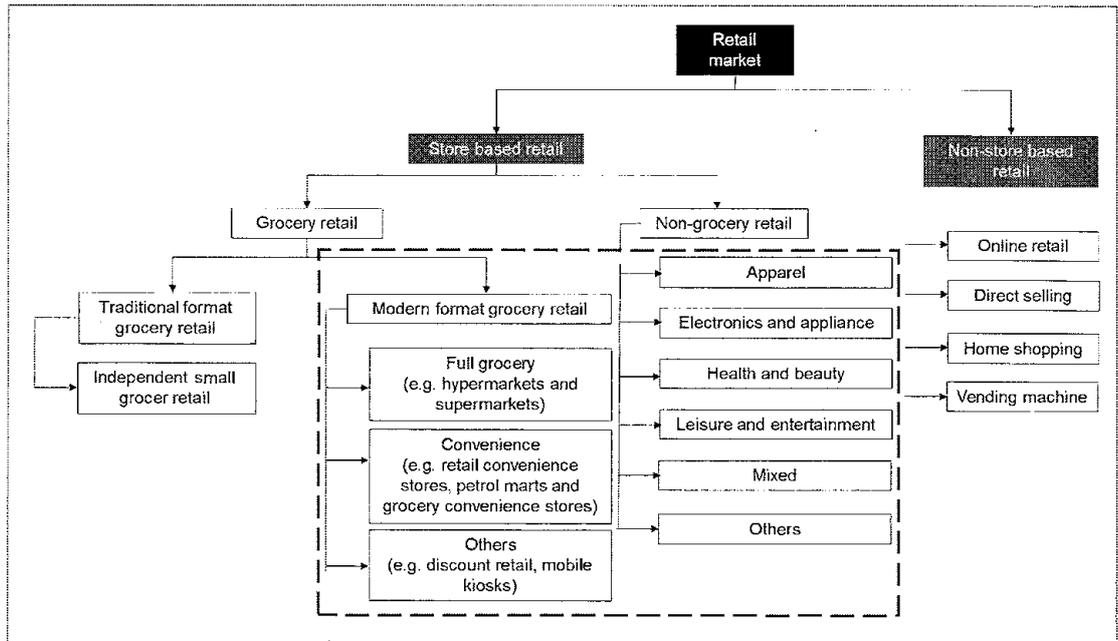


Source: SMITH ZANDER

Our retail technology solutions are used for capturing and processing payments (i.e. POS), inventory management, analytics and reporting, and sales and marketing (i.e. customer loyalty management).

We provide retail technology solutions to customers or end-users in the retail industry, such as department stores, hypermarkets, supermarkets, grocery convenience stores, retail convenience stores and chain retail stores. We sell our solutions directly to these customers. We also sell directly to distributors, resellers and system integrators. Distributors and resellers are trading companies who purchase retail hardware from our Group for onward sale to their customers. System integrators are IT companies who purchase retail hardware from our Group for integration with other third party software.

The segmentation of the retail industry in Malaysia is set out below.



Notes:-

<sup>a</sup> The examples above are not exhaustive.

[---] Denotes the end-user market segment which Radiant Globaltech Group serves.

Source:- SMITH ZANDER

## 5. INFORMATION ON OUR GROUP (Cont'd)

Our retail technology products and services are as follows:-

- (i) Hardware for the retail industry;
- (ii) Software for the retail industry; and
- (iii) Maintenance and technical support services for retail hardware and software.

### 5.7.2 Our Major Products/Services

Details of our principal activities, in terms of our major products and services, are as follows:-

#### (i) Hardware for the retail industry

We are involved in the marketing, sale and installation of hardware for the retail industry. We procure third party branded retail hardware from product principals for onward sale to our customers. Our retail hardware is sold either independently or bundled with retail software. The revenue generated from sales of retail hardware bundled with retail software contributed 10.96%, 17.68% and 12.06% of our Group's revenue for the past three (3) FYE 31 December 2015 to 2017.

Among the major third party brands that we offer are Datalogic, Denso, Star Micronics, Zebra and Wincor Nixdorf. RG Malaysia has entered into agreements with Datalogic, Star Micronics and Wincor Nixdorf whereas for Zebra and Denso, there is an appointment letter to appoint RG Malaysia as their distributor. Our distributorship agreements with our principals are not exclusive. Aside from procuring third party branded retail hardware from product principals, we also procure a certain retail hardware, namely sales data collection devices, from a hardware supplier in China.

The hardware that we offer our customers are as shown below:

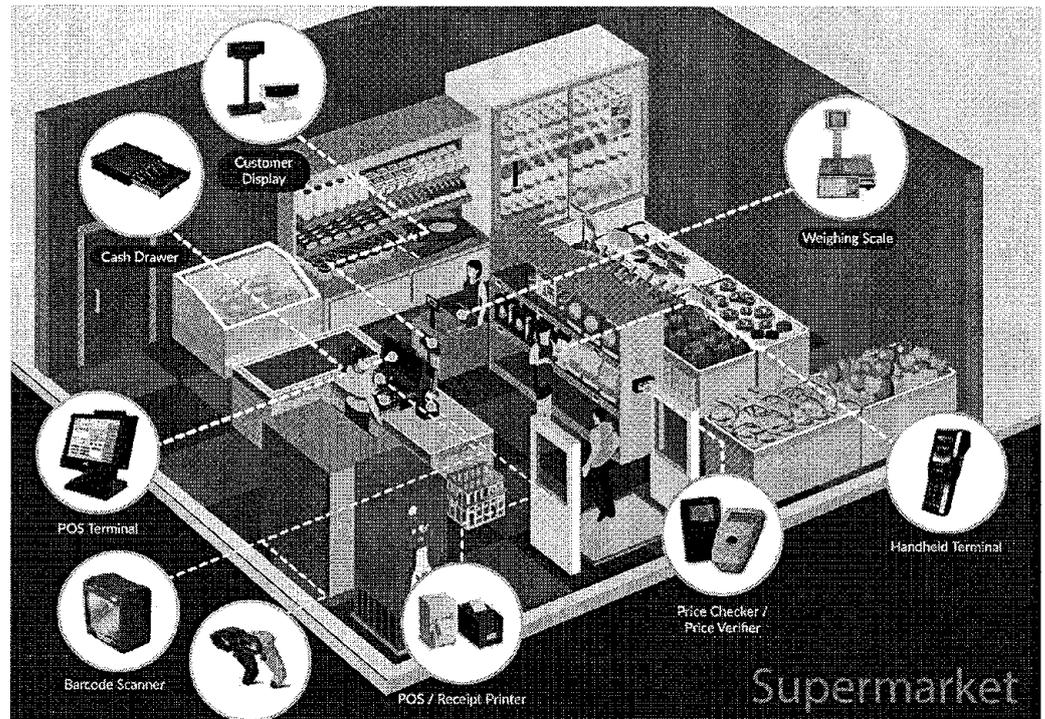
Hardware	Description	Product
Barcode scanner	An electronic device that can read and then communicate printed barcodes to a computer.	<ul style="list-style-type: none"> <li>• General purpose handheld</li> <li>• Retail scanner</li> <li>• Two-dimensional ("2D") barcode scanner</li> </ul>
Barcode printer	<p>An electronic device to print barcode labels that is used to attach to, or print directly on, physical objects.</p> <p>Two (2) types of printing methods:-</p> <ul style="list-style-type: none"> <li>○ Direct thermal printing; and</li> <li>○ Thermal transfer printing</li> </ul>	<ul style="list-style-type: none"> <li>• Desktop barcode printer</li> </ul>
POS/Receipt printer	An electronic device to print receipts, warranty information slips, or parking tickets.	<ul style="list-style-type: none"> <li>• Portable printer</li> <li>• Thermal printer</li> <li>• Impact printer (Dot Matrix printer)</li> <li>• Multi-function printer</li> <li>• Kiosk printer</li> </ul>

## 5. INFORMATION ON OUR GROUP (Cont'd)

Hardware	Description	Product
Handheld terminal	An electronic device to do various commercial activities, such as:- <ul style="list-style-type: none"> <li>○ Barcode scanning</li> <li>○ Price checks</li> <li>○ Inventory checks</li> <li>○ Employee communications</li> </ul>	<ul style="list-style-type: none"> <li>• Batch-based (Text &amp; Window)</li> <li>• WiFi-based</li> <li>• General Packet Radio Service ("GPRS")/Enhanced Data rated for GSM Evolution ("EDGE")/3G-based</li> </ul>
POS equipment/peripherals	Equipment and peripherals used at a POS	<ul style="list-style-type: none"> <li>• POS terminal</li> <li>• Touch screen/Monitor</li> <li>• Cash drawer</li> <li>• Customer display</li> <li>• Programmable keyboard</li> <li>• Price checker/Price verifier</li> <li>• Uninterrupted power supply</li> <li>• Sales data collection device</li> </ul>
Weighing scale	Devices to measure weight	<ul style="list-style-type: none"> <li>• Retail scale</li> </ul>
Hardware consumables	Consumables used by the abovementioned devices	<ul style="list-style-type: none"> <li>• Thermal transfer ribbon</li> <li>• Label</li> <li>• Receipt paper</li> </ul>

A pictorial illustration of some of the main retail hardware products that we provide, as shown in the operations of a typical supermarket, is depicted below. We are involved in the delivery and installation of retail hardware products and integration of the hardware products with the back-end systems of our customers (if necessary), which may include training, localisation and customisation activities.

## 5. INFORMATION ON OUR GROUP (Cont'd)



Handheld terminals may be bundled with our in-house software including Inventory, Spot Billing and Proof of Delivery systems from our *AX Mobile* solution. All our handheld terminals are linked to the customer's back office system.

We do not provide product warranties for our retail hardware products as these products carry with them product warranties from the principals. However, during the warranty period, we deal with our principals on behalf of our customers should our customers experience any hardware product defects. These product warranties do not cover any consequential losses, normal wear and tear, or damage to the hardware products due to negligence by our customers. These defects are generally dependent on the quality control of hardware products manufactured by our principals. Our product principals typically award a one (1)-year warranty for manufacturing defects of their retail hardware.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Further details on the agreements we entered into with our product principals are as follows:-

Product Principal	Name of Agreement/Certificate	Term of Agreement and Renewal Term	Minimum Purchase Requirements
Datalogic	Datalogic Reseller Related Agreement	Datalogic is in the process of finalising the renewal of and the signing of the Datalogic Reseller Related Agreement for year 2018. In the interim, RG Malaysia has written to Datalogic to confirm that their business relationship shall continue in good faith in accordance with the terms of the existing Reseller Related Agreement until such renewal takes place.	RG Malaysia is required to achieve quarterly sales of USD190,000, USD102,000 and USD21,400 for handheld and presentation scanners; mobile computers and store automation products; and fixed retail scanners respectively.
Denso	Letter of Appointment	Issued on 26 October 2016, no term stated in the letter of appointment	No minimum purchase requirement has been set.
Star Micronics	Distribution Agreement	One (1) year from 1 November 2014 and shall be automatically extended for additional periods of one year each unless either party informs in writing the other party of its intention to terminate this agreement	No minimum purchase requirement has been set.
Wincor Nixdorf	Distribution Agreement	1 October 2015 to 30 September 2016 and thereafter is automatically extended by a further 12 months at a time unless terminated by serving a notice with a notice period of three (3) months before any particular expiry date.	No minimum purchase requirement has been set.
Zebra	Certificate of Authorisation 2017	-	No minimum purchase requirement has been set.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### (ii) Software for the retail industry

#### (a) Third party software

##### (1) *LS Retail* (retail POS software)

We are involved in the marketing, sale, enhancements, customisations and implementation of third party software, *LS Retail*. We are a partner of *LS Retail ehf* for *LS Retail* via an Addendum to the *LS Retail Partner Agreement* dated 25 June 2013.

*LS Retail* is a POS software owned and developed by *LS Retail ehf*, a software company based in Iceland. *LS Retail* is a complete retail POS software with all the functions retailers would need for the management of their business operations from head office to POS terminals. *LS Retail* operates on *Microsoft Dynamics NAV* platform.

*LS Retail* has the following functions and benefits:

- Ease of management, as it uses a single software to cover the overall retail business, from the storefront to the head office;
- Cost-savings due to the integration of processes;
- Management of POS terminals;
- Controls and maintains data common to all stores and head office;
- Controls inventory levels; and
- Customer and vendor management.

Our software development team provides software enhancements and customisations to our customers based on their requirements when orders for *LS Retail* POS software are placed. These enhancements and customisations include modules for Goods & Services Tax (“GST”), customer membership and building in pricing and promotion mechanisms.

We offer *LS Retail* on an independent basis or bundled together with retail hardware that we sell.

##### (2) *Microsoft Dynamics NAV* (Platform for *LS Retail*)

We are also involved in the marketing, sale, enhancement, customisation and implementation of third party software, *Microsoft Dynamics NAV*.

*Microsoft Dynamics NAV* is an ERP software product to assist with finance, manufacturing, customer relationship management, supply chain, analytics and electronic commerce, catered primarily for small and medium-sized enterprises.

This software connects and automates various departments within an organisation such as sales, operations, accounting and inventory, as well as outside the organisation such as the supply chain. This software has the following functions and benefits:-

- Tracks and manages information and data for production, inventory, orders, and vendors;
- Manages contacts and contracts; and
- Manages the organisation’s cash, assets and banking functions.

This software can be used in many industries, such as retail, manufacturing, government and others. For our Group, the primary function of *Microsoft Dynamics NAV* is as a platform to operate *LS Retail*.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Our software development team provides software enhancements and customisations to our customers based on their requirements when orders for *Microsoft Dynamics NAV* are placed.

We also offer two other sub-applications within the *Microsoft Dynamics NAV* system, namely CRM loyalty system and tenant management system, which can be provided as add-ons upon customer request.

Sub-applications	Descriptions
CRM loyalty system	A third party add-on solution by <i>Microsoft Corporation</i> provided to handle the management of memberships, member purchases, loyalty points obtained and redeemed. We provide customisations to this solution upon customer request.
Tenant management system	An add-on solution which is based on the <i>Microsoft Dynamics NAV</i> platform and can be customized in-house to manage shopping mall operations, such as leasing, services, utilities as well as converting tenant data for further analysis.

### (b) In-house software

We are involved in the design, development, marketing, sale and implementation of in-house software developed by our software development team. We have spent and invested in the R&D of our in-house software for the past few years. All our in-house software is currently available in the market and we have seen a steady increase in the sales and subscribers of our in-house software, which is an indication of market and user acceptance. We intend to pursue growth of our in-house software moving forward.

We charge our users one-time registration fees, while subscription fees are charged every month / quarter. The subscription to our in-house software is automatically renewed annually upon expiry of the subscription period, unless terminated in accordance to the required notice period.

Our in-house software is as follows:

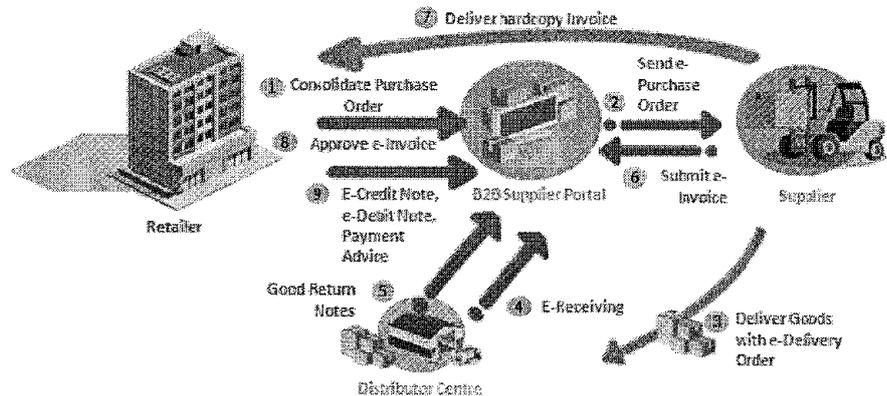
#### (1) Retail management software

##### *AX Retail B2B Portal*

A web-based portal to help businesses make improvements in supply chain management. With the use of this portal, business documents such as purchase orders, delivery notes, receive notes, invoices and others can be exchanged and tracked electronically. This portal enables supply chain partners to electronically view and respond to changes made to those documents. This portal assists in streamlining the procurement process and improve order fulfilment.

## 5. INFORMATION ON OUR GROUP (Cont'd)

A diagrammatic illustration of the functions and processes of *AX Retail B2B Portal* is set out below.



### Legend:-

- 1 Retailer consolidates all purchase orders and sends to B2B Supplier Portal.
- 2 B2B Supplier Portal will publish purchase order online for supplier to download. B2B Supplier Portal can also be integrated to supplier's system and direct data transmission especially for big supplier.
- 3 Once supplier has accepted purchase order, supplier can either generate delivery order notes from B2B Supplier Portal to deliver goods or generate delivery order notes from supplier's own merchandising system.
- 4 Goods sent to retailer's distribution centre and retailer performs stock receiving. Retailer's own merchandising system will generate goods receipt notes and send to B2B Supplier Portal.
- 5 In the event of any goods rejection, retailer's distribution center will return the stock and generate goods return notes in retailer's own merchandising system.
- 6 Based on goods receipt notes and goods return notes, supplier submits electronic invoice to retailer via B2B Supplier Portal for matching of delivery order notes and invoices.
- 7 The hardcopy invoice will be delivered to retailer's finance department and the finance department can do invoice matching via B2B Supplier Portal.
- 8 Once the retailer's finance department has accepted the e-invoice, they will proceed to prepare the settlement upon due date.
- 9 Once payment is made, retailer's finance system will send payment advice notification to supplier portal to inform the supplier that their invoice has been paid.

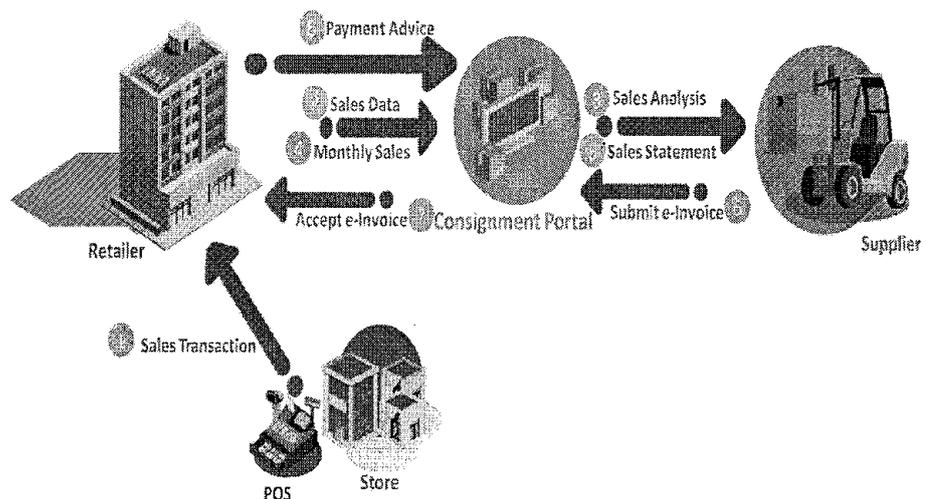
## 5. INFORMATION ON OUR GROUP (Cont'd)

### AX Retail Consignment Portal

A web-based portal for consignment suppliers of department stores and hypermarkets. This portal enables consignee suppliers to electronically view, enquire, analyse, print and download the latest sales details from the retailers' (or consignors') POS counters. Daily sales by the retailers' stores are posted on the portal on a regular basis to furnish suppliers with updated sales data.

Consignment occurs when the products are sent by the consignment supplier to the departmental stores and hypermarkets, who has undertaken to sell the consignment products, with the agreement to pay the consignment supplier after the products are sold.

A diagrammatic illustration of the functions and processes of *AX Retail Consignment Portal* is set out below.



### Legend:-

- 1 Sales transaction captured by POS system in retailer's system at store level and push to retailer's headquarter system on daily basis.
- 2 Retailer's headquarter system consolidates daily sales data and sends to Consignment Portal system.
- 3 Consignment Portal picks up raw sales data and generate sales analysis in different dimension, for e.g. daily sales summary, weekly/monthly/quarterly/yearly sales comparison and etc.
- 4 After month end closing, retailer's headquarter System will send monthly sales margin and data report to Supplier Portal.
- 5 Consignment Portal integrates the figures and generates monthly sales statement.
- 6 Supplier retrieves monthly sales statement and submits consignment tax invoice via Consignment Portal.
- 7 Consignment tax invoice delivered to retailer's finance department through Consignment Portal. Retailer accepts invoice and proceed to prepare settlement upon due date.
- 8 Once payment is made, retailer's finance system will send payment advice notification to Consignment Portal to inform the supplier that their invoice has been paid.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### (2) Software for handheld terminals and desktops

Details of our in-house software for POS, handheld terminals and desktops, which can be sold independently or bundled together with either POS, handheld terminals or desktops that we sell, are as follows:-

<b>Software Brand</b>	<b>Descriptions</b>	<b>Method of Selling</b>
<i>AX Mobile - Spot billing system</i>	A mobile billing solution with on-the-spot processing, printing and issuance of utility bills which are calculated based on consumption.	Sold only as a bundle with handheld terminals.
<i>AX Mobile - Inventory system</i>	An inventory management solution on a portable terminal, which is targeted for usage in warehouses, distribution centres and storefronts.	Sold only as a bundle with handheld terminals.
<i>AX Mobile - Proof of delivery system</i>	A solution for real-time tracking and tracing of goods delivery on a portable terminal, which includes features such as mobile receipt printing and GPS tracking.	Sold only as a bundle with handheld terminals.
<i>Payment collection system</i>	A business solution suitable for collection outlets and payment counters.	Sold either independently or bundled with POS equipment/peripherals that we sell.
<i>SQRC system</i>	A secured two-tier barcode encoding technology which can store public and private information in a single QR label. The "private" information is only readable by special scanners with the matching decryption key in order to prevent fraud or data manipulation.	Sold either independently or bundled with barcode scanner that we sell.

We do not offer free trial periods for any of our third party and in-house software products. Hence, our pre-sales team will assist the customers to understand the usage of our software products before they purchase our software products.

A warranty period of typically 30 or 60 days are given to our customers for both third party and in-house software. The warranty period commences when the system goes live, which means when the software has been installed in the customer's premises for their usage.

For all our software customers, the cost for any debugging, troubleshooting or site visits to ensure the customer's familiarity with the software product will be borne by us during the warranty period. Once the warranty period lapses, for customers who have not entered into maintenance and technical support services for software, we will impose additional charges on any debugging,

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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troubleshooting or site visits. Conversely, no additional charges will be imposed to our customers who enter into the maintenance and technical support service contract as it will be covered under such agreements.

**(iii) Maintenance and technical support services for retail hardware and software**

We provide maintenance and technical support services for retail hardware and software that we sell.

We provide on-going maintenance to our customers for a fee, where our maintenance service fees cover hardware and software products and solutions.

Further, we provide technical support for our existing customers in instances such as hardware or software failures, or when problems are encountered. This service provides our end-user customers with up to 24x7 customer support that they can use to report faults and request assistance for ad-hoc system breakdowns.

Generally, we provide IT support services, hardware maintenance services and technical support for operating systems. For provision of IT support services, our detailed scope includes preparing, setting up, operating and managing the call centre, provision of IT support service management and other related services. The issues will only be escalated back to product principals if we are unable to resolve them. For hardware maintenance services, we will provide preventive maintenance that will be carried out at a specified time on the equipment. Our preventive maintenance on hardware products includes functionality tests, responsiveness of the readers and scanners, and checking of wirings and casings of the hardware.

The contract sum will usually be agreed upon between us and our customers. However, maintenance charges could be invoiced monthly, quarterly or on a one-off basis, depending on the customer's preference. Our maintenance contracts with our customers range from one (1) to five (5) years, which covers preventive maintenance and corrective maintenance. We provide preventive maintenance to some of our customers, ranging from once a year to twice a year, during the maintenance contract period depending on the terms of the maintenance contract. Corrective maintenance is provided to all our customers as and when required.

We carry out all repair services in-house. For repairs that we are unable to resolve in-house, we will escalate to our product principals. For customers with maintenance contracts, we will absorb all repair charges and for customers without maintenance contracts, the charges will be borne by the customers themselves.

Our maintenance and technical support services is carried out by our customer support service offices. In Peninsular Malaysia, we have eight (8) in-house customer support service offices; while in East Malaysia, due to the geographical distances, we have four (4) customer support service offices which are outsourced to third parties ("**outsourced customer support service**"). For maintenance and technical support services that are outsourced to third parties, we will conduct regular meetings with the outsourced customer support service to review their service performance. We will closely monitor all maintenance and technical support cases logged by the customers until the said cases are resolved and closed.

The working hours of our maintenance and technical support team are from 9am to 6pm daily and our maintenance and technical support team will be on standby basis from 6pm to 10pm to assist our customers to solve any issues that arise. This is in line with our retail customers' operating hours.

## 5. INFORMATION ON OUR GROUP (Cont'd)

As set out in the table below, we have 12 customer support service offices located across Malaysia.

<b>Domestic customer support service offices</b>	<b>Location</b>
In-house	Kuala Lumpur
	Alor Setar, Kedah
	Muar, Johor
	Johor Bahru, Johor
	Bayan Lepas, Pulau Pinang
	Kota Bharu, Kelantan
	Kuantan, Pahang
	Ipoh, Perak
Outsourced to third parties	Kuching, Sarawak
	Miri, Sarawak
	Kota Kinabalu, Sabah
	Tawau, Sabah

As set out in the table below, we have five (5) customer support service offices located outside of Malaysia. Customer support services in Phnom Penh, Cambodia; and Ho Chi Minh City, Vietnam; are provided by our overseas offices in the respective countries.

Our remaining three (3) overseas customer support services are outsourced to third party providers in Jakarta, Indonesia; Quezon City, Philippines; and Singapore, respectively.

<b>Overseas customer support service offices</b>	<b>Location</b>
In-house	Phnom Penh, Cambodia
	Ho Chi Minh City, Vietnam
Outsourced to third parties	Jakarta, Indonesia
	Quezon City, Philippines
	Singapore

Additionally, we also provide IT support services to Vinx Malaysia Sdn Bhd, who outsourced their IT support service to us in order to support Japanese based departmental stores located in Malaysia since year 2015. These IT support services include, server / desktop / laptop troubleshooting of operating system / network / email / application support, and equipment connectivity issues faced by the employees of the Japanese based departmental stores. The revenue generated from our IT support services is included under our maintenance and technical support services segment.

In Malaysia, our IT outsourcing services is located in Mont Kiara, Kuala Lumpur. In the SEA region, our outsourced customer support service centres in Philippines and Indonesia are also able to provide IT support services to our customers.

## 5. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, our Group provides this IT support service to one (1) customer in Malaysia and has not provided this service to other customers both in Malaysia and overseas.

### 5.7.3 Our Principal Business Segments and Markets

The breakdown of our sales revenue by business segments and location of customer's billing offices for the past three (3) FYE 31 December 2015 to 2017 are as follows:-

FYE 31 December	Location of customer's billing offices	Hardware	Software		Maintenance and Technical Support Services	Total
			Third-party	In-house		
		RM'000	RM'000	RM'000	RM'000	RM'000
2015	Malaysia	47,511	3,974	1,877	7,818	61,180
	Overseas*	3,766	446	47	963	5,222
	<b>Total</b>	<b>51,277</b>	<b>4,420</b>	<b>1,924</b>	<b>8,781</b>	<b>66,402</b>
2016	Malaysia	52,100	3,484	2,166	10,196	67,946
	Overseas*	6,409	236	1,218	1,038	8,901
	<b>Total</b>	<b>58,509</b>	<b>3,720</b>	<b>3,384</b>	<b>11,234</b>	<b>76,847</b>
2017	Malaysia	49,398	3,189	2,623	11,390	66,600
	Overseas*	8,908	3,236	1,384	655	14,183
	<b>Total</b>	<b>58,306</b>	<b>6,425</b>	<b>4,007</b>	<b>12,045</b>	<b>80,783</b>

**Note:-**

\* Extracted from invoices issued to the customer's billing offices, which resides overseas. Some of the products and services were delivered and/or performed in Malaysia.

Our principal market is in Malaysia. We have also sold our products mainly to Vietnam and Cambodia.

Please refer to Section 11.2.1(a)(iii) of this Prospectus for our analysis of revenue by geographical location.

As mentioned in Section 5.7.1 above, we provide retail technology solutions to customers in the retail industry, including department stores, hypermarkets, supermarkets, grocery convenience stores, retail convenience stores and chain retail stores ("**retail outlets**"). We deal with and sell directly to retail outlets, and we also deal with and sell directly to distributors, resellers and IT companies. These distributors, resellers and IT companies purchase from us for onward sale to their customers in the retail industry. This is applicable in Malaysia as well as in other countries in SEA.

## 5. INFORMATION ON OUR GROUP (Cont'd)

In the past three (3) FYE 31 December 2015 to 2017, we generated 35.76%, 40.81% and 49.49% of our revenue directly from retail outlets who are the end-users, the remaining 64.24%, 59.19% and 50.51% generated via distributors, resellers, system integrators and IT companies including other end-user industries such as telecommunication and utilities, transportation and logistics, service industry and industrial users. We sold retail hardware to customers in these end-user industries which can be used in their operations.

Some of our selected customers are as follows:-

Segment	Retail outlet	Name of customer
Grocery retail		
Full grocery	Giant	GCH Retail (Malaysia) Sdn Bhd
Full grocery	Cold Storage	GCH Retail (Malaysia) Sdn Bhd
Full grocery	AEON Big	Vinx Malaysia Sdn Bhd
Full grocery	AEON	Vinx Malaysia Sdn Bhd
Full grocery	AEON	AEON Vietnam Co, Ltd
Full grocery	AEON	AEON Cambodia Co, Ltd
Convenience	99 Speedmart	99 Speed Mart Sdn Bhd
Non-grocery retail		
Mixed	Parkson	Parkson Corporation Sdn Bhd
Mixed	Parkson Vietnam	Parkson Vietnam Co, Ltd
Health and beauty	AEON Wellness	Vinx Malaysia Sdn Bhd
Health and beauty	Guardian	Guardian Health and Beauty Sdn Bhd
Health and beauty	Watson	Watson's Personal Care Stores Sdn Bhd
Apparel	Padini	Padini Corporation Sdn Bhd
Leisure and entertainment	Speedy Video	Speedy Video Distributors Sdn Bhd

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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**5.7.4 Key types, sources and availability of supplies**

The key supplies for our retail technology business include retail hardware, software and our staff technical expertise.

For our third party retail hardware, the products include but are not limited to, POS terminals, barcode printers, scanners, receipt printers, handheld terminals and other POS peripherals. We source these hardware products from third party brands including, but not limited to, Datalogic, Denso, Star Micronics, Zebra and Wincor Nixdorf. These supplies are generally readily available from our product principals and we are able to obtain these from both local and foreign suppliers. In addition, we also ensure the products supplied to us meet our customers' expectations.

For our third party retail software, we have an LS Agreement with LS Retail ehf as our supplier for *LS Retail*, and we have a Microsoft Solution Provider Agreement with Microsoft Regional Sales Corporation for *Microsoft Dynamics NAV*. As authorised partners of these suppliers/product principals, we are able to procure the necessary software licenses when required for onward sale to our customers. In the event that we lose our authorised partners status from these suppliers/product principals, we are able to source the software licenses from other authorised partners available in the market.

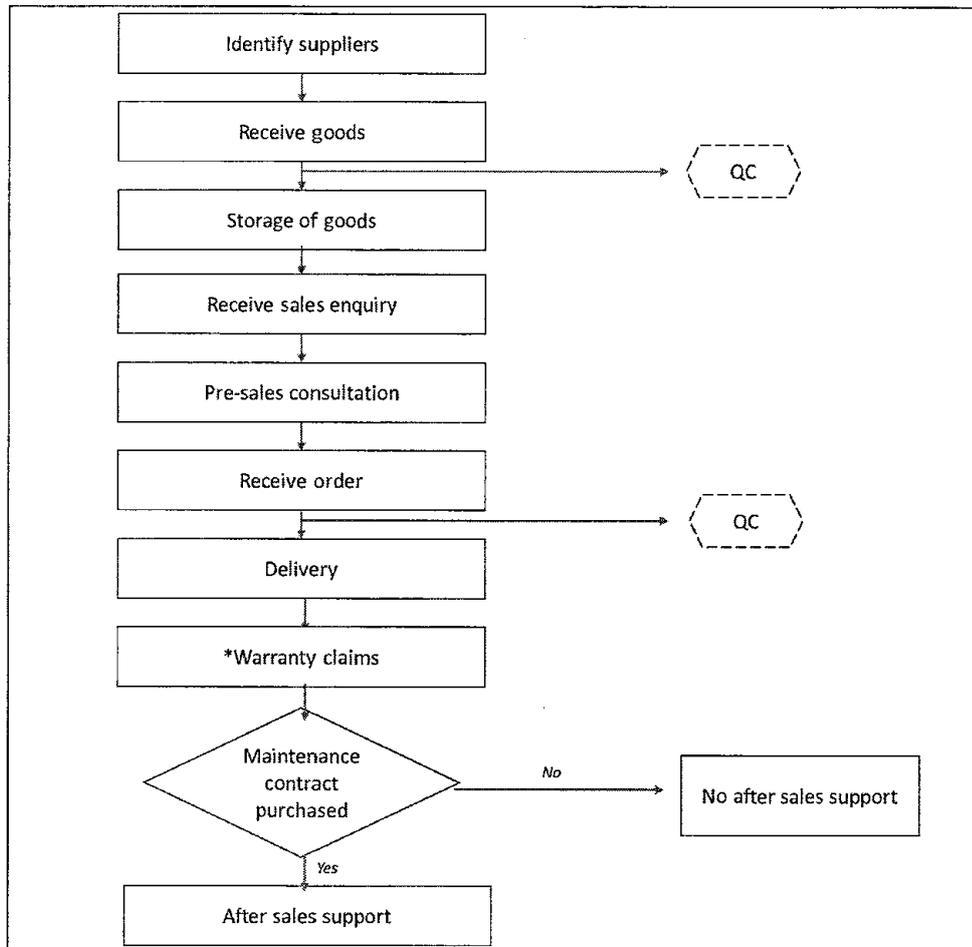
In addition, we also require our technical staff to perform activities such as maintenance and technical support, development and enhancement of our in-house software, customising solutions based on customer requirements, installing and testing the solutions, as well as providing training and after-sales support to our customers. Thus, qualified and trained personnel are important for us to operate efficiently.

## 5. INFORMATION ON OUR GROUP (Cont'd)

## 5.7.5 Process flow

## Sale of retail hardware

The process flow depicting the sale of our retail hardware is illustrated below:-

**Note:-**

- \* All customers are entitled for warranty claims from principals for a period of one-(1) year upon the receipt of goods.

**(i) Identify suppliers**

Our sales team will identify suitable retail hardware suppliers to place a purchase order for retail hardware with them.

**(ii) Receive goods**

Upon the receipt of goods from our suppliers, stock count is carried out by our warehouse personnel on a sample of the received goods to ensure that it is in accordance to our purchase order in terms of the type of goods and quantity.

**(iii) Storage of goods**

Upon stock count, a QC inspection on the goods will be carried out by our warehouse personnel before the goods are stored in our warehouse.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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**(iv) Receive sales enquiry**

Upon receiving a sales enquiry, our sales team will liaise with the customer to understand their requirements. Our sales team is responsible for all communications and conflict resolution with our customers as well as to meet our customer's deliverables. Potential sales are usually obtained either through referrals or cold calls. Our sales team will then communicate with our pre-sales team on the requirements of our customer.

**(v) Pre-sales consultation**

After understanding our customer's requirements, our pre-sales team will advise our sales team whether the required hardware is available in our warehouse or if the required hardware needs to be sourced from our suppliers. Our pre-sales team will perform pre-sales follow-up via email, conference calls, demonstration clips or onsite demonstration of the hardware upon request by our customer to help our customer understand the features and functionality of the hardware. Our pre-sales team may travel to the potential customer's office to carry out on-site demonstrations, if required.

**(vi) Receive order**

Upon the confirmation of a sale, our warehouse personnel will do a physical check and a check from inventory system if there are sufficient stocks in the warehouse. If the stock is sufficient, the goods will be packed and arranged for delivery. If there is insufficient stock, our warehouse personnel will inform the sales team. Subsequently, our sales team will raise a purchase requisition to our Purchasing department to replenish the stock.

Prior to the packing of goods, if applicable, our software development team will install software into the hardware.

**(vii) Delivery**

Upon packaging, a QC inspection on the goods will be carried out by our warehouse personnel to ensure that the packed goods are in accordance to our customers' purchase order. Certain customers may request for hot-staging to be carried out as part of the QC process. Hot-staging refers to a procedure where the hardware is turned on and all input and output connections are tested to ensure the hardware is in working order.

Once the QC inspection is completed, the goods will be delivered to our customers.

**(viii) Warranty claims**

Our product principals typically award a one (1)-year warranty for manufacturing defects of their retail hardware. In the event of a warranty complaint from a customer, the customer will send the faulty unit to us. Upon receipt of the faulty unit from the customer, we will ship at our own cost the faulty unit to the supplier/product principal for repair works.

Once the unit has been repaired, the unit will be shipped back to us, the cost of which is borne by the supplier/product principal. Upon checking by our technical staff to ensure the unit is in proper working condition again, the unit will be returned to the customer.

While the faulty unit is sent for repair, customers who have purchased maintenance and technical support contracts from us will be provided with backup units, which we loan to our customers, whether or not the warranty period has expired.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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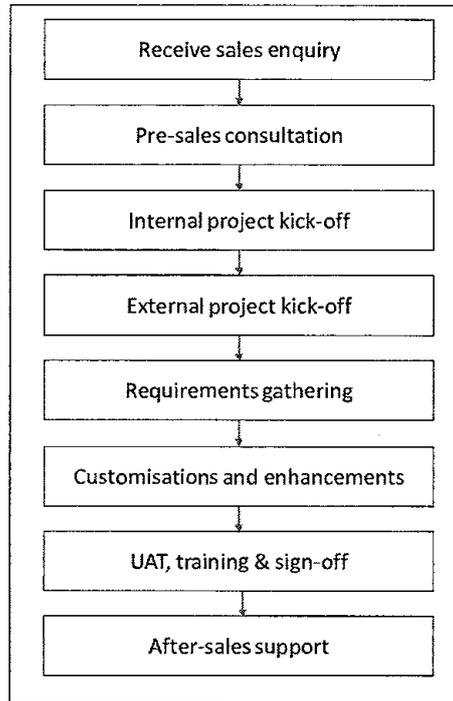
**(ix) After Sales Support**

We provide on-going maintenance and technical support to our customers for a fee. Customers who have entered into maintenance and technical support contracts with us will be provided with after sales support, which includes optional bi-weekly meetings upon the request of these customers. Customers who have not entered into maintenance and technical support contracts are not eligible for after sales support.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### Implementation of retail software

The process flow depicting the implementation of our third party and in-house retail software is illustrated below, upon confirmation of a sales order:



#### (i) Receive sales enquiry

Upon receiving a sales enquiry, our sales team will liaise with the customer to understand their requirements. Our sales team is responsible for all communications and conflict resolution with our customers as well as to meet our customer's deliverables. Potential sales are usually obtained either through referrals or cold calls. Our sales team will then communicate with our pre-sales team on the requirements of our customer.

#### (ii) Pre-sales consultation

After understanding our customer's requirements, our pre-sales team will conduct conference calls, web demonstration or onsite demonstration of the software to help our customer understand the features and functionality of the software. Our pre-sales team may travel to the potential customer's office to carry out on-site demonstrations, if required.

#### (iii) Internal project kick-off

As soon as a sales order for our retail software is secured, our project team will hold an internal kick-off meeting. Our pre-sales team will travel to the customer's designated location for implementation works and our existing sales coordinators team will be assisting the regional sales support team in terms of back-end sales processing, such as preparing the sales invoice, raising purchase requisition for third party software license purchase and keeping track of yearly license renewal for third party software license.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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Our project team will discuss and draw-up requirements and design of the retail software, which would have taken into account our customer's budget, schedule, specifications and other requirements or constraints. Our project team will then formulate an implementation plan for the customer based on the customer's system.

**(iv) External project kick-off (with our customer)**

Once our project team has decided and aligned the requirements internally, a kick-off meeting with the customer will be held to finalise and sign-off on the project specifications and scope of work.

**(v) Requirements gathering**

Based on the approved specifications, our project team will then hold discussions with various stakeholders to gather and document the conditions or needs that is to be met in the project. The requirements could come in various forms, such as user requirements, system requirements and functional requirements. Based on this, we will then analyse the requirements to plan the schedules and resources accordingly.

**(vi) Customisations and enhancements**

Upon finalising the requirements of the project, our project team will work on the customisations and enhancements of the retail software. These customisations and enhancements vary in accordance to its intended function and purpose, and is planned based on these factors and our customer's requirements.

**(vii) UAT, training and sign-off**

After which, the retail software will be delivered to our customer's site. Prior to delivery, if applicable, QC inspection is carried out on the hardware (that is delivered along with the software) to ensure that it is in accordance with our customer's specifications. Training will also be provided to our customer's, if required.

Upon deployment, a UAT is conducted for confirmation that the system is well-implemented at our customer's site. Thereafter the customer will accept and sign-off.

**(viii) After-sales support**

After the project has been successfully implemented, we provide on-going maintenance and technical support to our customers for a fee. Customers who have purchased maintenance and technical support contracts from us will be provided with after sales support, which includes troubleshooting any technical issues on the software remotely. Customers who have not purchased maintenance and technical support contracts will not be eligible for after sales support.

Please refer to Section 5.7.2(iii) of this Prospectus for further information of our Group's maintenance and technical support.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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**5.7.6 Quality control procedure**

We carry out quality checks on retail hardware and UAT on retail software.

**(i) QC inspection on retail hardware**

Our warehouse team is responsible for conducting quality checks in terms of basic functional checks, such as hot-staging on incoming goods and outgoing goods. The check on the goods, specifications, quality and functionality will be conducted on a sample basis to ensure that it is in accordance to our purchase order for incoming goods; while outgoing goods are inspected to ensure that it is in accordance to our customer's specifications.

**(ii) UAT on retail software**

Our project team is responsible for carrying out a UAT prior to the implementation of our retail software. A UAT is conducted for confirmation that the software has been customised and implemented in accordance to our customer's requirements.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.7.7 R&D

As at LPD, our R&D currently is carried out by four (4) employees from our in-house software development team as and when there are any R&D tasks required. Moving forward, our Group intends to hire three (3) new R&D employees, to fully focus only on R&D related projects in order to facilitate our future R&D projects.

Our Group abides by the following R&D policies:

- (i) To design products that will attain the highest level of customer satisfaction by meeting customers' requirements and expectations;
- (ii) To encourage all personnel to contribute ideas and recommendations;
- (iii) To provide the best solution for customers in addition to solving technical issues; and
- (iv) To be updated continuously with the latest technology, and be constantly aware of latest market trends and demands.

Some of our past, on-going and future R&D projects are as follows:-

Product/Solution	Description	Year commenced research	Actual/Target Completion year
<b>Past R&amp;D Achievements</b>			
<i>AX Retail B2B Portal – Purchase Order/ Receive Note/ Invoice/ Credit Note/ Debit Note module</i>	Developed a single platform for retailers and suppliers to exchange supply chain documents such as Purchase Order, Delivery Order, Receive Note, Invoice and other documents.	December 2009	June 2010
<i>AX Retail Consignment Portal – sales module</i>	Enabled consolidated sales data captured from the POS system to be displayed on the portal.	December 2009	October 2011
<i>AX Mobile – Spot Billing module</i>	Developed a mobile billing solution with on-the-spot processing, printing and issuance of utility bills which are calculated based on consumption.	November 2012	February 2013
<i>AX Mobile – Inventory module</i>	Developed an inventory management solution on a portable terminal, which is targeted for usage in warehouses, distribution centres and storefronts.	June 2012	March 2014
<i>AX Mobile – Proof of Delivery module</i>	Developed real-time tracking and tracing of goods delivery on a portable terminal, which included features such as digital signature, mobile receipt printing and GPS tracking.	June 2014	February 2015
<i>AX Retail Consignment Portal – Promoter Attendance module</i>	Developed a module for sales promoters to record their attendance and to plan their duty roster.	January 2016	January 2017

## 5. INFORMATION ON OUR GROUP (Cont'd)

Product/Solution	Description	Year commenced research	Actual/Target Completion year
<i>MS Dynamics NAV and LS Retail – Tenant Management System</i>	Developed to manage shopping mall operations, such as leasing, services, utilities as well as converting tenant's data for further analysis.	January 2016	January 2017
<i>AX Retail Consignment Portal – Mobile Inventory module</i>	Developing a module to assist in the management of inventory and stock entries via a mobile app for smart phones.	August 2017	February 2018
<b>On-going R&amp;D Projects</b>			
<i>AX Retail B2B Portal – Mobile B2B module</i>	To develop a mobile app version of <i>AX Retail B2B Portal</i> .	March 2018	August 2018
<b>Future R&amp;D Projects</b>			
<i>AX Mobile – IOS/Android Platform</i>	To enhance the current modules of <i>AX Mobile</i> to be IOS/Android platform-ready.	September 2018	March 2019

We have incurred R&D expenses in the past, including expenses that have led to the development of our current products. In the past three (3) FYE 31 December 2015 to 2017, we incurred R&D expenses of between 0.28% to 0.34% of our total revenue in the corresponding years.

	←-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
R&D expenses	185	0.28	242	0.32	278	0.34
<b>Total Revenue</b>	<b>66,402</b>	<b>100.00</b>	<b>76,847</b>	<b>100.00</b>	<b>80,783</b>	<b>100.00</b>

## 5. INFORMATION ON OUR GROUP (Cont'd)

## 5.7.8 Technology used and to be used

Our Group uses the following technologies to provide customisations and enhancements of our third party software; and design, development, customisations and enhancements of our in-house software:-

Software	Technology	Description
<u>Third party</u> <ul style="list-style-type: none"> <li>• <i>LS Retail</i></li> <li>• <i>Microsoft Dynamics NAV</i></li> </ul>	<ul style="list-style-type: none"> <li>• Client/server Application Language</li> <li>• Microsoft .NET</li> <li>• Microsoft SQL Server</li> <li>• ERP</li> </ul>	<p>Client/server Application Language (C/AL) is a programming language used in Microsoft Dynamics NAV.</p> <p>Microsoft .NET Framework is a software development framework that provides a controlled programming environment where software can be developed, installed and executed.</p> <p>Microsoft SQL Server (MSSQL) is a relational database management system, a full-featured database which used to store and retrieve data.</p> <p>ERP is a business process management software that allows organisations to manage the business and automate many business functions.</p>
<u>In-house</u> <ul style="list-style-type: none"> <li>• <i>AX Retail B2B Portal</i></li> <li>• <i>AX Retail Consignment Portal</i></li> </ul>	<ul style="list-style-type: none"> <li>• Microsoft ASP.NET</li> <li>• Microsoft VB.NET</li> <li>• MSSQL</li> </ul>	<p>Microsoft ASP.NET is a unified web development model integrated with .NET framework, designed to provide services to create dynamic web applications and web services. It is built on the common language runtime of the .NET framework, including Microsoft Visual Basic.net (VB.net).</p> <p>MSSQL is a relational database management system, a full-featured database which used to store and retrieve data.</p>
<u>In-house</u> <ul style="list-style-type: none"> <li>• <i>AX Mobile</i></li> </ul>	<ul style="list-style-type: none"> <li>• Microsoft .NET Compact Framework</li> </ul>	<p>Microsoft .NET Framework is a software development framework that provides a controlled programming environment where software can be developed, installed and executed on Microsoft Windows operating system.</p> <p>Microsoft .NET Compact Framework is a version of Microsoft .NET Framework. It is specifically designed to be used to develop, install and execute software for resource-constrained devices such as personal digital assistants, mobile phones, factory controllers and set-top boxes.</p>

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.7.9 Modes of marketing, distribution and sales

Our sales team is based at our headquarters in Malaysia. We also have sales teams operating out of our subsidiaries in Ho Chi Minh City, Vietnam and Phnom Penh, Cambodia.

#### (i) Direct approach

As the sales and marketing of our products and services require in-depth knowledge of our products, the direct approach allows us to deliver the required technical information and detailed explanation and description accurately to our customers.

Our sales are generated directly by our in-house sales team through direct contact with potential customers, as well as through referrals from our past and existing customers. We provide product demonstration and presentation prior to purchase.

#### (ii) Marketing events

One of our marketing activities is our Group's marketing events, as these events are an effective medium to engage with our principals and customers. The following are examples of the events that we have organised or co-organised with our principals or participated over the past three (3) FYE 31 December 2015 to 2017:-

Year	Name of Event	Organiser	Location
July 2015	Partner & Resellers Get Together 2015	RG Malaysia with our principals (Datalogic ADC Singapore Pte Ltd, Star Micronics Southeast Asia Co., Ltd, Partner Tech Corporation)	Kuala Lumpur
August 2016	Partner & Resellers Get Together 2016	RG Malaysia with our principals (Datalogic ADC Singapore Pte Ltd, Star Micronics Southeast Asia Co., Ltd, Partner Tech Corporation)	Kuala Lumpur
March 2017	HPE Innovation Summit 2017: Enabling the Digital Enterprise	RG Malaysia with Hewlett-Packard (M) Sdn Bhd	Kuala Lumpur
July 2017	2017 One Datalogic Workshop	RG Malaysia with our principal (Datalogic ADC Singapore Pte Ltd)	Kuala Lumpur
October 2017	Asia-Pacific Retailers Convention and Exhibition (APRCE)	Federation of Asia-Pacific Retailers Associations	Kuala Lumpur
December 2017	Radiant Global Appreciation Day (MSA0061)	RG Malaysia with HP PPS Sales Sdn Bhd	Kuala Lumpur

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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**(iii) Advertising**

We undertake advertising activities through trade directories such as Yellow Pages and Super Pages to increase the awareness of our brand and products.

**(iv) Corporate website**

We have established our corporate website, <http://www.rgtech.com.my>, which provides information on our Group, including products and services offerings, to potential customers. Enquiries through our corporate website are channelled back to our sales team in the respective countries.

The current widespread use of internet as a source of information and a platform for customers, enables us to cross geographical boundaries and facilitates access from any part of the world, enhancing our potential market reach and exposure.

## 5. INFORMATION ON OUR GROUP (Cont'd)

## 5.7.10 Major approvals, licences and permits obtained

Details of major approvals, licences and permits applicable to our Group as at the LPD are as follows:-

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
RG Malaysia	<p>Certificate of Registration of RG Malaysia with MOF for the supply/service sector, field and subfield:</p> <ul style="list-style-type: none"> <li>• Hardware (Low end technology)</li> <li>• Hardware (High end technology)</li> <li>• Computer software, operating system, database, off-the-shelf packages including maintenance)</li> <li>• Software/system development/customization and maintenance</li> <li>• Telecommunication/hot working-supply product, infrastructure, services including Multimedia-products, services and maintenance</li> </ul>	Ministry of Finance Malaysia ("MOF")	K219951605415912 45/357-02010354	Valid from 10.05.2016 until 09.05.2019	<p>(i) Any changes to the information submitted to MOF must be updated online within 21 days from the date the changes occur.</p> <p>(ii) MOF has a right to make visit or conduct audit inspection at any time without prior notification.</p> <p>(iii) Newly registered companies are not allowed to make any changes to the Owner and Directors within six (6) months from the date the company was registered.</p>	<p>Complied.</p> <p>Noted.</p> <p>Complied.</p>

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
RG Malaysia	License to Repair and Sell Counter machine (Mesin Kaunter) <ul style="list-style-type: none"> <li>• Weighing platform (Mesin Penimbang Pelantar)</li> <li>• Spring Balance and Scales (Neraca Spring dan Skel)</li> </ul>	Ministry of Domestic Trade, Co-operatives and Consumerism	004289	Valid from 13.04.2017 until 12.04.2022	Nil	N/A.
RG Malaysia	License for No. 8 Jalan 3/91A, Taman Shamelin Perkasa, 56100 Kuala Lumpur:- <ul style="list-style-type: none"> <li>• Pejabat Urusan</li> <li>• Papan Tanda Iklan 1.20 x 0.60</li> <li>• Papan Tanda Iklan 3.04 x 1.20</li> <li>• Gudang/Stor (Bukan Makanan)</li> <li>• Menjual Barang Elektrik dan Elektronik</li> </ul>	Dewan Bandaraya Kuala Lumpur ("DBKL")	1000552098	Valid from 05.06.2018 to 04.06.2019	Nil	N/A.
Radiant Globaltech	License for Unit 03-07, Level 3, Tower B, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur <ul style="list-style-type: none"> <li>• Pejabat Urusan</li> </ul>	DBKL	1000547951	Valid from 06.04.2018 to 05.04.2019	Nil	N/A.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
RG Solutions	License for Unit 03-07, Level 3, Tower B, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur • Pejabat Urusan	DBKL	1000547950	Valid from 06.04.2018 to 05.04.2019	Nil	N/A.
RG Malaysia	License for Unit 03-07, Level 3, Tower B, Vertical Business Suite, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur • Pejabat Urusan	DBKL	1000550761	Valid from 08.06.2018 to 07.05.2019	Nil	N/A.
RG Solutions	License for Unit 03-06, Level 3, Tower B, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur • Pejabat Urusan	DBKL	1000551643	Valid from 05.06.2018 to 04.06.2019	Nil	N/A.
RG Malaysia	License for Unit 03-06, Level 3, Tower B, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur • Pejabat Urusan	DBKL	1000551642	Valid from 05.06.2018 to 04.06.2019	Nil	N/A.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
RG Malaysia	License for 30A Jalan Layang 16, Taman Perling, 81200 Johor <ul style="list-style-type: none"> <li>• Lesen Pejabat</li> <li>• Lesen Iklan</li> </ul>	Majlis Bandaraya Iskandar Puteri	L0115050133	Valid 31.12.2018 until	Nil	N/A.
RG Malaysia	Permanent Business License for Lot No 04-06, Pelangi Mall, Jalan Post Office Lama 15000 Kota Bharu <ul style="list-style-type: none"> <li>• Pejabat Urusan/Kewangan</li> </ul>	Majlis Perbandaran Kota Bharu	L0039365-7	Valid from January to December 2018	Nil	N/A.
RG Malaysia	Business/Signage license for 3A Lengkok Tasek Timur 1A Pusat Perdagangan Tasek Indra 31400 Ipoh <ul style="list-style-type: none"> <li>• Lain-lain perdagangan/perusahaan</li> </ul>	Majlis Bandaraya Ipoh	L0108089-01	Valid 13.04.2018 from until 12.04.2019	Nil	N/A.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
RG Malaysia	Business/Signage License for B-156 (2 <sup>nd</sup> Floor) Jalan Haji Ahmad Perumahan Sekilau 25300 Kuantan, Pahang <ul style="list-style-type: none"> <li>Dagangan am luas lantai 501 – 750 persegi</li> </ul>	Majlis Perbandaran Kuantan	L0120172295	Valid from 01.01.2018 until 31.12.2018	Nil	N/A.
RG Malaysia	Business license for No. 17-2, Tingkat 1, Taman Permata, Jalan Hj Jaib, 84000 Muar, Johor <ul style="list-style-type: none"> <li>Menjual alat-alat elektronik</li> </ul>	Majlis Perbandaran Muar	L06680	Valid from 01.01.2018 to 31.12.2018	Nil	N/A.
RG Malaysia	Business License for No. 5010, Taman PNKK, Jalan Tun Razak, 05200 Alor Setar, Kedah <ul style="list-style-type: none"> <li>Pejabat Urusan</li> </ul>	Majlis Bandaraya Alor Setar	L44180	Valid from 19.06.2018 to 18.06.2019	Nil	N/A.
RG Malaysia	License for No.B-3A-13A, Block B, Gateway Corporate Suite, No.1, Jalan Desa Kiara, Mont Kiara, 50480 Kuala Lumpur <ul style="list-style-type: none"> <li>Pejabat Urusan</li> </ul>	DBKL	1000550760	Valid from 05.05.2018 to 04.05.2019	Nil	N/A
Radiant Globaltech	MSC-Malaysia status	Government of Malaysia – MDeC	3478	Date of issuance: 09.12.2014 No expiry date applied for this status	Please refer to Section 8.2 of this Prospectus.	Please refer to Section 8.2 of this Prospectus.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
Radiant Globaltech	<p>Pioneer Certificate in accordance with Promotion of Investment Act 1986 to carry out the following pioneer activities:</p> <p>a) research, development and commercialization of the following solution</p> <ul style="list-style-type: none"> <li>• AX Retail B2B Portal Version 3.0 and above</li> <li>• AX Retail Consignment Portal Version 2.0 and above</li> <li>• AX Mobile System Version 2.0 and above</li> </ul> <p>b) Provision of implementation, maintenance and technical services related to the above mentioned solution</p>	Ministry of International Trade and Industry Malaysia ("MITI")	4902	<p>Date of Issuance: 09.12.2014</p> <p>Valid from 09.12.2014 until 08.12.2019</p>	<p>The pioneer status is subject to Radiant Globaltech's compliance with the conditions imposed by MDeC vide its letter dated 09.12.2014 in respect of Radiant Globaltech's MSC-Malaysia status, details of which have been set out below in this section and in Section 8.2 of this Prospectus.</p>	Noted

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
RG Vietnam	Enterprise Registration Certificate No. 0304765787 certified on 01 February 2016.	Department of Planning and Investment of Ho Chi Minh City	0304765787	Date of issuance: 01 February 2016 No expiry date applied for this certificate	(i) Name of Company: RADIANT GLOBAL ADC VIETNAM COMPANY LIMITED (ii) Head office of RG Vietnam: No. 456/57, Cao Thang (Prolong) Street, Ward 12, District 10, Ho Chi Minh City Vietnam (iii) Charter capital: VND1,700,000 equivalent to USD 100,000 (iv) Sole owner: RG Malaysia (v) Legal representative of RG Vietnam: Yap Ban Foo – General Director	Complied
RG Vietnam	Branch Registration Certificate No. 0304765787-001 first registered on 5 June 2017.	Department of Planning and Investment of Ho Chi Minh City	0304765787-001	Date of issuance: 5 June 2017 No expiry date applied for this certificate	(i) Branch name CHI NHANH CÔNG TY TNHH RADIANT GLOBAL ADC (ii) Branch Address: Robot Tower, 308-308C Dien Bien Phu, Ward 4, District 3, Ho Chi Minh City, Vietnam (iii) Chief of branch: Mr. Tran Phu Vinh	Complied
RG Vietnam	Investment Registration Certificate with project code 411043000049 first certified on 7 September 2016	Department of Planning and Investment of Ho Chi Minh City	411043000049	Date of issuance: 7 September 2016 Date of expiry: 20 December 2026 (20 years from 21 December 2006)	(i) Investment project name: RADIANT GLOBAL ADC VIỆT NAM (ii) Project location: No. 456/57, Cao Thang (Prolong) Street, Ward 12, District 10, Ho Chi Minh City Vietnam	Complied

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
					<p>(iii) Investment capital: VND1,700,000 equivalent to USD 100,000</p> <p>(iv) Sole investor: RG Malaysia</p> <p>(v) Project term: 20 years from 21 December 2006</p> <p>(vi) Project objectives:</p> <p>(a) Exercising the import right, wholesale distribution right, retail distribution right of the goods which are not prohibited to trade under Vietnamese laws or restricted under international treaties to which Vietnam is a member (details of goods and operation to be in accordance with the Business License)</p> <p>(b) Computer programming</p> <p>(c) In detail: Manufacturing software.</p> <p>(d) Software consulting and system consulting</p> <p>(e) Activities relating to the information technology services and other services related to computers.</p> <p>(f) Wholesale computers, peripherals and software</p>	

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/Reference no.	Date of issuance or commencement/ expiry	Major conditions imposed	Status of compliance
RG Vietnam	Business License	People's Committee of Ho Chi Minh City	0304765787-KD	Date of issuance: 12 October 2016. Valid until 21 December 2026.	In detail: Exercising the import right (not to distribute goods), the export right of the goods with the HS codes: 4810, 4908, 8214, 8301, 8303, 8443, 8461, 8470, 8471, 8472, 8473, 8504, 8506, 8528, 8529, 8542, 8544, 9006, 9007, 9008, 9010, 9016, 9030, and 9612 in accordance with the law of Vietnam.  To perform the rights of importing, the rights of exporting and distributing licensed goods as prescribed in the Business License.	Complied

**Note:-**

RG Malaysia has received confirmation from Majlis Bandaraya Pulau Pinang dated 5 June 2017 confirming that RG Malaysia is not required to obtain a license for operation of a customer support service office at No. 70-2-56A, D'Piazza Mall Jalan Mahsuri, Pulau Pinang.

As at the LPD, save as disclosed above, there are no other approvals, licenses and permits which our Group is materially dependent.

## 5. INFORMATION ON OUR GROUP (Cont'd)

## 5.7.11 Patents, trademarks and registrations

No.	Trade mark Owner/Applicant	Trade mark	Issuing authority	Application or registration no./Class/Date of First Application	Description	Status/Validity
1.	RG Solutions		Intellectual Property Corporation of Malaysia	2013058121/Class 9/06.08.2013	Computer software; computer programs; computer hardware; computer peripherals; cash registers, calculating machines; data processing equipment and computers; computer operating systems; hand-held computers; computer work stations; video displays; keyboards; monitors; LCD monitors; touch sensitive electronic screens; electronic POS terminals; POS apparatus; servers; disc drives; computer storage devices; integrated circuits; interface boards; modems; mouse; pointing devices; mouse pads; peripherals; printers and printers peripherals; bar code printers (apparatus); printed circuit boards containing electrical components and sockets; processors and memories; blank magnetic data carriers; calculators; computer chips; computer disk drives; computer discs; data processors; microprocessors; microcomputers; minicomputers; mobile communication terminals; optical scanners; scanners (data processing equipment); scanner for entering data into computers; programs for scanners; bar code decoders; bar code readers; optical data storage labels (bar codes); bar code labels; personal digital assistants; scanners; smart cards; smart card readers; wireless data communications hardware; computer networks and global communications networks; all included in class 9.	Registered.

As at the LPD, save as disclosed above, there are no other patents, trademarks and registration which our Group is materially dependent.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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**5.7.12 No material dependency on contract / arrangement with our product principals, suppliers or customers**

Our Group has agreements with our product principals, customers and also suppliers for third party retail software and hardware. However, as at the LPD, there are no contracts, arrangements, documents or other matters with product principals and suppliers or customers on which our Group is materially dependent.

We are also not materially dependent on our agreement with our suppliers for third party retail software such as LS Retail ehf and Microsoft Dynamic NAV because in the event that our Group is no longer a licensee of these software, our Group is able to source similar third party retail software from other licensors. Our Group may also explore and offer other retail software products. Further, if our Group is no longer a licensee of these software, our customers will be referred directly to the product principals, who may appoint another licensor to these customers.

**5.7.13 Interruptions to business and operations**

Our Group has not experienced any interruption in business which had a significant effect on operations during the twelve (12) month period prior to the date of this Prospectus.

**5.7.14 Seasonality**

We do not experience any material seasonality or cyclical in our business as the demand for our products and services are neither subject to seasonal fluctuations nor cyclical variations.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.7.15 Major customers**

Our top 5 major customers by revenue for the past three (3) FYE 31 December 2015 to 2017 are as follows:-

**FYE 31 December 2015**

Major Customers	RM'000	% of Total Revenue <sup>@</sup>	Types of products/services offered	Length of business relationship (years)
Vinx Malaysia Sdn Bhd (" <b>Vinx Malaysia</b> ")	11,945	17.99	Retail hardware and maintenance and technical support services contract	5
GCH Retail (Malaysia) Sdn Bhd (" <b>GCH Retail</b> ")	6,340	9.55	Retail hardware and maintenance and technical support services contract	18
Parkson Malaysia	5,561	8.37	Retail hardware, software and maintenance and technical support services contract	15
Safeguards G4S Sdn Bhd	5,357	8.07	Retail hardware, software and maintenance and technical support services contract	4
Wincor Nixdorf (M) Sdn Bhd (" <b>Wincor Nixdorf</b> ")	2,981	4.49	Retail hardware, software and maintenance and technical support services contract	17
<b>Total</b>	<b>32,184</b>	<b>48.47</b>		

## 5. INFORMATION ON OUR GROUP (Cont'd)

***FYE 31 December 2016***

Major Customers	RM'000	% of Total Revenue <sup>®</sup>	Types of products/services offered	Length of business relationship (years)
Vinx Malaysia	12,627	16.43	Retail hardware, and maintenance and technical support services contract	5
GCH Retail	10,714	13.94	Retail hardware and maintenance and technical support services contract	18
Pos Malaysia Berhad	6,313	8.22	Retail hardware, software and maintenance and technical support services contract	4
Parkson Malaysia	4,770	6.21	Retail hardware, software and maintenance and technical support services contract	15
Wincor Nixdorf	4,635	6.03	Retail hardware, software and maintenance and technical support services contract	17
<b>Total</b>	<b>39,059</b>	<b>50.83</b>		

## 5. INFORMATION ON OUR GROUP (Cont'd)

FYE 31 December 2017

Major Customers	RM'000	% of Total Revenue <sup>@</sup>	Types of products/services offered	Length of business relationship (years)
Wincor Nixdorf	12,898	15.97	Retail hardware, software and maintenance and technical support services contract	17
Vinx Malaysia	9,593	11.87	Retail hardware maintenance and technical support services contract	5
GCH Retail	7,085	8.77	Retail hardware, software and maintenance and technical support services contract	18
Parkson Malaysia	5,431	6.72	Retail hardware, software and maintenance and technical support services contract	15
Guardian Health And Beauty Sdn Bhd	3,116	3.86	Retail hardware, software and maintenance and technical support services contract	16
<b>Total</b>	<b>38,123</b>	<b>47.19</b>		

**Notes:-**

<sup>@</sup> Total revenue for the FYE 31 December 2015 to 2017 were RM66.402 million, RM76.847 million and RM80.783 million, respectively.

Our major customers primarily include operators of departmental stores, hypermarkets, supermarkets, pharmacies, postal and courier services company, security services firm and IT companies. For the past three (3) FYE 31 December 2015 to 2017, our five largest customers contributed 48.47%, 50.83% and 47.19% of our Group's total revenue, respectively.

Vinx Malaysia has contributed 17.99%, 16.43% and 11.87% of our Group's revenue in the FYE 31 December 2015 to 2017. Vinx Malaysia is our customer for products and services delivered to Japanese based departmental stores, hypermarkets and pharmacies in Malaysia. These Japanese based departmental stores, hypermarkets and pharmacies located in Malaysia are the end user customers of our retail technology solutions. Vinx Malaysia is involved in the trading of merchandise relating to information technology, facility management services and IT consultancy services.

GCH Retail has contributed 9.55%, 13.94% and 8.77% of our Group's revenue in the FYE 31 December 2015 to 2017. GCH Retail offers food and consumer goods in its hypermarkets and supermarkets.

Parkson Malaysia has contributed 8.37%, 6.21% and 6.72% of our Group's revenue in the FYE 31 December 2015 to 2017. Parkson Malaysia's principal activity is in the operations of departmental stores.

## 5. INFORMATION ON OUR GROUP (Cont'd)

Wincor Nixdorf contributed 4.49%, 6.03% and 15.97% of our Group's revenue in the FYE 31 December 2015 to 2017. Wincor Nixdorf is a provider of IT solutions and services to retail banks and the retail industry. Wincor Nixdorf is one of our major customers because we supply retail hardware, which they do not sell, to some of their retail customers. Wincor Nixdorf is also one of our major suppliers, as disclosed in Section 5.7.16 of this Prospectus, as we procure POS equipment/peripherals from them.

Our other customers for the past three (3) FYE 31 December 2015 to 2017 include Safeguards G4S Sdn Bhd, Pos Malaysia Berhad and Guardian Health And Beauty Sdn Bhd. Safeguards G4S Sdn Bhd provides cash and security services to the retail sector, government sector, financial institutions, and major corporate and industrial players, Pos Malaysia Berhad provides postal services and supply chain solutions as well as services for the creation of digital certificates for internet security and Guardian Health And Beauty Sdn Bhd offers health, beauty and personal care products in its outlets.

Premised on the above, we believe we are not dependent on a single customer in our business.

### 5.7.16 Major suppliers

Our top 5 major suppliers by total purchases for the past three (3) FYE 31 December 2015 to 2017 are as follows:-

#### FYE 31 December 2015

Major Suppliers	RM'000	% of Total Purchases <sup>@</sup>	Types of products/services purchased	Length of business relationship (years)
Wincor Nixdorf Group <sup>(1)</sup>	10,373	24.19	Retail hardware	15
Ingram Micro Malaysia Sdn Bhd ("Ingram Micro")	3,223	7.52	Retail hardware	15
Datalogic Group <sup>(2)</sup>	2,833	6.61	Retail hardware	8
Intermec Technologies (S) Pte Ltd ("Intermec")	2,563	5.98	Retail hardware	10
Sektor Distributors Sdn Bhd	2,266	5.28	Retail hardware	4
<b>Total</b>	<b>21,258</b>	<b>49.58</b>		

## 5. INFORMATION ON OUR GROUP (Cont'd)

**FYE 31 December 2016**

Major Suppliers	RM'000	% of Total Purchases <sup>@</sup>	Types of products/services purchased	Length of business relationship (years)
Wincor Nixdorf Group <sup>(1)</sup>	10,124	23.01	Retail hardware	15
Datalogic Group <sup>(3)</sup>	4,857	11.04	Retail hardware	3
Ingram Micro	3,592	8.16	Retail hardware	15
Intermec	2,940	6.68	Retail hardware	10
Ecs Pericom Sdn Bhd	2,630	5.98	Retail hardware	9
<b>Total</b>	<b>24,143</b>	<b>54.87</b>		

**FYE 31 December 2017**

Major Suppliers	RM'000	% of Total Purchases <sup>@</sup>	Types of products/services purchased	Length of business relationship (years)
Beijing Councet International Technology Co.Ltd	8,272	17.17	Retail hardware	1
Wincor Nixdorf Group <sup>(1)</sup>	6,754	14.02	Retail hardware	15
Ingram Micro	5,916	12.28	Retail hardware	15
Datalogic Group <sup>(3)</sup>	5,069	10.52	Retail hardware	3
LS Retail ehf	1,873	3.89	Retail software	5
<b>Total</b>	<b>27,884</b>	<b>57.88</b>		

**Notes:-**

- <sup>@</sup> Net purchases for the FYE 31 December 2015 to the FYE 31 December 2017 were RM42.878 million, RM43.994 million and RM48.175 respectively.
- (1) Consist of Wincor Nixdorf (M) Sdn Bhd and Wincor Nixdorf Pte Ltd.
- (2) Consist of Datalogic Adc Singapore Pte Ltd, Datalogic Automation S.r.l and Datalogic Adc, Inc..
- (3) Consist of Datalogic Adc Singapore Pte Ltd, Datalogic Automation S.r.l and Datalogic Singapore Asia Pacific Pte Ltd

**5. INFORMATION ON OUR GROUP (Cont'd)**

Our major suppliers primarily include suppliers of retail hardware products for our hardware segment and retail software products for our third party software segment. For the past three (3) FYE 31 December 2015 to 2017, our five largest customers contributed 49.58%, 54.87% and 57.88% of our Group's net purchases, respectively.

Wincor Nixdorf Group, a provider of IT solutions and services to retail banks and the retail industry, is our major supplier for the past three (3) financial years, contributing 24.19%, 23.01% and 14.02% of our Group's purchases in the FYE 31 December 2015 to FYE 31 December 2017. Due to the long established and good working relationship thus far, we generally purchase retail hardware products, such as POS terminals and POS printers from Wincor Nixdorf.

Ingram Micro, a distributor of IT solutions and services, is our major supplier for the past three (3) financial years. Ingram Micro has contributed 7.52%, 8.16% and 12.28% of our Group's purchases in the FYE 31 December 2015 to FYE 31 December 2017. Due to the long established and good working relationship thus far, we generally purchase retail hardware products, such as handheld terminals and POS/Receipt printers from Ingram Micro.

Datalogic Group, a provider of IT solutions and services to retail, manufacturing, transportation & logistics and healthcare, is our major supplier for the past three (3) financial years, contributing 6.61%, 11.04% and 10.52% of our Group's purchases in the FYE 31 December 2015 to FYE 31 December 2017. We generally purchase retail hardware products such as barcode scanner and handheld terminals from Datalogic Singapore Asia Pacific Pte Ltd.

Our other retail hardware products suppliers include Intermec, Sektor Distributors Sdn Bhd, Ecs Pericomp Sdn Bhd, Beijing Councet International Technology Co Ltd and LS Retail ehf. Intermec is a provider of automated identification and data capture equipment, and we purchase retail hardware products, such as handheld terminals. Sektor Distributors Sdn Bhd is a distributor of IT solutions and services and we purchase retail hardware products, such as handheld terminals. Ecs Pericomp Sdn Bhd is a distributor of IT solutions and services and we generally purchase retail hardware products, such as handheld terminals and barcode scanners. Beijing Councet International Technology Co.Ltd, a provider of mobile payment systems, and IT solutions and services and we had purchased sales data collection devices.

LS Retail ehf, a provider of business management software solutions for retail and hospitality industry, is one of our principals for third party software.

As mentioned in Section 5.7.4 of this Prospectus, supplies of hardware products are generally readily available and we are able to obtain these hardware products from both local and foreign suppliers/product principals, thus our Group is not dependent on a single supplier/principal/brand.

**5.8 KEY EQUIPMENT**

As at the LPD, our Group does not have key equipment.

**5.9 OPERATING CAPACITIES AND OUTPUT**

Measures of operating capacities and output are not applicable to the provision of retail technology solutions by our Group.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.10 BUSINESS STRATEGIES

(i) **Our Group's future expansion is premised on continued expansion in existing overseas markets and other parts of the SEA region**

(a) **We intend to continue to focus on our retail hardware operations**

Our Group's future growth will be driven by our continued expansion in the SEA region, where we currently already have operational presence in Cambodia and Vietnam.

We have sold our retail technology solutions to various countries within the SEA region, mainly Vietnam and Cambodia, as well as Indonesia, Myanmar, Philippines, Thailand and Singapore. Please refer to Section 11.2.1(a)(iii) of this Prospectus for details of our overseas markets.

Our Group ventured into the SEA market in 2005 and has since been active in the SEA market, via our physical presence in Vietnam and Cambodia. Our regional track record includes securing sales with some of the reputable customers such as Parkson Vietnam, AEON Vietnam, DFI Cambodia and AEON Cambodia. This regional track record provides us with a foundation and platform for further expansion and growth in these markets, as we are able to leverage on our presence in Vietnam and Cambodia, as well as the established relationships of our overseas outsourced customer support services offices in Singapore, Philippines and Indonesia. Given our historical track record, we expect to be able to tap into further opportunities in the SEA, with near term focus on Indonesian market.

In addition, we have recently managed to secure a few large hardware purchase orders and maintenance and technical support arrangement contracts from both local and international companies in Vietnam, which has reinforced our Vietnam expansion intentions. In addition, we will undertake advertising activities in Vietnam through trade directories and social media to boost our Company and brand awareness in Vietnam starting from the second half of 2018 and increase revenue contribution from both hardware and software solutions in line with our cross-selling efforts.

Premised on the above, we aim to expand our Vietnam operations by moving to a larger office in Ho Chi Minh City, as well as acquiring motor vehicles and computer equipment to support our expanded operations and expected increase in staff strength by 4 persons. We intend to allocate RM1.600 million of proceeds from our Public Issue to fund this business and capital expansion. Please refer to Section 3.6(i)(b) of this Prospectus for details of our utilisation of proceeds.

We will also start to participate in events, exhibitions or trade shows in SEA markets in the second half of 2018. This will allow us to engage in potential new customers in order to expand both our existing and new overseas markets in SEA market. Through these approaches, we anticipate greater accelerated growth as we are able to increase our visibility and presence in the SEA markets.

(b) **We intend to aggressively pursue growth in our retail software business**

In light of the good gross profit margin of our software segment, we intend to aggressively pursue growth in our software business. We will focus on our existing in-house and third party software products, namely *AX Retail B2B Portal*, *AX Retail Consignment Portal*, *AX Mobile Microsoft Dynamics NAV* and *LS Retail*, and to continue providing customisations and enhancements based on our customers' requirements. We intend to continue to leverage on our large base of hardware customers to cross-sell our software products, as well as seek new customers in the retail industry. We will also intensify our sales and marketing activities across the SEA region for our software products, with the near term focus on Indonesian market.

## 5. INFORMATION ON OUR GROUP (Cont'd)

We plan to establish a regional sales support team in line with this intention. Our Group believes it will be more cost-effective and practical for our regional sales support team to be based in Malaysia with the support of our existing sales coordinators team who are familiar with our Group's back-end sales processing, as compared to setting up separate teams based in the respective SEA countries and incurring recruitment, set up and operational costs. The regional sales support team is also intended to support software sales for our Cambodia and Vietnam subsidiaries.

Our Group believes that it will be easier to recruit software engineers in Malaysia, who have the relevant technical skills and knowledge. Our Group intends to gradually hire up to 11 new employees for the regional sales support team, all of whom will be software engineers. As at the LPD, our Group has not started the recruiting process for the regional sales support team. Our Group expects to commence the hiring of this team immediately after our date of listing.

Hence, we have allocated RM1.800 million out of working capital purposes for the payroll expenses of the software engineers. We have also allocated RM1.200 million out of working capital purposes for advertising and marketing costs incidental to our retail software business. The advertising and marketing costs are mainly for participation in events, exhibitions or trade shows, travel expenses for regular visits to potential and existing customers, and advertising and promotion expenses.

Please refer to Section 3.6(iii) of this Prospectus for details of our utilisation of proceeds.

### (ii) **We aim to further expand into different customer types within the retail industry**

Since the commencement of our business, we have been focused on delivering our retail technology solutions mainly to department stores, hypermarkets, supermarkets and convenience stores. In the past three (3) FYE 31 December 2015 to 2017, we generated 35.76%, 40.81% and 49.49% of our revenue directly from retail outlets who are the end users, with the remaining 64.24%, 59.19% and 50.51% from distributors, resellers, system integrators and IT companies as well as other end-user industries such as telecommunication and utilities, transportation and logistics, service industry, industrial users.

In order to grow our business further, we intend to acquire different customer types within the retail industry. We have identified a number of customer types, including shopping centre retailers, airport retailers and utility retailers, as potential areas for further expansion. To this end, we aim to leverage on our existing retail technology solutions and develop new in-house software, to form a sales team to focus on these customer types and organise or participate in more marketing events. We will start implementing these business strategies by second half of 2018.

Through this expansion of our customer base, we will be able to diversify our revenue stream and reduce the risk of relying on the performance of any one particular industry segment. We believe we are well-positioned to explore such opportunities as we have the relevant experience in the provision of retail technology solutions, providing us with the technical capabilities and resources to secure orders from these segments. Further, our diversification into other segments of the retail market will continue to enhance our Group's profile. A total of RM1.800 million out of working capital purposes has been earmarked for expected increase in payroll expenses in tandem with the increase in staff strength.

To facilitate the expansion of our Malaysian operations, we have allocated approximately RM10.000 million for business and capital expansion purposes, which include acquisition of new office units for existing and new employees and rental of new warehouse as we anticipate the volume of hardware purchased will increase. In line with the anticipated increase in hardware purchase, we have also allocated RM1.500 million out of working capital purposes for purchase of inventories from our principals for our Malaysian operations.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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Please refer to Sections 3.6(i)(a) and 3.6(ii) of this Prospectus respectively for further details of our utilisation of proceeds.

Our Board has taken note of the rising trend in the online retail industry which may potentially affect our Group's sales of retail hardware and software, business operations and financial performance. Please refer to Section 4.1.3 of this Prospectus for details on the risk arising from the rising trend in online retail industry.

However, our Board is of the opinion that the impact from the rising trend in the online retail industry will not materially impact our Group in the near future. Notwithstanding the growing popularity of online retail arising from the growth in contribution of online retail sales in SEA as a percentage of retail sales from 1.1% in 2012 to 5.1% in 2016 (*Source: Industry Overview*), the contribution of online retail sales remains low. Hence, our Board believes that the business strategies as set out above in respect of our expansion plans for the store-based retail segment are still relevant in the near term.

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**6. INDUSTRY OVERVIEW**

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SMITH ZANDER INTERNATIONAL SDN BHD (1058128-V)  
Suite 23-3, Level 23, Office Suite, Menara 1MK,  
1 Jalan Kiara, Mont' Kiara,  
50480 Kuala Lumpur, Malaysia.  
T +603 6211 2121

SMITH ZANDER

Date: 11 June 2018

The Board of Directors

RADIANT GLOBALTECH BERHAD  
Unit 03-06 & 03-07, Level 3, Tower B,  
Vertical Business Suite, Avenue 3, Bangsar South  
No.8, Jalan Kerinchi, 59200 Kuala Lumpur

Dear Sirs/Madam,

**Industry Overview of the Retail Technology Solutions Industries in Malaysia, Vietnam, Cambodia and Indonesia**

This Industry Overview of the retail technology solutions industries in Malaysia, Vietnam, Cambodia and Indonesia has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("SMITH ZANDER") for inclusion in the Prospectus in conjunction with the listing of Radiant Globaltech Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

For and on behalf of SMITH ZANDER:



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DENNIS TAN  
MANAGING PARTNER

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**About SMITH ZANDER INTERNATIONAL SDN BHD**

*SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.*

**Profile of the signing partner, Dennis Tan Tze Wen**

*Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has 20 years of experience in market research and strategy consulting, including over 15 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.*

# 1 INTRODUCTION

## Objective of the Study

This Industry Overview has been prepared in conjunction with the proposed listing of Radiant Globaltech Berhad ("Radiant Globaltech") on the ACE Market of Bursa Malaysia Securities Berhad.

The objective of this Industry Overview is to provide an independent view of the industry and market(s) in which Radiant Globaltech operates and to offer a clear understanding of the industry and market dynamics.

## Rationale and Scope of Work

Radiant Globaltech is principally involved in the provision of retail technology solutions. Retail technology solutions are products and services used by businesses in the retail sector to automate their operations, in order to increase efficiency and reduce costs.

The scope of work for this Industry Overview will thus address the following areas:

- (i) The industry in which Radiant Globaltech operates, namely the Retail Technology Solutions Industry in Malaysia; and
- (ii) The Retail Technology Solutions Industries in Vietnam, Cambodia and Indonesia as Radiant Globaltech has operating subsidiaries in Vietnam and Cambodia, and in light of Radiant Globaltech's future plans to focus on Indonesia as a key overseas market.

# 2 THE RETAIL TECHNOLOGY SOLUTIONS INDUSTRY IN MALAYSIA

## Definitions and Segmentation

Retail technology solutions refer to the products and services that facilitate the automation and integration of processes in the retail industry, ranging from front-of-store customer sales to back-end supply chain management. Among the benefits that retail technology solutions can offer include reduction of costs, lessening human error, easing warehousing constraints, as well as improving customer satisfaction, while raising profit margins.

Retail technology solutions can involve a combination of the following:

- the provision of hardware and consumables, such as point of sale ("POS") terminals, barcode scanners and weighing scales;
- the provision of software; and
- support services, such as maintenance and repairs.

Radiant Globaltech is involved in various segments of the value chain whereby the range of products and services they offer is used for payment capture and processing, inventory management, analytics and reporting, and sales and marketing.

The retail technology solutions industry is dependent on the performance of the retail industry. Thus, it is important to note that a trend towards online retail, which reduces the presence of store-based retail, is expected to have a negative impact on the growth of the retail technology solutions industry.

## Industry Performance, Size and Growth

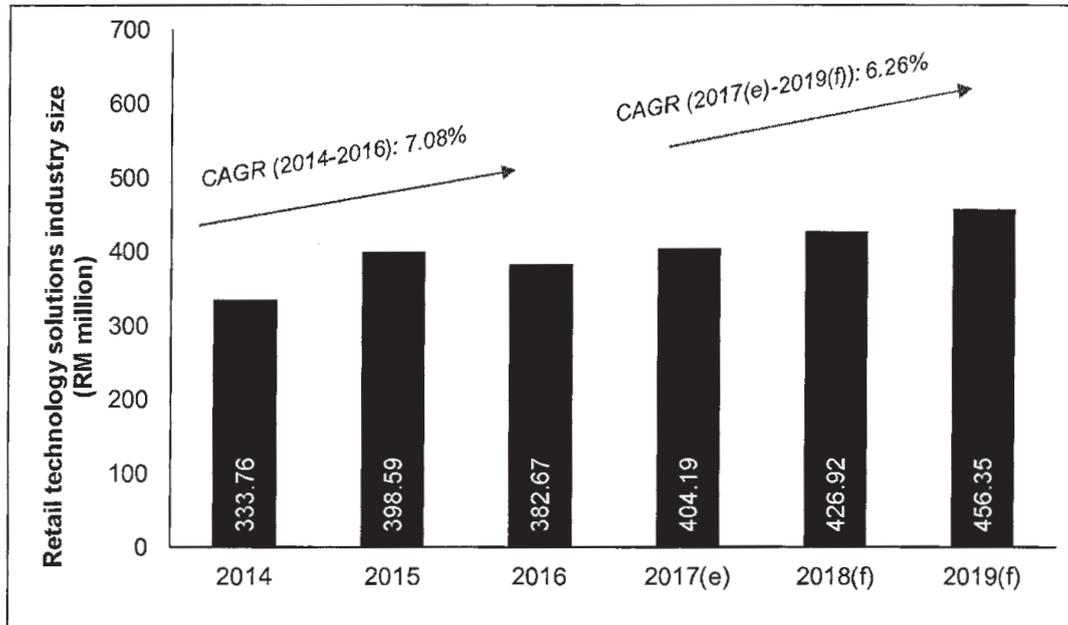
The retail technology solutions industry in Malaysia is computed based on revenues of companies involved in the provision of retail technology products and services. This retail technology solutions industry size is derived from a total of 40 companies in the retail technology solutions industry. Between 2014 and 2016, the retail technology solutions industry in Malaysia illustrated a compound annual growth rate ("CAGR") of 7.08%, growing from RM333.76 million in 2014 to RM382.67 million in 2016.

## 6. INDUSTRY OVERVIEW (Cont'd)

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SMITH ZANDER forecasts the retail technology solutions industry size to grow from an estimated RM404.19 million in 2017 to reach RM456.35 million in 2019, at a CAGR of 6.26%. The growth of the industry is expected to be driven by the growth of the retail industry, the need to automate as well as continuous technological advancements.

## Retail technology solutions industry size (Malaysia), 2014-2019(f)



Notes:

- (e) – Estimated
- (f) – Forecast
- Industry size excludes revenue from foreign industry players as they are not principally involved in the provision of retail technology solutions, and revenue reported by these foreign industry players comprise significant revenue from other business segments.
- Latest available as at 31 May 2018.

Source: Companies Commission of Malaysia (“CCM”), SMITH ZANDER

## Demand Conditions – Key Demand Drivers

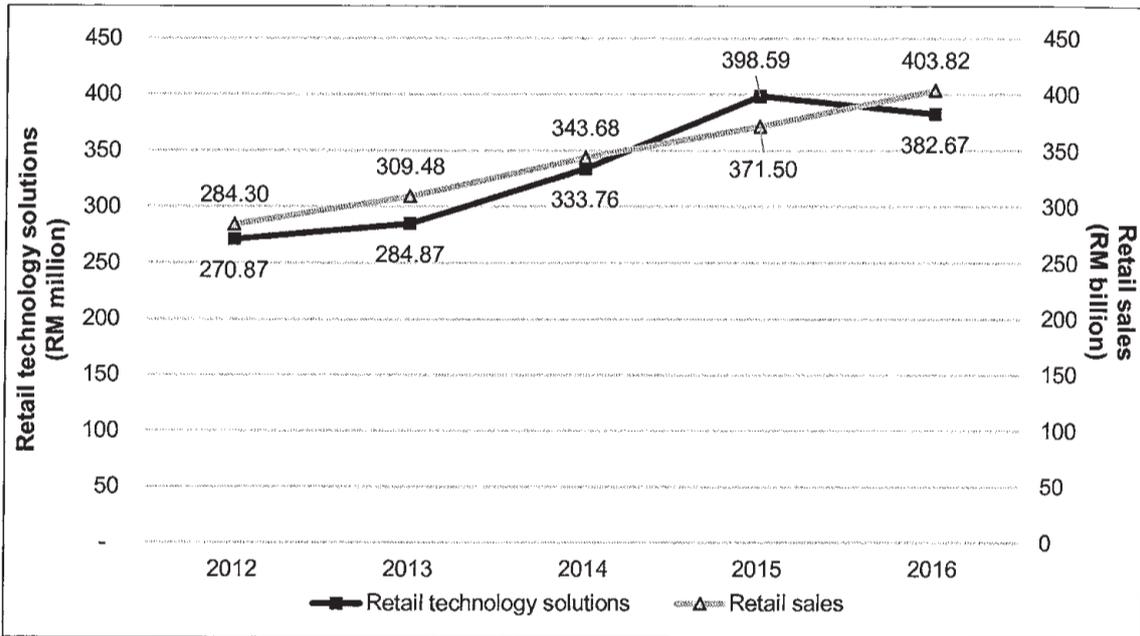
## ► Growth of the retail industry signifies growth potential for the retail technology solutions industry

The retail industry in Malaysia, measured by the value of retail sales, grew from RM371.50 billion in 2015 to RM450.31 billion in 2017 at a CAGR of 10.10%. The growth in the number of retail outlets in Malaysia has been increasing, with convenience stores and hypermarkets among the segments demonstrating the highest growth. Convenience stores and hypermarkets grew at CAGRs of 13.97% and 2.81% respectively between 2012 and 2014. While the latest figures are not publicly available, SMITH ZANDER is of the opinion that convenience stores and hypermarkets remain important segments of the retail industry in Malaysia.

Between 2012 and 2016, the retail industry and the retail technology solutions industry have been growing in tandem every year except for 2016. This suggests that there is a high correlation between the two industries, whereby growth of the retail industry is expected to lead to an increase in demand for retail technology solutions. This high correlation between the two industries is illustrated by the growth of the retail industry contributing to similar growth in retail technology solutions every year for the last five (5) years, save for one year in 2016.

6. INDUSTRY OVERVIEW (Cont'd)

Correlation between the retail industry and the retail technology solutions industry (Malaysia), 2012-2016



Note: Latest available as at 31 May 2018.

Source: CCM, Department of Statistics Malaysia

Malaysia is an upper-middle income developing economy with aspirations to achieve developed status by the year 2020. Gross national income (“GNI”) per capita increased from RM36,093 in 2015 to RM41,072 in 2017 indicating the growing disposable income and the improving standard of living of the population. These increases in per capita income and higher standards of living are leading to a rise in a more affluent population that has greater spending power, creating demand for products sold in retail stores. The disposable income of the population is expected to continue to increase over the long term, and as such has the potential to contribute to higher retail sales in the country.

The wholesale and retail sub-sector is a major contributor to Malaysia’s GNI and thus has been identified as one (1) of the 12 key economic focus areas under the Economic Transformation Programme (“ETP”). The Government of Malaysia intends to drive retail spending in achieving the targets under the ETP. In achieving the GNI targets for the retail sector, the Government intends to liberalise the retail sector through streamlining set-up and expansion requirements, upgrading transportation infrastructure and growing human capital.

► **The need to automate for greater operating efficiency will increase demand for retail technology solutions**

Automation will lead to faster and more efficient transactions. In addition, retailers will be able to provide personalised service such as loyalty rewards and recommendations based on previous purchases. Understanding customer purchasing behaviour also helps with predicting customer purchase patterns and can assist with identifying purchasing trends.

POS systems offer accuracy in terms of inventory management and pricing, and can assist retailers in making better business decisions and improving overall operating efficiency of the business. A POS system also eliminates errors by simplifying and automating the accounting process. Further, automated inventory management means that it is easy to identify the most popular items and re-order them when stock is running low.

By implementing retail technology solutions, retailers will be able to offer a better shopping experience to their customers through ease of completing sales transactions. With higher demand for greater operating efficiency, retailers are expected to increase their demand for retail technology solutions.

## 6. INDUSTRY OVERVIEW (Cont'd)

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### ► Continuous technological advancements of retail technology solutions, leading to a need for updates of existing solutions

The retail technology solutions industry experiences developments from time-to-time, in terms of technology and compliance. For instance, this can be seen in the recent contactless feature on debit and credit cards, such as Visa payWave, Mastercard PayPass and MyDebit. This feature allows payment to be made simply by tapping the card on the contactless card reader, without the need for a signature or personal identification number for transactions below a certain amount.

An additional development is the mobile wallet, which is a mobile application that enables the user to make cashless payments via their mobile devices. Examples of mobile wallets are Samsung Pay, MaybankPay and CIMB Pay.

Another development is the need for wireless mobile technology, particularly for stores which offer delivery services and accept payment via debit or credit card at the customer's doorstep. A mobile POS terminal can be plugged into a smartphone or tablet in order to verify the card and process payment.

The continuous technological advancement of retail technology solutions leads to the development and introduction of new products and services in order to comply with current technology and requirements. Hence, this will contribute to the growth of the retail technology solutions industry.

### Key Industry Restraints and Challenges

#### ► Dependency on the retail industry as an end-user market

The retail industry depends on various factors including the growth of commercial property development, increasing affluence of the population, as well as national government initiatives and expenditure to support and promote the growth of the wholesale and retail industry. A decline in any of the above factors could affect retail spending, leading to reduced sales volume.

As the retail industry is the main end-user market of the retail technology solutions industry, decline in retail spending would likely have an impact on the retail technology solutions industry as well.

#### ► Adverse economic conditions could have an impact on retail sales, and this may adversely impact retail technology solutions industry players

The retail industry is dependent upon the present state of the economy, as a growing economy signifies a population with higher disposable income that has greater spending power, creating demand for products sold in retail stores. A decline in economic conditions in Malaysia may decrease consumer spending power, which will in turn have a negative impact on the retail industry.

#### ► Growth of the online retail industry may affect store-based retail sales

Online retail is gaining popularity whereby transactions can be carried out via online shopping platforms such as Lazada and 11street as well as social media channels such as Facebook, Twitter and Pinterest. The trend towards online retail is growing in response to consumer demand for convenience, variety and lower prices.

Between 2012 and 2016, the contribution of online retail sales in Southeast Asia ("SEA") as a percentage of total retail sales in SEA grew from 1.10% in 2012 to 5.10% in 2016. This signifies the growing popularity of online retail with the growing consumer acceptance on purchasing goods and services online.

The online retail market in SEA has evolved as a result of rising ownership of mobile devices which have led to an increase in mobile commerce transactions, whereby consumers use their mobile devices to purchase goods and services.

This poses a potential challenge to the retail technology solutions industry, as its main market is the store-based retail industry. The continued expansion of online retail poses a risk to store-based retail, and any threats to the growth in store-based retail will have an adverse impact on the growth in retail technology solutions. The growth of the online retail industry in SEA will affect industry players providing retail technology solutions, and hence industry players are exposed regionally from the risk arising from growth in online retail sales.

## 6. INDUSTRY OVERVIEW (Cont'd)

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**Competitive Overview**

The key industry players in the retail technology solutions industry in Malaysia have been identified on the basis that these companies are involved in the provision of retail hardware and/or software. Some of these companies may also be involved in other information technology ("IT")-related hardware and software, such as enterprise resource planning ("ERP") software, asset tracking hardware/software, and/or closed-circuit television ("CCTV") systems, in addition to offering retail hardware and/or software.

There are also foreign competitors in Malaysia with local presence, selling brands such as Epson, IBM, NEC, Toshiba and SAP, who offer retail hardware and/or software.

**Key industry players**

The following sets out the latest available revenues of the retail technology solutions industry players in Malaysia based on the criteria above. The companies that are deemed the closest comparables to Radiant Globaltech are Code Soft Technology Sdn Bhd, Gross Synergy Sdn Bhd, Inter-Register Communications (M) Sdn Bhd, Powercomp Distribution Sdn Bhd and QR Retail Automation (Asia) Sdn Bhd, on the basis that these companies have the most similar product offerings to Radiant Globaltech. Other industry players, including those who provide either retail hardware or retail software only, are included as key industry players as they compete with Radiant Globaltech in certain product offerings.

Company Name	Retail Technology Solutions Offered <sup>a</sup>	Other Product/Service Offerings <sup>a</sup>	Latest Financial Year <sup>b</sup>	Revenue (RM '000) <sup>c</sup>
Ablenet Systems Sdn Bhd	Hardware and software	ERP software	31 May 2017	4,609.35
ARMS Software International Sdn Bhd	Hardware and software	-	31 December 2016	2,106.47
Bersian Technology (M) Sdn Bhd	Hardware and software	-	31 December 2016	1,348.48
CCi Solutions & Security Sdn Bhd	Hardware and software	Accounting software, CCTV, security system	31 August 2017	1,220.89
Code Soft Technology Sdn Bhd	Hardware and software	-	31 December 2016	7,895.18
Cuscapi Berhad (Listed on the Main Market of Bursa Malaysia Securities Berhad, Technology sector)	Hardware and software	Business management solutions, IT security solutions, consulting services and contact centre outsourcing services	31 December 2017	33,274.74
Epoint Systems Sdn Bhd	Hardware and software	-	31 December 2016	3,300.41
Epson Malaysia Sdn Bhd (Subsidiary of Seiko Epson Corporation, Japan)	Hardware	Printers, scanners, projectors, professional imaging, system devices and factory automation	31 March 2017	171,643.11 <sup>9</sup>
Fujitsu (Malaysia) Sdn Bhd (Subsidiary of Fujitsu Ltd, Japan)	Hardware and software	Servers, storage, personal computers, software and networking	31 March 2017	92,440.00 <sup>9</sup>
Ginmaro Technology Sdn Bhd	Hardware and software	Automatic identification and data capture	31 December 2016	6,228.05

## 6. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

Company Name	Retail Technology Solutions Offered <sup>a</sup>	Other Product/Service Offerings <sup>a</sup>	Latest Financial Year <sup>b</sup>	Revenue (RM '000) <sup>c</sup>
Gross Synergy Sdn Bhd	Hardware and software	-	31 December 2016	4,947.94
HP PPS Sales Sdn Bhd (Subsidiary of HP Inc, United States of America)	Hardware and software	Personal computers, printers, security and software	31 October 2016	1,174,154.72 <sup>g</sup>
IBM Malaysia Sdn Bhd (Subsidiary of Internal Business Machines Corporation, United States of America)	Hardware and software	Computer hardware, software and IT-related services	31 December 2016	1,166,963.99 <sup>g</sup>
Inter-Register Communications (M) Sdn Bhd	Hardware and software	CCTV, projectors, video serial inserter, light-emitting diode signage	31 December 2016	12,070.07
IRS Software Sdn Bhd	Hardware and software	-	31 December 2016	12,007.46 <sup>d</sup>
IT Insight (MSC) Sdn Bhd	Hardware and software	-	31 December 2016	3,985.10
Marvelsoft Solutions (M) Sdn Bhd	Hardware and software	-	31 March 2017	2,201.66
NEC Corporation of Malaysia Sdn Bhd (Subsidiary of NEC Corporation, Japan)	Hardware and software	IT solutions and services, multimedia products, total display solutions, telephony, network system and communication products	31 March 2017	188,571.48 <sup>g</sup>
Oracle Corporation Malaysia Sdn Bhd (Subsidiary of Oracle Corporation, United States of America)	Software	Enterprise cloud computing and database software	31 May 2016	498,938.16 <sup>g</sup>
PC Mart Sdn Bhd	Hardware and software	Accounting, inventory, payroll, building service management, fingerprint identification	31 December 2016	2,005.98
Pointsoft (M) Sdn Bhd	Hardware and software	Backoffice, enterprise, online credit card, call centre	31 December 2016	4,782.41
Posiflex Business Machines Sdn Bhd (Subsidiary of Posiflex Technology Inc, Taiwan)	Hardware	-	31 December 2016	6,119.24
Powercomp Distribution Sdn Bhd <sup>e</sup>	Hardware and software	-	N/A	N/A
QR Retail Automation (Asia) Sdn Bhd (Subsidiary of Silverlake Axis Ltd)	Software	-	30 June 2017	10,667.13

## 6. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

Company Name	Retail Technology Solutions Offered <sup>a</sup>	Other Product/Service Offerings <sup>a</sup>	Latest Financial Year <sup>b</sup>	Revenue (RM '000) <sup>c</sup>
Radiant Globaltech	Hardware and software	-	31 December 2017	80,783.00
RES Malaysia Sdn Bhd	Hardware and software	Sales force automation and field services, ERP integration platform, custom data capture solutions, fixed asset tracking, RFID	31 December 2016	50,121.87 <sup>f</sup>
SAP Malaysia Sdn Bhd (Subsidiary of SAP SE, Germany)	Software	Enterprise application software	31 December 2016	420,637.01 <sup>g</sup>
Sektor Distributors Sdn Bhd	Hardware and software	Card printers, digital displays, computer products, label printers	31 March 2017	30,646.66
SIS POS Sdn Bhd	Hardware and software	Back office management, recipe and ingredient inventory, RFID, wireless ordering, kitchen display system, call system	31 May 2017	3,337.51
Store Automation System Sdn Bhd	Hardware and software	-	31 December 2016	1,362.93
Toshiba TEC Malaysia Sdn Bhd (Subsidiary of Toshiba Corporation, Japan)	Hardware and software	Printing and document management solutions	31 March 2017	163,807.00 <sup>g</sup>
Web Bytes Sdn Bhd	Hardware and software	-	31 December 2016	4,800.68

## Notes:

- The key identified retail technology solutions industry players include all retail technology solutions industry players that were identified by SMITH ZANDER based on sources available, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players is exhaustive.

<sup>a</sup> Information is based on publicly available sources as at 31 May 2018.

<sup>b</sup> Latest available as at 31 May 2018.

<sup>c</sup> Revenues may be derived from sources other than retail technology solutions, as segmental revenue is not publicly available, and may include revenue derived from exports.

<sup>d</sup> Revenue is based on a 20-month period.

<sup>e</sup> Private exempt company.

<sup>f</sup> Revenue is based on a 19-month period.

<sup>g</sup> Not principally involved in the provision of retail technology solutions. Retail hardware and/or software is one of many business segments of the company, and as the segmental revenue of the retail business is not publicly available, it has been excluded from the retail technology solutions industry size shown on page 2 of this report.

Source: CCM, various company websites, Radiant Globaltech

**Industry revenue share**

In 2017, the retail technology solutions industry size in Malaysia was estimated at RM404.19 million. The industry size is derived from the revenues of 40 companies in the retail technology solutions industry, comprising key industry players listed in the table above, as well as other companies that are not included in the table in view of their smaller size and/or companies that are competitors in the industry but not

deemed as key industry players<sup>1</sup>. However, it is important to note that this industry size excludes revenue from foreign industry players as the breakdown of their revenue from the retail segment is not publicly available, and revenue reported by these foreign industry players may comprise significant revenue from other business segments. Based on its revenue of RM80.78 million in the FYE 31 December 2017, Radiant Globaltech captured an industry revenue share of 19.99% in 2017.

### 3 THE RETAIL TECHNOLOGY SOLUTIONS INDUSTRY IN VIETNAM, CAMBODIA AND INDONESIA

#### Industry Performance

As developing countries, the retail technology solutions industries in Vietnam, Cambodia and Indonesia are also developing in tandem with the rest of the economy. With urbanisation rates of 34.90%, 21.20%, and 55.20%<sup>2</sup> respectively, Vietnam, Cambodia and Indonesia have large proportions of rural population. Retail activities in the rural areas are likely to be manually driven, with little automation in terms of retail hardware and software.

As the economies of these countries continue to expand, along with rising urbanisation rates and growing retail industries, the retail technology solutions industry in these countries are expected to grow together. Under such circumstances, retailers will be in need of automating their operations by implementing retail hardware and/or software.

As shown in **Chapter 2 – The Retail Technology Solutions Industry in Malaysia**, the retail technology industry has a mostly positive correlation to the retail industry. This means that growth in the retail industry will spur growth in the retail technology solutions industry as retailers will purchase and/or upgrade retail hardware and/or software as the retail industry grows.

#### Key Industry Drivers

► **Growth of the retail industries in the respective countries leads to demand for retail technology solutions**

The retail industry in Vietnam, measured by retail sales of goods and services, grew from VND2,916.23 trillion (RM437.44 billion) in 2014 to VND3,568.15 trillion (RM642.27 billion) in 2016, registering a CAGR of 10.61%. In Cambodia, the GDP of wholesale and retail services grew from KHR3.58 trillion (RM2.89 billion) in 2014 to KHR4.10 trillion (RM4.20 billion) in 2016, registering a CAGR of 7.07%. The retail industry in Indonesia grew from USD328.27 billion (RM1.07 trillion) in 2014 to USD390.55 billion (RM1.62 trillion) in 2016, at a CAGR of 9.07%.

The growth of the retail industries in these countries is largely driven by improved standards of living, rising urbanisation rates and growth of the respective economies.

► **The need to automate for greater operating efficiency will increase demand for retail technology solutions**

As is the case with Malaysia, automation of retail processes will lead to quicker and more efficient transactions. Retail technology systems offer greater accuracy in terms of pricing and inventory management, and minimise errors by simplifying and automating the retail transaction process. This will help retailers to make better decisions and improve overall efficiency of their businesses.

<sup>1</sup> Competitors are companies that Radiant Globaltech may compete with from time to time and/or compete in certain product segments, but are not deemed as key industry players as they do not specialise in retail technology solutions.

<sup>2</sup> Source: United Nations, data is for 2017.

## 6. INDUSTRY OVERVIEW (Cont'd)

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### ► Continuous technological advancements of retail technology solutions will lead to a need for upgrades of existing solutions

Similar to Malaysia, the continuous technological advancement of retail technology solutions leads to the development and introduction of new products and services in order to comply with current technology and requirements. To keep with up this on-going technological advancement, retailers will need to upgrade retail technology solutions as their business grows.

### Key Industry Restraints and Challenges

#### ► Limited supporting infrastructure may restrict the growth of retail technology solutions

As developing countries, Vietnam, Cambodia and Indonesia lag in terms of infrastructure such as internet/network access, which is a key requirement for retail technology solutions to be implemented. Internet/network access is required to operate a network of retail hardware and software products and maintain connectivity for automation of retail processes.

Internet/network access in Vietnam, Cambodia and Indonesia, measured in terms of percentage of individuals using the internet, stood at 46.50%, 32.40%, and 25.37%<sup>3</sup> respectively, indicating that large segments of the population have no access to internet/network.

If such supporting infrastructure are not developed and improved over time, it may hinder the growth of retail technology solutions.

#### ► Traditional practices of retailers may delay widespread use of retail technology solutions

With the relatively low urbanisation rates in Vietnam, Cambodia and Indonesia, many retailers operate in rural areas. Retailers in rural areas continue to adopt manual practices in the retail trade, such as recording cash collections on paper. These traditional practices may continue to prevail even when supporting infrastructure such as internet/network connectivity and electricity supply is improved. Retailers who have operated manually for many years may be resistant to change.

This slower than anticipated adoption of retail technology solutions among retailers will delay the widespread acceptance and use of automation in the retail industries in these countries.

## 4 PROSPECTS AND OUTLOOK FOR RADIANT GLOBALTECH

### Industry Performance, Size and Growth

The retail technology solutions industry in Malaysia is computed based on revenues of companies involved in the provision of retail technology products and services. Between 2014 and 2016, the retail technology solutions industry in Malaysia illustrated a CAGR of 7.08%, growing from RM333.76 million in 2014 to RM382.67 million in 2016.

SMITH ZANDER forecasts the retail technology solutions industry size to grow from an estimated RM404.19 million in 2017 to reach RM456.35 in 2019, at a CAGR of 6.26%.

### Key Demand Drivers

Growth of the retail industry signifies growth potential for the retail technology solutions industry. The retail industry in Malaysia, measured by the value of retail sales, grew from RM371.50 billion in 2015 to RM450.31 billion in 2017 at a CAGR of 10.10%. The growth in the number of retail outlets in Malaysia has been increasing, with convenience stores and hypermarkets among the segments demonstrating the highest growth. Convenience stores and hypermarkets grew at CAGRs of 13.97% and 2.81% respectively between 2012 and 2014.

<sup>3</sup> Source: International Telecommunication Union, data is for 2016 which is latest available as at 31 May 2018.

**6. INDUSTRY OVERVIEW (Cont'd)**

SMITH ZANDER

Further, due to the competitive nature of the retail sector, there is a growing need for greater operating efficiency leading to more automation in the industry. The continuous technological advancement of retail technology solutions leads to the development and introduction of new products and services in order to comply with current technology and requirements. This will contribute to the growth of the retail technology solutions industry.

Nevertheless, the retail technology solutions industry in Malaysia faces restraints and challenges such as dependency on the retail industry as an end-user market and adverse economic conditions that may negatively impact retail sales. Further, the continued expansion of online retail poses a risk to store-based retail, and any threats to the growth in store-based retail will have an adverse impact on the growth in retail technology solutions.

**Competitive Overview**

The key industry players in the retail technology solutions industry in Malaysia have been identified on the basis that these companies are involved in the provision of retail hardware and/or software. Some of these companies may also be involved in other IT-related hardware and software, such as ERP software, asset tracking hardware/software, and/or CCTV systems, in addition to offering retail hardware and/or software.

In 2017, the retail technology solutions industry size in Malaysia was estimated at RM404.19 million. However, it is important to note that this industry size excludes revenue from foreign industry players as they are not principally involved in the provision of retail technology solutions, and revenue reported by these foreign industry players comprise significant revenue from other business segments. Based on its revenue of RM80.78 million in the FYE 31 December 2017, Radiant Globaltech captured an industry revenue share of 19.99% in 2017.

**Summary Prospects and Outlook**

With the positive growth in the retail technology solutions industry, driven by growth in the retail industry, the industry prospects for Radiant Globaltech is expected to be optimistic over the forecast period of 2017 to 2019. Radiant Globaltech's standing in the retail technology solutions industry in Malaysia positions the Group well as it embarks on its next phase of expansion.

Further, Radiant Globaltech's prospects in the SEA market will be driven by the continuing growth in the retail technology solutions industries in the emerging markets of Vietnam, Cambodia and Indonesia. As developing countries, the retail technology solutions industries in Vietnam, Cambodia and Indonesia are also developing in tandem with the rest of the economy. As the economies of these countries continue to expand, along with rising urbanisation rates and growing retail industries, the retail technology solutions industry in these countries are expected to grow together. Under such circumstances, retailers will be in need of automating their operations by implementing retail hardware and/or software. Nevertheless, the limited supporting infrastructure and traditional manual practices of retailers may delay or restrict the growth of retail technology solutions in these countries. The growth of online retail in SEA will also pose a threat to the growth of retail technology solutions in the region.

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## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

## 7.1 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

## 7.1.1 Promoters' and substantial shareholders' shareholdings

The details of our Promoters and / or substantial shareholders and their shareholdings in our Company before and after the IPO are as follows:-

Promoters and Substantial Shareholders	Place of Incorporation/ Nationality	Before the IPO/As at the LPD			After the IPO <sup>^</sup>		
		No. of Shares	% <sup>@</sup>	Indirect	No. of Shares	% <sup>#</sup>	Indirect
Global Merits	Malaysia	174,732,800	44.00	-	168,732,800	32.13	-
Practical Resources	Malaysia	142,963,200	36.00	-	136,963,200	26.08	-
Jejak Menang	Malaysia	39,712,000	10.00	-	39,712,000	7.56	-
Yap Ban Foo	Malaysian	-	-	174,732,800 <sup>(1)</sup>	-	-	168,732,800 <sup>(1)</sup>
Yap Sin Sang	Malaysian	-	-	142,963,200 <sup>(2)</sup>	-	-	136,963,200 <sup>(2)</sup>
Yap Poh Keong	Malaysian	-	-	39,712,000 <sup>(3)</sup>	1,500,000	0.29	39,712,000 <sup>(3)</sup>
<b>Promoter</b>							
Yap Siok Chin	Malaysian	-	-	-	1,500,000	0.29	-
<b>Substantial Shareholders</b>							
AI Capital	Malaysia	39,712,000	10.00	-	39,712,000	7.56	-
Tan Chuan Hock	Malaysian	-	-	39,712,000 <sup>(4)</sup>	-	-	39,712,000 <sup>(4)</sup>
							7.56

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

## Notes:-

- @ Based on our issued share capital of 397,120,000 Shares after acquisition of RG Malaysia and its subsidiary, and RG Solutions but before the IPO.
- # Based on our enlarged issued share capital of 525,200,000 Shares after the IPO.
- ^ Assuming that all Pink Form Allocation is fully subscribed.
- (1) Deemed interested by virtue of Section 8(4) of the Act held through Global Merits's shareholdings.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through Practical Resources's shareholdings.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through Jejak Menang's shareholdings.
- (4) Deemed interested by virtue of Section 8(4) of the Act held through AI Capital's shareholdings.

As at the LPD, our Promoters and substantial shareholders have the same voting rights with the other shareholders of our Group and there is no arrangement between Radiant Globaltech and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of Radiant Globaltech.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****7.1.2 Profile of Promoters and/or substantial shareholders****Yap Ban Foo**

*Promoter, substantial shareholder and Managing Director*

Yap Ban Foo, Malaysian, aged 53, is our Managing Director. He was appointed to our Board on 10 July 2003 and he is responsible for overseeing the strategic business planning, development and operations of our Group. Yap Ban Foo completed his Diploma in Computer Studies from ICL Training Services in 1988.

Upon graduation, he commenced his career as a Trainee Programmer in Powercomp Automation Sdn Bhd in 1988 where he worked until 1990. As a Trainee Programmer, he was responsible for analysing, developing, modifying and preparing codes and solutions for retail software. He was promoted to Programmer the following year, followed by another promotion to Senior Programmer in 1990. He left Powercomp Automation Sdn Bhd in 1991. Subsequently in 1991, he moved on to Powercomp Engineering Sdn Bhd as a Senior Programmer whereby he was also involved in analysing, developing, modifying and preparing codes and solutions for retail software. In 1993, he was promoted to Analyst Programmer, where he was in charge of the study, design and development of retail software. He left Powercomp Engineering Sdn Bhd in 1994.

Subsequently, he joined RG Malaysia as a Technical Manager in 1994 where he handled the sales and operations of RG Malaysia and became a Director and shareholder of RG Malaysia in 1995. His previous experience as a programmer in retail technology solutions led him to build up RG Malaysia. He assumed his current position as Managing Director in July 2017. He brings with him over 30 years of experience in retail technology and POS industry, with over 20 years of experience with our Group.

**Yap Sin Sang**

*Promoter, substantial shareholder and Executive Director – Operations*

Yap Sin Sang, Malaysian, aged 55, is our Executive Director – Operations. He was appointed to our Board on 10 July 2003 and is responsible for overseeing the overall operations of our Group. He obtained a Sijil Pelajaran Malaysia (“SPM”) certificate from Sekolah Menengah Jenis Kebangsaan Kepong in 1981.

Upon completion of his secondary education, he assisted in his family retail business, Syarikat Joo Long, as a general worker to assist in the day to day operations of the family run sundry shop. From 1984 to 1986, he worked in Paling Industry Sdn Bhd as a Technical Assistant and was later promoted to Assistant Supervisor in 1984. During his tenure in Paling Industry Sdn Bhd, he was involved in the extrusion production of polyvinyl chloride pipes and left the company in 1986. From 1986 to 1987, he moved to Kian Joo Can Factory Sdn Bhd as a Supervisor in the Plastic Department whereby he was involved in the production of plastic injection moulding products. He left the company in 1988 and moved to Powercomp Automation Sdn Bhd as an Engineer where he supervised a team of field service engineers and was responsible for assigning their project rollout tasks. In 1992, he left Powercomp Automation Sdn Bhd and co-founded and worked in Softone Lite Sdn Bhd, a company principally involved in dealing of lighting materials. He left Softone Lite Sdn Bhd in 1994.

In 1994, he joined RG Malaysia as a Technical Manager whereby he provided oversight on technical matters, installation and hardware product testing. In 1995, Yap Sin Sang was appointed a Director of RG Malaysia and subsequently became a shareholder of RG Malaysia. He assumed his current position as Executive Director – Operations in July 2017. He brings with him over 30 years of experience in retail technology and POS industry in an operations capacity, with over 20 years of experience with our Group.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### **Yap Poh Keong**

*Promoter, substantial shareholder and Executive Director – Sales and Software Development*

Yap Poh Keong, Malaysian, aged 46, is our Executive Director – Sales and Software Development. He is responsible for leading the Sales team, as well as responsible for planning the product and software development roadmap for our Group. He was appointed to our Board on 7 August 2017.

Yap Poh Keong completed his Diploma in Technology (Mechanical & Manufacturing Engineering) from Tunku Abdul Rahman College in 1996. The following year, he furthered his studies and graduated with a Master of Science in Manufacturing Systems Engineering from The Queen's University, Belfast, Northern Ireland in 1997.

Upon graduation, he commenced his career as a Software Engineer with Tele Dynamics Sdn Bhd. In Tele Dynamics Sdn Bhd, he was involved in the system demonstration of retail technology hardware and software products to customers, and also provided technical support and repaired faulty POS hardware. He was promoted to Assistant Manager in 2000 and left the company in 2000. Also in the same year, he became a Director of Lytech Solution Sdn Bhd and supervised the project managers to ensure timely delivery of retail hardware products. He left Lytech Solutions Sdn Bhd in 2003 and in the same year, he moved on to Tele Dynamics SWD Sdn Bhd as an Assistant Senior Manager and was responsible to strategise the company's direction towards software development. He left Tele Dynamics SWD Sdn Bhd in 2005 and subsequently, joined I-Vision MSC Sdn Bhd as a Marketing Manager in the same year whereby he was managing the project managers to plan and execute software products and ensured that the project timelines are duly met.

He left I-Vision MSC Sdn Bhd in 2006 and subsequently joined Spartan System Solutions Sdn Bhd as a Sales Director in the same year where he was responsible for the preparation of the budget and sales target. In 2013, he joined RG Solutions as Sales Director and in July 2017, he assumed his current position as Executive Director – Sales and Software Development. With 20 years of experience in software engineering and sales, he brings with him extensive domain expertise and industry proficiency.

### **Yap Siok Chin**

*Promoter and General Manager – Corporate Affairs*

Yap Siok Chin, Malaysian, aged 53, is our General Manager – Corporate Affairs. She is presently responsible for overall finance, administration and HR functions of our Group. Yap Siok Chin obtained a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College in 1989. She is a Chartered Accountant with Malaysian Institute of Accountants ("MIA") since 2001.

Upon graduation, she joined YIG Management Services Sdn Bhd as a Management Trainee and was involved in the preparation of financial statements before leaving the company in 1989. The following year, she moved to Coopers & Lybrand Sdn Bhd as an Audit Assistant and conducted statutory audit and left the company in 1990. Later that year, she joined Permanis Sdn Bhd as a Financial Analyst and was promoted to Assistant Accountant in 1992 where she assisted in the preparation of monthly management reporting materials. She left Permanis Sdn Bhd in 1993. In 1993, she moved on to Kenso Marketing (M) Sdn Bhd as an Assistant Accountant and was promoted to Accountant a year later whereby she was overseeing the finance department and left the company in 1995. In 1995, she joined MTD Construction Sdn Bhd as an Accountant where she was responsible for the operations of finance department. She left MTD Construction Sdn Bhd in 2000 and subsequently, she moved to Alloy Consolidated Sdn Bhd as a Finance Manager to oversee the finance department and left Alloy Consolidated Sdn Bhd in 2001.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

She joined RG Malaysia as a Finance Consultant in 2001, and was in charge of the finance and accounting functions of our Group, reporting directly to our Managing Director. She assumed her current position as General Manager – Corporate Affairs in July 2017. She brings with her over 20 years of experience in finance, administration, HR and accounting.

### Global Merits

*Promoter and substantial shareholder*

Global Merits was incorporated in Malaysia and deemed registered under the Act on 25 November 2016 as a private limited company.

The present issued share capital of Global Merits is RM100 comprising 100 ordinary shares.

The current directors of Global Merits are Yap Ban Foo and Yap Choon Hong. The principal activity of Global Merits is investment holding.

The existing shareholders' shareholdings in Global Merits are as follows:-

Existing Shareholders	Direct interest in Global Merits	
	No. of shares	%
Yap Ban Foo	99	99.00
Yap Choon Hong	1	1.00

As at the LPD, Global Merits does not have any subsidiary or associated company.

### Practical Resources

*Promoter and substantial shareholder*

Practical Resources was incorporated in Malaysia and deemed registered under the Act on 28 November 2016 as a private limited company.

The present issued share capital of Practical Resources is RM10 comprising 10 ordinary shares.

The current directors of Practical Resources are Yap Sin Sang and Yong Chau Hiong. The principal activity of Practical Resources is investment holding.

The existing shareholders' shareholdings in Practical Resources are as follows:-

Existing Shareholders	Direct interest in Practical Resources	
	No. of shares	%
Yap Sin Sang	9	90.00
Yong Chau Hiong	1	10.00

As at the LPD, Practical Resources does not have any subsidiary or associated company.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### **Jejak Menang**

*Promoter and substantial shareholder*

Jejak Menang was incorporated in Malaysia and deemed registered under the Act on 25 November 2016 as a private limited company.

The present issued share capital of Jejak Menang is RM10 comprising 10 ordinary shares.

The current directors of Jejak Menang are Yap Poh Keong and Chong Wee Hong. The principal activity of Jejak Menang is investment holding.

The existing shareholders' shareholdings in Jejak Menang are as follows:-

Existing Shareholders	Direct interest in Jejak Menang	
	No. of shares	%
Yap Poh Keong	9	90.00
Chong Wee Hong	1	10.00

As at the LPD, Jejak Menang does not have any subsidiary or associated company.

### **AI Capital**

*Substantial shareholder*

AI Capital was incorporated in Malaysia and deemed registered under the Act on 25 August 2004 as a private limited company.

The present issued share capital of AI Capital is RM10 comprising 10 ordinary shares.

The current directors of AI Capital are Tan Chuan Hock, Tan Soon Hiang and Lim Geok Keong. The principal activity of AI Capital is investment holding.

The existing shareholders' shareholdings in AI Capital are as follows:-

Existing Shareholders	Direct interest in AI Capital	
	No. of shares	%
Tan Chuan Hock	9	90.00
Lim Geok Keong	1	10.00

As at the LPD, AI Capital does not have any subsidiary or associated company.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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**Tan Chuan Hock**

*Substantial shareholder*

Tan Chuan Hock ("**Mr. Tan**"), Malaysian, aged 57, is our substantial shareholder.

Mr. Tan is the executive proprietor and founder of William C.H. Tan & Associates (formerly known as Tan Chuan Hock & Co), a Chartered Accountant firm based in Selangor in 1989. He is a member of the Malaysian Institute of Accountants ("**MIA**") and Chartered Tax Institute of Malaysia, and a Fellow member of the Association of Chartered Certified Accountants. He started his career in 1983 when he joined Chan & Folk as an Audit Assistant. He left Chan & Folk in 1985 to join Kiat & Associates as an Audit Senior. He left Kiat and Associates in 1986 and joined Paul Chuah & Co in the same year as an Audit Senior and he then advanced to the position of Audit Manager in 1988 before he found William C.H. Tan & Associates in 1989.

Mr. Tan has over 30 years of experience in financial reporting, auditing, taxation and tax planning. Presently, he holds directorships in four (4) public listed companies, namely Grand-Flo Berhad (appointed on 2 October 2004), EITA Resources Berhad (appointed on 15 January 2010), Careplus Group Berhad (appointed on 3 July 2010) and LKL International Berhad (appointed on 23 July 2015), as well as several private limited companies.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

## 7.1.3 Changes in our Promoters' and/or substantial shareholders' shareholdings

Save as disclosed below, there has been no change in the shareholdings of our Promoters and/or substantial shareholders in our Company for the past three (3) financial years and up to the LPD:-

Name	FYE 31 December 2015		FYE 31 December 2016		Indirect %@
	No. of Shares	%@	No. of Shares	%@	
<b>Promoters and substantial shareholders</b>					
Global Merits	-	-	66,000	44.00	-
Practical Resources	-	-	54,000	36.00	-
Jejak Menang	-	-	15,000	10.00	-
Yap Ban Foo	99,755	99.75	-	-	66,000 <sup>(1)</sup>
Yap Sin Sang	95	0.10	-	-	54,000 <sup>(2)</sup>
Yap Poh Keong	150	0.15	-	-	15,000 <sup>(3)</sup>
<b>Promoter</b>					
Yap Siok Chin	-	-	-	-	-
<b>Substantial shareholder</b>					
AI Capital	-	-	14,999	10.00	-
Tan Chuan Hock	-	-	-	-	14,999 <sup>(4)</sup>
					10.00

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	FYE 31 December 2017		As at the LPD	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
	%@	%@	%@	%@
<b>Promoters and substantial shareholders</b>				
Global Merits	174,732,800	-	174,732,800	-
Practical Resources	142,963,200	-	142,963,200	-
Jejak Menang	39,712,000	-	39,712,000	-
Yap Ban Foo	-	174,732,800 <sup>(1)</sup>	-	174,732,800 <sup>(1)</sup>
Yap Sin Sang	-	142,963,200 <sup>(2)</sup>	-	142,963,200 <sup>(2)</sup>
Yap Poh Keong	-	39,712,000 <sup>(3)</sup>	-	39,712,000 <sup>(3)</sup>
<b>Promoter</b>				
Yap Siok Chin	-	-	-	-
<b>Substantial shareholder</b>				
AI Capital	39,712,000	-	39,712,000	-
Tan Chuan Hock	-	39,712,000 <sup>(4)</sup>	-	39,712,000 <sup>(4)</sup>

**Notes:-**

@ Based on our issued share capital of 397,120,000 Shares after acquisition of RG Malaysia and its subsidiary, and RG Solutions but before the IPO.

- (1) Deemed interested by virtue of Section 8(4) of the Act held through Global Merits's shareholdings.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through Practical Resources's shareholdings.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through Jejak Menang's shareholdings.
- (4) Deemed interested by virtue of Section 8(4) of the Act held through AI Capital's shareholdings.

As at the LPD, there is no arrangement between Radiant Globaltech and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of Radiant Globaltech.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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**7.1.4 Promoters and/or substantial shareholders' remuneration and benefits**

Save for the issuance of Radiant Globaltech Shares by our Company as consideration pursuant to the acquisition of RG Malaysia and RG Solutions (as disclosed in Section 5.2 of this Prospectus), the dividends paid by Radiant Globaltech and RG Malaysia (as disclosed in Section 12 of this Prospectus) and the aggregate remuneration and benefits paid and proposed to be paid for services rendered to our Group in all capacities for the FYE 31 December 2017 and FYE December 2018 (as disclosed in Sections 7.2.6 and 7.4.4 of this Prospectus) to our Promoters and/or substantial shareholders, there are no other amounts or benefits that has been paid or intended to be paid to our other Promoters and/or substantial shareholders within the two (2) years preceding the date of this Prospectus.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.2 DIRECTORS

#### 7.2.1 Board of Directors

Our Board comprises the following members:-

Name	Age	Nationality	Date of Appointment	Designation
Dato' Siow Kim Lun @ Siow Kim Lin (M)	68	Malaysian	7 August 2017	Independent Non-Executive Chairman
Yap Ban Foo (M)	53	Malaysian	10 July 2003	Managing Director
Yap Sin Sang (M)	55	Malaysian	10 July 2003	Executive Director – Operations
Yap Poh Keong (M)	46	Malaysian	7 August 2017	Executive Director – Sales and Software Development
Tevanaigam Randy Chitty (M)	50	Malaysian	7 August 2017	Independent Non-Executive Director
Mashitah Binti Osman (F)	60	Malaysian	7 August 2017	Independent Non-Executive Director

**Notes:-**

(M) Male.  
(F) Female.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.2.2 Profiles

The profiles of the Directors of our Group are as follows:-

**Dato' Siow Kim Lun @ Siow Kim Lin**  
*Independent Non-Executive Chairman*

Dato' Siow Kim Lun @ Siow Kim Lin ("**Dato' Siow**"), Malaysian, aged 68, is our Independent Non-Executive Chairman. He was appointed to our Board on 7 August 2017 and is a member of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee. He graduated with a degree in Bachelor of Economics (Honours) from Universiti Kebangsaan Malaysia in 1978, followed by a Master Degree in Business Administration from the Catholic University of Leuven, Belgium in 1981. He also attended the Advanced Management Program in Harvard Business School, USA in 1997.

Dato' Siow started his career with Malaysian International Merchant Bankers Berhad (*now known as Hong Leong Investment Bank Berhad*) ("**MIMB**") in 1981 as an Executive in its Corporate Finance Division. He was involved in advising on various corporate transactions including initial public offerings, mergers and acquisitions and capital raising proposals. He left MIMB in 1984 as a Manager of Corporate Finance Division to join its associate company, Malaysian International Finance Berhad as the Manager of the Petaling Jaya Branch where he served until 1985. He joined Permata Chartered Merchant Bank Berhad (*now known as Affin Hwang Investment Bank Berhad*) ("**Affin Investment**") in 1985 as a Manager of its Corporate Finance Division. He was promoted to the Divisional Head of the Corporate Finance Division in 1990, to assume the responsibility of overseeing and running the Corporate Finance Division of Affin Investment.

In 1993, he left Affin Investment to join the SC, where he served for over 13 years until his retirement in 2006. During his tenure with the SC, he held several positions including the Director of the Issues & Investment Division and Director of the Market Supervision Division. His key responsibilities included overseeing the Issues and Investment Division and Market Supervision Division, reviewing corporate proposals, take-over transactions and collective investment schemes as well as oversight supervision of market intermediaries and institutions in the Malaysian capital markets.

He also served as an Independent Non-Executive Director of WZ Satu Berhad from October 2007 to February 2015. Currently, Dato' Siow is an Independent Non-Executive Chairman of EITA Resources Berhad and HLA Holdings Sdn Bhd, an Independent Non-Executive Director of UMW Holdings Berhad, Citibank Berhad, Sunway Construction Group Berhad, Hong Leong Assurance Berhad and Eco World International Berhad, a Non-Executive Director of Kumpulan Wang Persaraan (Diperbadankan) and Mainstreet Advisers Sdn Bhd.

**Yap Ban Foo**  
*Promoter, substantial shareholder and Managing Director*

Please refer to Section 7.1.3 of this Prospectus for his profile.

**Yap Sin Sang**  
*Promoter, substantial shareholder and Executive Director – Operations*

Please refer to Section 7.1.3 of this Prospectus for his profile.

**Yap Poh Keong**  
*Promoter, substantial shareholder and Executive Director – Sales and Software Development*

Please refer to Section 7.1.3 of this Prospectus for his profile.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****Tevanaigam Randy Chitty***Independent Non-Executive Director*

Tevanaigam Randy Chitty ("**Randy**"), Malaysian, aged 50, is our Independent Non-Executive Director. He was appointed to our Board on 7 August 2017 and is the Chairman of the Audit Committee, Remuneration Committee and Risk Management Committee, and a member of the Nomination Committee.

Randy is a member of the Malaysian Institute of Certified Public Accountants. He completed the Malaysian Certified Public Accountants examination in 1992 and was admitted as a member of Malaysian Institute of Certified Public Accountants in 1994. Randy started his career as an Articled Clerk with Ernst & Young in 1989 and his last position there was as Audit Senior where he conducted statutory audit and review of clients before he left in 1993. In 1993, he joined the Corporate Finance division of Arab Malaysian Merchant Bank Berhad (*now known as AmInvestment Bank Berhad*) as an Officer and was promoted to Manager in 1996 where he was responsible for structuring, preparation and presentation of corporate finance proposals and left in 1996. In 1997, he joined TA Securities Berhad as a Senior Manager in the Corporate Finance division where he was responsible for the preparation and review of corporate finance proposals. He was also involved in TA Securities Berhad group of companies' debt recovery efforts. He left TA Securities Berhad in 1998. Randy continued his career as Group General Manager for Pancaran Ikrab Berhad in 1999 where he acted as de-facto Chief Executive Officer until 2002 and was responsible for the financial performance and profitability of Pancaran Ikrab Berhad and its subsidiaries, including all operational matters. In 2002, he joined the Finance department of Bukit Kiara Properties Sdn Bhd as General Manager and was responsible for the management of the finance department. He left in 2003 and in the same year, he joined as the Group General Manager of the Finance department at AWC Facility Solutions Berhad (*now known as AWC Berhad*). During his tenure with AWC Facility Solutions Berhad, his key responsibilities included overseeing the group accounts and finance function, all regulatory and statutory reporting as well as any special projects or assignments and left the company in 2007. In 2008, Randy joined the International Corporate Finance Unit of Kenanga Investment Bank Berhad as a Director/Senior Vice President and was involved in its business development, origination and client relationship management involving local and international clients. He left Kenanga Investment Bank Berhad in 2009. In 2010, he took on the part time role as an associate at Sierac Corporate Advisers Sdn Bhd where he undertook corporate advisory or corporate finance assignments for clients on a project basis. He left Sierac Corporate Advisers Sdn Bhd in 2017.

He served as the Chief Financial Officer of AWC Berhad from March 2015 until January 2018, when he left in 2018 to join Malaysia Smelting Corporation Berhad as the Group Chief Financial Officer.

Presently, he is the Senior Independent Non-Executive Director of LKL International Berhad (appointed on 23 July 2015). He is also a Director and Principal Consultant of Leading Advantage Consulting Sdn Bhd, a position he has held since 2007 and 2009, respectively.

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**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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**Mashitah Binti Osman***Independent Non-Executive Director*

Mashitah Binti Osman ("**Puan Mashitah**"), Malaysian, aged 60, is our Independent Non-Executive Director. She was appointed to our Board on 7 August 2017 and is the Chairman of the Nomination Committee and a member of the Audit Committee, Remuneration Committee and Risk Management Committee.

Puan Mashitah graduated with a Bachelor of Business Administration from Universiti Kebangsaan Malaysia in 1982, followed by a Master of Business Administration from University College of Wales Aberystwyth in 1992. She has over 30 years of experience in Investment Banking. She was named one of the top 15 female movers and shakers in the Shariah finance industry by Islamic Finance Asia in 2009.

Puan Mashitah started her career in Bank Pembangunan Malaysia in 1983 (*now known as Bank Pembangunan dan Infrastruktur*) as Project Officer. She left Bank Pembangunan Malaysia in 1984. She was attached to RHB Investment Bank Berhad from 1984 to 2006 to lead the Islamic Finance department mainly specialising in Islamic Debt Capital Market. She joined Bank Islam Malaysia Berhad in 2006 to set up and head the Corporate Investment Banking Division, which encompasses three (3) distinct departments offering corporate finance, debt capital market and corporate banking products and services.

In 2014, she joined Bank Muamalat Malaysia Berhad as Chief Operating Officer to oversee the business operations of Deposit, Consumer, Business Banking, Wealth Management and Investment Banking. She left Bank Muamalat Malaysia Berhad in 2016 upon completion of her employment contract with Bank Muamalat Malaysia Berhad.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

## 7.2.3 Directors' shareholdings

The direct and indirect shareholdings of our Directors before and after the IPO are as follows:-

Directors	Nationality	Before the IPO/As at the LPD		After the IPO <sup>^</sup>	
		Direct	Indirect	Direct	Indirect
		No. of Shares	% <sup>@</sup> No. of Shares	No. of Shares	% <sup>#</sup> No. of Shares
Dato' Siow Kim Lun @ Siow Kim Lin	Malaysian	-	-	500,000	0.10
Yap Ban Foo	Malaysian	-	174,732,800 <sup>(1)</sup>	-	168,732,800 <sup>(1)</sup>
Yap Sin Sang	Malaysian	-	142,963,200 <sup>(2)</sup>	-	136,963,200 <sup>(2)</sup>
Yap Poh Keong	Malaysian	-	39,712,000 <sup>(3)</sup>	1,500,000	39,712,000 <sup>(3)</sup>
Tevanaigam Randy Chitty	Malaysian	-	-	500,000	0.10
Mashitah Binti Osman	Malaysian	-	-	500,000	0.10

## Notes:-

- <sup>@</sup> Based on our issued share capital of 397,120,000 Shares after acquisition of RG Malaysia and its subsidiary, and RG Solutions but before the IPO.
- <sup>#</sup> Based on our enlarged issued share capital of 525,200,000 Shares after the IPO.
- <sup>^</sup> Assuming that all Pink Form Allocation is fully subscribed.
- (1) Deemed interested by virtue of Section 8(4) of the Act held through Global Merits's shareholdings.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through Practical Resources's shareholdings.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through Jejak Menang's shareholdings.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.2.4 Principal business activities and directorships in other corporations for the past five (5) years

Save as disclosed below, none of our Directors have any principal business activities and directorships in any other corporations for the past five (5) years preceding the LPD:-

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Dato' Siow Kim Lun @ Siow Kim Lin	Mainstreet Advisers Sdn Bhd	Non-Executive Director/ Shareholder	30.10.2007	N/A	Direct: 50.00 Indirect: -	Provision of corporate finance advisory services
	Citibank Berhad	Independent Non-Executive Director	25.04.2007	N/A	Nil	Banking and related financial services which also include Islamic Banking business
	HLA Holdings Sdn Bhd	Independent Non-Executive Chairman	01.07.2015	N/A	Nil	Investment holding and subsidiaries are engaged in insurance business
	UMW Technology Sdn Bhd	Non-Executive Director	18.12.2014	14.07.2017	Nil	Provision of IT-related services and Investing in technology companies

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Dato' Siow Kim Lun @ Siow Kim Lin (Cont'd)	Sunway Construction Group Berhad	Independent Non-Executive Director	17.10.2014	N/A	Nil	Investment holding and provision of construction services and the manufacture and sale of precast concrete products
	Eco World International Berhad	Independent Non-Executive Director/ Shareholder	12.09.2014	N/A	Direct: 0.083 Indirect: -	Investment holding and the development and sales of property projects in the UK and Australian markets
	UMW M&E Sdn Bhd	Non-Executive Director	16.08.2012	14.07.2017	Nil	Investment holding and subsidiaries are engaged in the manufacturing of auto component products and marketing of lubricants
	Hong Leong Assurance Berhad	Independent Non-Executive Director	30.09.2011	N/A	Nil	Underwriting of life insurance business

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Dato' Siow Kim Lun @ Siow Kim Lin (Cont'd)	EITA Resources Berhad	Independent Non-Executive Chairman/ Shareholder	01.04.2011	N/A	Direct: 0.153 Indirect: -	Design and installation of elevator systems, manufacturing of bus ducts and marketing & distribution of electrical and electronic components
	UMW Holdings Berhad	Senior Independent Non-Executive Director	10.07.2009	N/A	Nil	Investment holdings with core businesses in automotive, equipment and manufacturing & engineering
	WZ Satu Berhad	Independent Non-Executive Director	26.10.2007	13.02.2015	Nil	Investment holding with core businesses in construction and the manufacturing of cold drawn steel rods and trading of steel products
	Kumpulan Wang Persaraan (Diperbadankan)	Non-Executive Director	01.03.2007	N/A	Nil	Management of retirement funds under the Retirement Fund Act 2007
	UMW Petropipe (L) Ltd	Non-Executive Director	21.04.2011	14.07.2017	Nil	Investment holding and subsidiaries are engaged in pipes manufacturing

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Yap Ban Foo	Accurate Computer Solutions	Executive Director/ Shareholder	25.11.1999	N/A	Direct: 50.00 Indirect: -	Liquidator appointed on 7 August 2017 for members' voluntary winding up
	Ideasoft Solutions Sdn Bhd	Executive Director/ Shareholder	04.08.2005	N/A	Direct: 50.00 Indirect:-	Liquidator appointed on 7 August 2017 for members' voluntary winding up
	Global Merits	Executive Director/ Shareholder	16.12.2016	N/A	Direct: 99.00 Indirect: -	Investment holding
	Hyper Unggul Sdn Bhd	Executive Director	08.07.2011	14.02.2017	Nil	Trading of premix flour and paste
	Radiant Genius Sdn Bhd	Executive Director/ Shareholder	11.12.2003	N/A	Direct: 55.00 Indirect:-	Struck off
	Radiant Global Holdings Sdn Bhd	Executive Director/ Shareholder	02.12.2013	N/A	Direct: 50.00 Indirect:-	Struck off
	Radiant Global Services Sdn Bhd	Executive Director/ Shareholder	18.07.2011	N/A	Direct: 50.00 Indirect:-	In the midst of being struck off the register
	SPEM	Non-Executive Director	06.12.1996	03.01.2017	Nil <sup>A</sup>	Trading in barcode equipment computer and peripherals

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Yap Ban Foo (Cont'd)	Spectrum Highlights Sdn Bhd	Executive Director	14.03.2005	N/A	Nil	Liquidator appointed on 10 July 2017 for members' voluntary winding up
	Uji Sepakat Sdn Bhd	Executive Director	09.03.2012	14.02.2017	Nil	Trading of beverages
	Radiant Global HD Inc	Executive Director	09.09.2013	31.03.2017	Nil <sup>^</sup>	Outsourcing and selling on wholesale basis of computer related system, hardware and accessories
	Ever Praise Resources Limited	Executive Director/ Shareholder	23.11.2006	N/A	Direct: 50.00 Indirect:-	Investment holding
	Blynk Pte Ltd <sup>(1)</sup> (via Ever Praise Resources Limited)	Shareholder	N/A	N/A	Direct: - Indirect: - #	Offering software as service solutions in retail and enterprise resource planning systems, mobile engagement and data mining platforms
	Applied Media & Labels Sdn Bhd	Shareholder	N/A	N/A	Nil <sup>^</sup>	Manufacture and supply of product labels and media

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Yap Sin Sang	Accurate Computer Solutions	Executive Director/ Shareholder	25.11.1999	N/A	Direct:50.00 Indirect: -	Liquidator appointed on 7 August 2017 for members' voluntary winding up
	Ideasoft Solutions Sdn Bhd	Executive Director/ Shareholder	04.08.2005	N/A	Direct: 50.00 Indirect:-	Liquidator appointed on 7 August 2017 for members' voluntary winding up
	Hyper Unggul Sdn Bhd	Executive Director	08.07.2011	14.02.2017	Nil	Trading of premix flour and paste
	Radiant Genius Sdn Bhd	Executive Director/ Shareholder	11.12.2003	N/A	Direct: 45.00 Indirect:-	Struck off
	Radiant Global Holdings Sdn Bhd	Executive Director/ Shareholder	02.12.2013	N/A	Direct: 50.00 Indirect:-	Struck off
	Practical Resources	Executive Director/ Shareholder	19.12.2016	N/A	Direct: 90.00 Indirect: 10.00	Investment holding
	SPEM	Non-Executive Director	06.12.1996	03.01.2017	Nil <sup>^</sup>	Trading in barcode equipment computer and peripherals
	Radiant Global Services Sdn Bhd	Executive Director/ Shareholder	18.07.2011	N/A	Direct: 50.00 Indirect:-	In the midst of being struck off the register

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Yap Sin Sang (Cont'd)	Spectrum Highlights Sdn Bhd	Executive Director/ Shareholder	14.03.2005	N/A	Direct: 70.00 Indirect:-	Liquidator appointed on 10 July 2017 for members' voluntary winding up
	Softone Lite Sdn Bhd	Executive Director	28.04.1992	01.12.2016	Nil	Trading of electrical goods and its related accessories
	Uji Sepakat Sdn Bhd	Executive Director	09.03.2012	14.02.2017	Nil	Trading of beverages
	Ever Praise Resources Limited	Executive Director/ Shareholder	23.11.2006	N/A	Direct: 50.00 Indirect:-	Investment holding
	Blynk Pte Ltd <sup>(1)</sup> (via Ever Praise Resources Limited)	Shareholder	N/A	N/A	Direct: - Indirect: - #	Offering software as service solutions in retail and enterprise resource planning systems, mobile engagement and data mining platforms
	Applied Media & Labels Sdn Bhd	Shareholder	N/A	N/A	Nil <sup>^</sup>	Manufacture and supply of product labels and media

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Yap Sin Sang (Cont'd)	Radiant Global HD Inc	Executive Director	09.09.2013	31.03.2017	Nil <sup>a</sup>	Outsourcing and selling on wholesale basis of computer related system, hardware and accessories
	Radiant Global ADC (Thailand) Co., Ltd	Executive Director	12.10.2011	29.01.2017	Nil <sup>a</sup>	Importation and distribution of computer parts, developing computer program and sale of computer program
Yap Poh Keong	I-Vision Network Services Sdn Bhd	Executive Director	28.03.2006	N/A	Nil	In the midst of being struck off the register
	Jejak Menang	Executive Director/ Shareholder	19.12.2016	N/A	Direct: 90.00 Indirect: 10.00	Investment holding
	Spectrum Highlights Sdn Bhd	Shareholder	N/A	N/A	Direct: 20.00 Indirect: -	Liquidator appointed on 10 July 2017 for members' voluntary winding up
Tevanaigam Randy Chitty	LeadingAdvantage Consulting Sdn Bhd	Executive Director/ Shareholder	14.08.2007	N/A	Direct: 10.00 Indirect: -	Providing consultation and training services
	Tribeca Capital Sdn Bhd	Executive Director	28.04.2014	06.02.2015	Nil	Provision of consultancy and advisory services and investment holding
	Ikatan Gelombang Sdn Bhd	Executive Director	01.12.2014	15.12.2015	Nil	Investment holding and general contractor

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Tevanaigam Randy Chitty (Cont'd)	M&C Engineering and Trading Sdn Bhd (subsidiary of AWC Berhad)	Executive Director	08.04.2015	11.01.2018	Nil	Installing and trading in air-conditioning and control valves and engineering contractors
	M&C Engineering and Trading (S) Pte Ltd (subsidiary of AWC Berhad)	Executive Director	17.06.2015	11.01.2018	Nil	Air-conditioning and building automation
	Sukatan Ekonomi Sdn Bhd	Non-Executive Director	15.05.2015	09.06.2015	Nil	Dormant
	LKL International Berhad	Senior Independent Non-Executive Director/ Shareholder	23.07.2015	N/A	Direct: 0.07 Indirect: -	Investment holding
	DD Techniche Sdn Bhd (subsidiary of AWC Berhad)	Executive Director	08.10.2015	11.01.2018	Nil	Contracting for mechanical engineering works and trading of specialised water tanks and rainwater harvesting products
	Qudotech Sdn Bhd (subsidiary of AWC Berhad)	Executive Director	08.10.2015	11.01.2018	Nil	Mechanical and electrical engineering works

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities/ Remarks
Tevanaigam Randy Chitty (Cont'd)	Qudotech (JB) Sdn Bhd (subsidiary of AWC Berhad)	Executive Director	08.10.2015	11.01.2018	Nil	Mechanical and electrical engineering works
	AWC Pureti Sdn Bhd (subsidiary of AWC Berhad)	Executive Director	07.11.2016	11.01.2018	Nil	Combined facilities support activities, manufacture of other chemical products, wholesale of a variety of goods without any particular specialization
	AWC Rail Sdn Bhd (subsidiary of AWC Berhad)	Executive Director	29.03.2017	19.10.2017	Nil	Combined facilities support activities, general cleaning of buildings, manufacture of railway locomotives and rolling stock
Mashitah Binti Osman	Stream Environment Singapore Pte Ltd	Non-Executive Director	20.04.2017	13.03.2018	Nil	Installation and erection of building equipment (e.g.: lifts, escalators and travelators)
	Muamalat Invest Sdn Bhd	Executive Director	23.11.2014	14.02.2017	Nil	Provision of fund management services
	BIMB Offshore Company Management Services Sdn Bhd	Executive Director	26.06.2007	16.06.2014	Nil	Resident corporate secretary and director for offshore companies
	Bank Islam Trust Company (Labuan) Ltd	Executive Director	19.04.2007	16.06.2014	Nil	Provision of services as a Labuan registered trust

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

## Notes:-

- <sup>^</sup> Please refer to Section 10.1(b) of this Prospectus for further information on the date of disposal of the respective equity interest.
- # Pursuant to a Convertible Loan Agreement entered into between Ever Praise, Blynk Pte Ltd ("**Blynk**") and the existing shareholders of Blynk dated 5 October 2015 ("**Convertible Loan Agreement**"), Ever Praise loaned to Blynk an amount of Singapore Dollars S\$400,000.00 ("**Loan Amount**"). Under the Convertible Loan Agreement, Blynk shall convert all but not part of the Loan Amount into fully paid-up new conversion shares of Blynk at any time within the period of six (6) months from the date of the Convertible Loan Agreement which is 5 October 2015 in accordance to the formulae as set out in the Convertible Loan Agreement. The holders of conversion share may, but shall not be obliged to convert all or part of the conversion shares which have not already been redeemed, into ordinary shares at the share conversion price and the holders of conversion shares are also entitled to attend and vote together with the shareholders on an as-converted basis. However, as at to-date, the conversion shares have not been issued to Ever Praise. Notwithstanding this, Ever Praise is deemed to have an interest in shares in Blynk as it has a right to have the shares transferred to itself or to its order. Following thereon, by virtue of Section 7 of the Singapore Companies Act, Yap Ban Foo and Yap Sin Sang, each being a 50% shareholder of Ever Praise, are also deemed to have an interest in the shares of Blynk that Ever Praise has an interest in. Pursuant to email communication from Blynk on 17 November 2017, the parties have agreed and confirmed that notwithstanding the six (6) months period stated in the agreement for conversion, the parties are agreeable to keep the conversion period open.
- (1) Blynk Pte Ltd is not involved in the same business as Radiant Globaltech. Blynk Pte Ltd offers a development platform to allow their business partners or customers to build their own software applications, whereas our Group is principally involved in the provision of retail technology solutions. Therefore, there is no conflict of interest in relation to our Group.
- It is the intention of Yap Ban Foo and Yap Sin Sang to exit from Blynk Pte Ltd. In accordance to Radiant Globaltech's Constitution, every Director will be required to disclose his shareholding(s) and/or interest(s) in other businesses and/or his interest(s) in any contract or proposed contract with the Company, whereby whether directly or indirectly, such interests might be in conflict with his duty or interest as a Director of the Company. Accordingly, Yap Ban Foo and Yap Sin Sang will be required to disclose their interest in Blynk Pte Ltd to the Board. In addition, in the event that either Radiant Globaltech Group or Blynk Pte Ltd has the intention to venture into similar and/or competing business with each other, both Yap Ban Foo and Yap Sin Sang will immediately update our Board upon becoming aware. Our Audit Committee will review the conflict of interest situation, and in accordance to Radiant Globaltech's Constitution, Yap Ban Foo and Yap Sin Sang is restricted to participate in any discussion in view of their interests. All the reviews performed by our Audit Committee will be reported directly to our Board for its next course of action.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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**7.2.5 Involvement of our Executive Directors in other businesses or corporations**

Save as disclosed in Section 7.2.4 of this Prospectus, our Executive Directors are not involved in other businesses or corporations. The involvements of our Executive Directors in other businesses or corporations are not expected to affect the operations of our Group as our Executive Directors are principally involved in the day-to-day operations of our Group.

The other businesses or corporations in which our Executive Directors are also the directors are either investment holding, in the midst of being struck off the register and are companies which they intend to strike off the register, to liquidate, dormant or have ceased operations. Hence, this would not be expected to affect their performance in our Group.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

## 7.2.6 Directors' remuneration and benefits

The details of the remuneration and benefits paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 31 December 2017 and 2018 are as follows, based on the Group level:-

FYE 31 December 2017	Basic salary	Director fees	Contractual bonus*	Performance bonus <sup>A</sup>	Benefits-in-kind (RM'000)	Employees Provident Fund and Social Security Organisation	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Executive Directors</b>							
Yap Ban Foo	592	52	45	382	42	117	1,230
Yap Sin Sang	540	-	45	382	24	117	1,108
Yap Poh Keong	420	-	35	263	11	87	816
<b>Non-Executive Directors</b>							
Dato' Siow Kim Lun @ Siow Kim Lin	-	-	-	-	-	-	-
Tevanaigam Randy Chitty	-	-	-	-	-	-	-
Mashitah Binti Osman	-	-	-	-	-	-	-

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Proposed FYE 31 December 2018	Basic salary	Director fees	Contractual bonus*	Performance bonus <sup>^</sup>	Benefits-in-kind	Employees Provident Fund and Social Security Organisation	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Executive Directors</b>							
Yap Ban Foo	677	-	47	402 <sup>@</sup>	43	123	1,297
Yap Sin Sang	567	-	47	402 <sup>@</sup>	24	123	1,163
Yap Poh Keong	441	-	37	276 <sup>@</sup>	11	91	856
<b>Non-Executive Directors</b>							
Dato' Siow Kim Lun @ Siow Kim Lin	-	42	-	-	-	-	42
Tevanaigam Randy Chitty	-	36	-	-	-	-	36
Mashitah Binti Osman	-	36	-	-	-	-	36

**Notes:-**

\* Contractual bonus is a fixed one-month compulsory bonus.

<sup>^</sup> Performance bonus is estimated based on the employee's target to be achieved for the year. The amount to be paid is determined based on the employee's performance as well as our Group's cash flows and business performance at the time of assessment.

@ As at the LPD, the amount of performance bonus paid to the Executive Directors based on their individual performance since January 2018 up to the LPD is approximately RM40,000 each to both Yap Ban Foo and Yap Sin Sang and RM30,000 to Yap Poh Keong. The remaining performance bonus will be determined later based on the individual's performance as well as our Group's cash flows and business performance at the time of assessment.

The remuneration which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits of our Directors, must be considered and recommended by the Remuneration Committee and subsequently, be approved by our Board. Our Directors' fees must be further approved by our shareholders at a general meeting.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.3 BOARD PRACTICES

#### 7.3.1 Directorship

As at the LPD, the details of the date of expiration of the current term of office for each of the Directors and the period for which the Directors have served in that office are as follows:-

Name	Designation	Date of expiration of the current term of office	Period served
Dato' Siow Kim Lun @ Siow Kim Lin	Independent Non-Executive Chairman	At the 17 <sup>th</sup> AGM to be held in the year 2020	Less than one (1) year
Yap Ban Foo	Managing Director	At the 16 <sup>th</sup> AGM to be held in the year 2019	14 years
Yap Sin Sang	Executive Director - Operations	At the 16 <sup>th</sup> AGM to be held in the year 2019	14 years
Yap Poh Keong	Executive Director – Sales and Software Development	At the 17 <sup>th</sup> AGM to be held in the year 2020	Less than one (1) year
Tevanaigam Randy Chitty	Independent Non-Executive Director	At the 18 <sup>th</sup> AGM to be held in the year 2021	Less than one (1) year
Mashitah Binti Osman	Independent Non-Executive Director	At the 18 <sup>th</sup> AGM to be held in the year 2021	Less than one (1) year

In accordance with the Company's Constitution, one third (1/3) of our Board will retire by rotation at every annual general meeting of our Company. Each Director shall retire at least once in every three (3) years and shall be eligible for re-election. Any Director appointed within the year shall hold office only until the next annual general meeting and shall then be eligible for re-election. None of the Directors has been appointed for a fixed term.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.3.2 Audit Committee

Our Audit Committee was established on 7 August 2017 and its members are appointed by our Board. Our Audit Committee comprises the following members:-

Name	Designation	Directorship
Tevanaigam Randy Chitty	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Mashitah Binti Osman	Member	Independent Non-Executive Director

The main functions of the Audit Committee include amongst others, the review of audit plans and audit reports with our external auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope, functions, competency and resources of the internal audit function of which the internal auditors should report directly to the Audit Committee, review of the quarterly and yearly financial statements, appointment and re-appointment of the external auditors and review of related party transactions.

### 7.3.3 Remuneration Committee

Our Remuneration Committee was established on 7 August 2017 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Tevanaigam Randy Chitty	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Mashitah Binti Osman	Member	Independent Non-Executive Director

The main functions of the Remuneration Committee include amongst others, the recommendation to our Board regarding the remuneration packages of the Executive Directors, assisting our Board in assessing the responsibility and commitment undertaken by our Board members and assisting our Board in ensuring the remuneration of the Executive Directors are reflective of the responsibility and commitment of the Directors concerned.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.3.4 Nomination Committee

Our Nomination Committee was established on 7 August 2017 and its members are appointed by our Board. Our Nomination Committee comprises the following members:-

Name	Designation	Directorship
Mashitah Binti Osman	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Tevanaigam Randy Chitty	Member	Independent Non-Executive Director

The main functions of the Nomination Committee include amongst others, the review of all nominations for the appointment or re-appointment of members of our Board and to determine the selection criteria, review of the structure, size and composition of our Board, and to ensure that all our Directors undergo appropriate introduction and training programmes.

### 7.3.5 Risk Management Committee

Our Risk Management Committee was established on 7 August 2017 and its members are appointed by our Board. Our Risk Management Committee comprises the following members:-

Name	Designation	Directorship
Tevanaigam Randy Chitty	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Mashitah Binti Osman	Member	Independent Non-Executive Director

The main functions of the Risk Management Committee include amongst others, oversee and recommend the risk management policies and procedures of our Group, implement and maintain a sound risk management framework, set reporting guidelines for management to report to committee and review the risk profile of our Group and measures taken to mitigate business risk.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

## 7.4 KEY SENIOR MANAGEMENT

## 7.4.1 Key senior management shareholdings

The details of our key senior management and their direct and indirect shareholdings in our Company before and after the IPO are as follows:-

Key senior management	Designation	Nationality	Before the IPO/As at the LPD			After the IPO <sup>^</sup>		
			No. of Shares	% <sup>@</sup>	No. of Shares	%	No. of Shares	%
Yap Siok Chin	General Manager – Corporate Affairs	Malaysian	-	-	-	1,500,000	0.29	-
Lee Sook Kuan	Group Accountant	Malaysian	-	-	-	150,000	0.03	-
Loh Soh Wei	Head of Software (Radiant Globaltech)	Malaysian	-	-	-	200,000	0.04	-
Ong Eng Hu	Head of Software (RG Solutions)	Malaysian	-	-	-	200,000	0.04	-
Chai Fui Nge	Head of Sales	Malaysian	-	-	-	150,000	0.03	-
Yeap Chee Keong	Head of Technical	Malaysian	-	-	-	200,000	0.04	-
Yong Soo Ching	Head of Pre-sales	Malaysian	-	-	-	300,000	0.06	-
Tran Phu Vinh	Deputy General Director – RG Vietnam	Vietnamese	-	-	-	1,500,000	0.29	-

**Notes:-**

<sup>@</sup> Based on our issued share capital of 397,120,000 Shares after acquisition of RG Malaysia and its subsidiary, and RG Solutions but before the IPO.

<sup>#</sup> Based on our enlarged issued share capital of 525,200,000 Shares after the IPO.

<sup>^</sup> Assuming that all Pink Form Allocation is fully subscribed.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****7.4.2 Profiles**

The profiles of the key senior management of our Group are as follows:-

**Yap Siok Chin**

*Promoter and General Manager – Corporate Affairs*

Please refer to Section 7.1.3 of this Prospectus for her profile.

**Lee Sook Kuan**

*Group Accountant*

Lee Sook Kuan, Malaysian, aged 34, is our Group Accountant. She is responsible for accounting matters of our Group. She graduated from Oxford Brookes University in the United Kingdom with a Bachelor of Science, with a major in Applied Accounting, in 2005. She pursued her professional studies with the Association of Chartered Certified Accountants (“**ACCA**”) and completed her professional examinations with the ACCA in 2008. She has been a Fellow Member of the ACCA since 2016. She is also a registered chartered accountant of the Malaysian Institute of Accountants (“**MIA**”).

In 2007, she began her career as an Audit Assistant in Kong Cheong & Co where she assisted in the preparation of audit reports. She was promoted to Audit Assistant Semi-Senior in the same year where she was in charge of the preparation of audit reports, including tax computation and accountancy matters and left the company in 2007. In January 2008, she joined L M Chan & Associates where she was promoted to Audit Senior before leaving the company in March 2010. During her tenure with L M Chan & Associates, she was responsible for the preparation and compilation of audit working papers and preparation of corporate tax computation.

In 2010, after a short career break, she joined Delta China Technologies Limited, a company registered in Hong Kong, as a Senior Finance Executive and was responsible for the internal audit and management accounts of the company. She also supervised the accounting records during her tenure in Delta China Technologies Limited.

In the same year, she left to join Pestech Sdn Bhd (a subsidiary of Pestech International Berhad) as a Senior Accounts Executive of the Corporate Finance Department. In 2011, she was promoted to Senior Finance Executive and was subsequently promoted to Associate Manager of the Corporate Services Department in 2012. In 2013, she was further promoted to Assistant Manager. During her tenure with Pestech Sdn Bhd, she was responsible for the finance and tax related matters of Pestech International Berhad group including but not limited to the preparation of quarterly financial statements for management discussion and analysis, provision of GST advice within the Pestech International Berhad group of companies and coordination of the day to day operations of the accounts department. She was certified as a Goods and Services Tax Advice Agent from the Royal Customs Department Malaysia in 2014.

In October 2016, she joined our Group as the Corporate Finance Manager, and was promoted to Group Accountant in July 2017, reporting directly to our Managing Director.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****Loh Soh Wei**

*Head of Software (Radiant Globaltech)*

Loh Soh Wei, Malaysian, aged 36, is our Head of Software (Radiant Globaltech). She is jointly-responsible for leading our Software Development team. She graduated with a Bachelor of Science from Campbell University in 2004.

Upon graduation, she had a short stint at MediaCliQ Sdn Bhd as a Software Engineer where she was briefly involved in the management of short messaging service contests. Thereafter, she joined IRIS Corporation Berhad as Software Engineer in 2004 and was involved in the coding, implementation and enhancement of the corporate website and the intranet system. She left IRIS Corporation Berhad in 2005. The following year, she joined our Group as an Analyst Programmer, before moving on to SONY Malaysia Sdn Bhd in 2008. In SONY Malaysia Sdn Bhd, she was involved in several software application projects and left the company in 2009. In 2009, she returned to our Group as Senior System Consultant and promoted to the position of System Manager in 2012. During her role as System Manager, she was the technical lead for our portal solutions.

In July 2017, she was promoted to her present position as Head of Software (Radiant Globaltech). She brings with her over 10 years of experience in the software industry.

**Ong Eng Hu**

*Head of Software (RG Solutions)*

Ong Eng Hu, Malaysian, aged 35, is our Head of Software (RG Solutions). He is jointly-responsible for leading our Software Development team as well as oversees and leads our third party software teams. He graduated with a Bachelor of Information Systems (Honours) Business Information Systems from University Tunku Abdul Rahman in 2007.

Upon graduation, he started his career in IT as a System Analyst with Sony EMCS Malaysia Sdn Bhd and was involved in the software development life cycle. Later that year he left Sony EMCS Malaysia Sdn Bhd and moved on to Accenovate Technology Sdn Bhd as Technical Specialist where he developed, customised and enhanced the retail POS system of several retail outlets in Malaysia and Singapore. He left in 2009 and joined Ideasoft Solutions Sdn Bhd as Application Specialist whereby he was involved in the design, development and customisation of features in *MS Dynamics NAV* and *LS Retail* products. In 2013, he joined RG Solutions as System Manager and in July 2017, he was promoted to his present position as Head of Software (RG Solutions) and brings with him almost 10 years of experience in the software industry.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****Chai Fui Nge**  
*Head of Sales*

Chai Fui Nge, Malaysian, aged 48, is our Head of Sales. She is responsible for managing and leading the overall Sales team and business development activities of our Group, as well as generating prospective sales leads, reporting directly to our Executive Director – Sales and Software Development. She completed her Diploma in Business Studies from Institut Perdagangan Pertama in 1990.

She commenced work at IT-CAT (M) Sdn Bhd in 1991 as an administrative personnel and left in 1994. Thereafter, she joined the GHL Group where she was an administrative executive in GHL Rental Sdn Bhd assisting the managing director. In 1998, she worked as a Customer Service Officer in GHL Technologies Sdn Bhd whereby she did telesales to approach potential customers. In 2000, she joined GHL Infosys Sdn Bhd as a Corporate Account Manager where she developed focused strategic account plans and conducted sales of system integration and at the end of 2000, she became a Corporate Account Manager in JOS System (Malaysia) Sdn Bhd whereby she also developed focused strategic account plans and conducted sales of system integration. In 2002, she was a Corporate Account Manager in Jardine OneSolution (2001) Sdn Bhd and was promoted to Senior Corporate Account Manager in 2005 and was responsible to manage and maintain relationships with a few key customers. In 2008, she was a Corporate Sales Manager in Jardine OneSolution (2001) Sdn Bhd whereby her responsibilities include performing sales activities, educating the sales team by establishing seminars and coordinating staff to achieve stable sales results and was promoted to Senior Corporate Sales Manager in 2011, and promoted again to General Sales Manager in 2012. During her tenure in Jardine OneSolution (2001) Sdn Bhd as General Sales Manager, she was responsible for managing the sales team to achieve their sales target.

In July 2016, she joined our Group as Head of Sales and brings with her almost 20 years of experience in the sales industry.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****Yeap Chee Keong**  
*Head of Technical*

Yeap Chee Keong, Malaysian, aged 49, is our Head of Technical. He is responsible for leading the Technical and Helpdesk team in troubleshooting problems and providing guidance in relation to our hardware and software solutions to our customers who are located in Malaysia. He obtained a Certificate in Data Processing from Politeknik Sultan Haji Ahmad Shah in 1990.

He started his career in the IT industry as a System Analyst Programmer for Computer Applied Systems & Engineering Sdn Bhd where he was involved in the program development of accounting, inventory and machinery preventive maintenance systems. Then, he furthered his studies and completed his Diploma in Information Systems Management from The Institute of Data Processing Management (*now known as The Institute for the Management of Information Systems*), United Kingdom in 1993.

While studying in 1992, he commenced his career as a Programmer with Berjaya Kawat Manufacturing Sdn Bhd (*now known as Southern Wire Industries (M) Sdn Bhd*) and left in 1996. In 1996, he moved on to Business Solution Company (China) Ltd as System Manager overseeing the technical support division and left in 1998. Then in 1998, he joined NCK Wire Products Sdn Bhd as Head of MIS Department and was involved in project management and system implementation of various customised systems including accounting system, payroll system and web servers. He left the company in 2001 before joining Malayan United Management Sdn Bhd as Project Manager in 2001 and was also involved in the project management and configuration of router, antivirus and firewall. Subsequently upon leaving the company in 2007, he joined CCI Systems (M) Sdn Bhd (*now known as Wincor Nixdorf Retail Solutions (M) Sdn Bhd*) as Manager – System Management whereby he monitored and ensured that project deliverables are met until 2012.

In 2012, he joined our Group as Customer Service Manager and he assumed a position as Technical Manager in 2015 where he manages and lead our technical teams to reach project milestones timely and within budget. In July 2017, he was promoted to his present position as Head of Technical and brings with him over 20 years of experience in the IT industry.

**Yong Soo Ching**  
*Head of Pre-sales*

Yong Soo Ching, Malaysian, aged 39, is our Head of Pre-sales. He is responsible for managing and leading our pre-sales team, with a special focus on overseas customers, reporting directly to our Executive Director – Operations. He obtained a Diploma in Electrical/Electronic Engineering from Institut Teknologi Pertama in 2000.

Upon graduation, he joined our Group as a Technical Engineer, and was responsible for troubleshooting hardware solutions, conducting product demonstrations and providing telephone technical support. In 2002, he was promoted to Senior Technical Engineer and subsequently promoted to Technical Support in 2003, where he was responsible for providing on-site technical support, conducting product demonstration and training, as well as installation of our hardware and software solutions. Subsequently in 2005, he was promoted to Technical Manager Application where he was in charge of the overall Group's export sales, in addition to providing various sales-related activities and resolving issues arising from customers' feedbacks. In 2015, he was further promoted to Application Manager and in July 2017, he assumed his present position as Head of Pre-sales.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### Tran Phu Vinh

*Deputy General Director – Vietnam*

Tran Phu Vinh, Vietnamese, aged 46, is our Deputy General Director – Vietnam. He is responsible for overseeing the overall operations of our Group's business in Vietnam. He graduated with a Bachelor of Science in Information Technology from University of Natural Sciences, Vietnam in 1999.

He joined VINATEC Co Ltd as Senior Project Manager in 1995 until 1999. During his tenure in VINATEC Co Ltd, he performed application development, maintenance and customisation of retail software solutions. In 1999, he joined AZ Technologies Co Ltd as Software Manager, where he was responsible for guiding and leading the team in various software-related activities and he left the company in 2004. Subsequently in 2004, he moved on to Parkson Vietnam Co Ltd as IT Manager. He was in charge of all the IT-related activities as well as IT-support to the local office and stores throughout the country. He left the company in 2007 before joining our Group in 2008, where he assumed the position as Deputy General Director – Vietnam and brings with him extensive domain expertise and industry proficiency.

### 7.4.3 Involvement of our key senior management in other businesses/corporations

Save as disclosed below, none of our other key senior management personnel have any principal business activities and directorship in any other businesses/ corporations for the past five (5) years preceding the LPD:-

Name	Company	Position Held	Date Resigned	Principal Activities/ Remarks
Loh Soh Wei	Astute Lab Sdn Bhd	Director	27.04.2015	Struck off
	Global CCS Sdn Bhd	Shareholder	-	In the midst of being struck off the Register of Companies
Tran Phu Vinh	Tri Vinh Technologies Company Limited	Director	25.05.2017	Wholesale of computer, computer peripheral equipment and software
	Global Vision Co. Ltd	Director	12.05.2017	Wholesale of computer, computer peripheral equipment and software

The involvements of our above key senior management in other businesses or corporations are not expected to affect the operations of our Group as they are principally involved in the day-to-day operations of our Group. In addition, they have either resigned as a director or the company is in the midst of being struck off the register. Hence, this would not be expected to affect their performance in our Group

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.4.4 Key senior management's remuneration and benefits

The aggregate remuneration and benefits paid and proposed to be paid to our key senior management for services rendered to our Group in all capacities for the FYE 31 December 2017 and 2018 are as follows:-

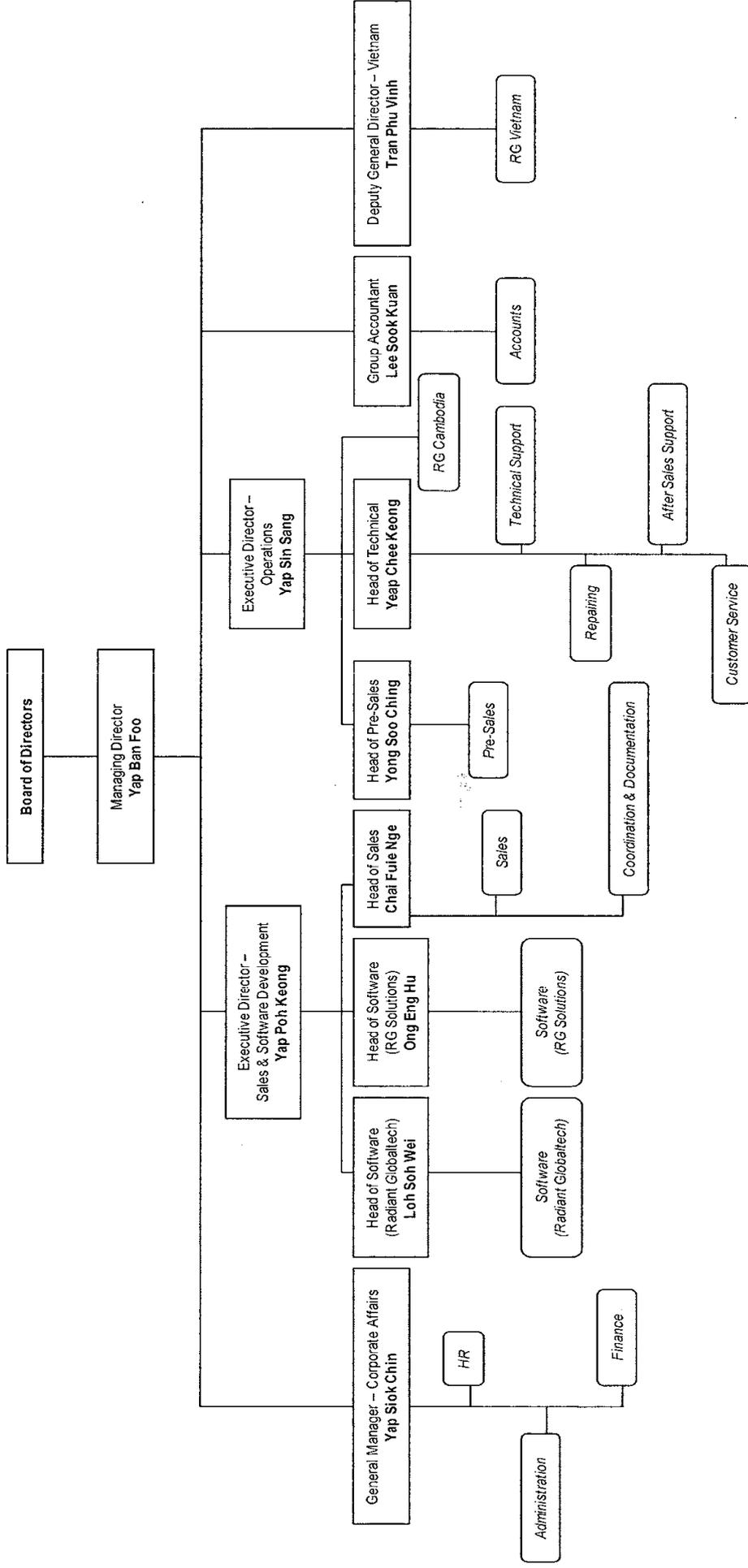
	Remuneration Band	
	FYE 31 December 2017 (RM'000)	Proposed for FYE 31 December 2018 (RM'000)
Yap Siok Chin	450 – 500	450 – 500
Lee Sook Kuan	150 – 200	150 – 200
Loh Soh Wei	250 – 300	300 – 350
Ong Eng Hu	200 – 250	200 – 250
Chai Fuie Nge	300 – 350	300 – 350
Yeap Chee Keong	200 – 250	200 – 250
Yong Soo Ching	100 – 150	100 – 150
Tran Phu Vinh	250 – 300	300 – 350

The remuneration for our key senior management includes salaries, contractual bonuses, performance bonuses and benefits awarded to all employees (including our Executive Directors). Contractual bonus is a fixed one-month compulsory bonus whereby the employees are entitled to receive a one-month's salary. On the other hand, performance bonus is determined based on the individual's performance as well as the Group's business performance.

7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

7.5 MANAGEMENT REPORTING STRUCTURE

The management reporting structure of our Group is as follows:-



**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**7.6 DECLARATIONS FROM OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT**

None of our Promoters, Directors and key senior management is or was involved in any of the following events, whether within or outside Malaysia:-

- (i) A petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner, or any corporation of which he was a director or member of key senior management in the last 10 years;
- (ii) Disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) Charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceeding in the last 10 years;
- (iv) Any judgment entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) The subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market in the last 10 years;
- (vi) The subject of any order, judgment or ruling of any court, government or regulatory authority or body, temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) The subject of any current investigation or disciplinary proceeding, or has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; or
- (viii) Any unsatisfied judgment against him.

**7.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS**

Save for Yap Sin Sang, our Promoter and Executive Director – Operations, who is the brother to Yap Siok Chin, our Promoter and General Manager – Corporate Affairs, there are no other family relationships and associations between or amongst our Promoters, substantial shareholders, Directors and key senior management.

**7.8 SERVICE AGREEMENTS**

As at the LPD, none of our Directors and/or key senior management has any existing or proposed service agreement with our Group.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**7.9 MANAGEMENT SUCCESSION PLAN**

Our Board believes that the success of our Group depends on the ability and retention of our key senior management personnel. Therefore, we have made efforts to train our employees and remunerate them accordingly. Our future success will also depend on our ability to attract and retain skilled personnel.

We have a management succession plan consisting of:-

- (i) Structured career planning and development;
- (ii) Competitive remuneration and employee benefits; and
- (iii) Continuous training and development.

Additionally, our key senior management team comprising of Yap Siok Chin, Lee Sook Kuan, Loh Soh Wei, Ong Eng Hu, Chai Fuei Nge, Yeap Chee Keong, Yong Soo Ching and Tran Phu Vinh, has clearly defined leadership roles and responsibilities within corporate affairs (finance, administration and HR), accounts, software development, sales, technical, regional sales support and management of our Vietnam office respectively. Our key senior management team has been set up to provide structured and resilient support to our Managing Director and Executive Directors, namely Yap Ban Foo, Yap Sin Sang and Yap Poh Keong, to facilitate the growth of our Group.

As part of our management succession plan, we have put in place a process to groom new management staff to gradually assume the responsibilities of senior management. Our Group's strategy for management continuity is driven by our top management who is responsible for identifying key competencies and recruitment of candidates with knowledge and expertise of our business to enhance operations.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.10 EMPLOYEES

The breakdown of our employees based on department and main place of operations as at 31 December 2017 is as follows:-

Department	Number of Employees			
	Malaysia	Vietnam	Cambodia	Total
Directors	6	-	-	6
Finance, accounts, HR, purchasing and store	26	8	1	35
Sales	22	10	1	33
Software development	26	2	-	28
IT Support	132	9	4	145
<b>Total</b>	<b>212</b>	<b>29</b>	<b>6</b>	<b>247</b>

Included in the table above, during the FYE 31 December 2017, we have an average of 31 contractual/temporary employees that are engaged for a period of six (6) months. Our contractual/temporary employees comprise new staff who joined our Group. After the six (6)-month contract, the contractual/temporary staff may become our permanent employees, subject to the management's satisfaction of their performance.

As at 31 December 2017, we have two (2) foreign employees, one (1) from Indonesia and one (1) from Cambodia. The employee from Cambodia holds a valid employment pass for a period of one (1) year and the employee from Indonesia holds a valid visit pass (social) for a period of one (1) year with an endorsement by the Immigration Department Malaysia permitting the employee to be gainfully employed during the validity period of the visit pass (social).

None of our employees are member of any union nor have there been any major industrial disputes in the past.

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**8. APPROVALS AND CONDITIONS**

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**8.1 APPROVALS FROM RELEVANT AUTHORITIES**

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

Bursa Securities had vide its letter dated 26 April 2018, approved our admission to the Official List and listing of and quotation for our entire enlarged issued share capital of Radiant Globaltech of RM49,314,400 comprising 525,200,000 Shares on the ACE Market of Bursa Securities.

The SC had, vide its letter dated 23 May 2018, taken note of the resultant equity structure of Radiant Globaltech pursuant to the Listing under the equity requirement for public listed companies. The SC also noted that Radiant Globaltech is a MSC-Malaysia status company and therefore is exempted from the equity requirement for public listed companies.

Nevertheless, if our Company undertakes subsequent proposals involving:-

- (i) a transfer of our listing status to the Main Market of Bursa Securities; or
- (ii) any acquisition which results in a significant change in our business direction or policy,

our Company must submit such application to the SC under the equity requirement for public listed companies for a reassessment.

Radiant Globaltech was granted MSC-Malaysia status by MDeC vide its letter dated 9 December 2014. To maintain its preferential status, Radiant Globaltech is expected to operate according to certain conditions as set out in Section 8.2 of this Prospectus below.

Our Company has voluntarily submitted an application to the SC for a Shariah compliance review to be carried out by the SAC as part of the process of determining our Shariah status. The SAC had, vide its letter dated 21 May 2018, classified our Company's Shares as Shariah compliant based on the audited consolidated financial statements of Radiant Globaltech for the FYE 31 December 2017.

**8. APPROVALS AND CONDITIONS (Cont'd)****8.2 CONDITIONS ON APPROVALS**

The conditions imposed by the Bursa Securities vide its letter dated 26 April 2018 in respect of the Listing are as follows:-

Details of conditions imposed	Status of compliance
(i) Any director of the Company that has not attended the Mandatory Accreditation Programme must do so prior to Listing of the Company;	To be complied. Bursa Securities has granted an extension of time until 4 September 2018 vide its letter dated 30 May 2018.
(ii) Submit the following information in respect of the moratorium on the shareholdings of the promoters to the Bursa Depository:-  (a) Name of shareholders;  (b) Number of Shares; and  (c) Date of expiry of the moratorium for each block of Shares.	To be complied prior to Listing.
(iii) Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied.
(iv) Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirements;	To be complied prior to Listing.
(v) Furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the share spread requirements on the first day of Listing;	To be complied upon Listing.
(vi) In relation to the public offering to be undertaken by Radiant Globaltech, please announce at least two (2) Market Days prior to the Listing date, the result of the offering including the following:-  (a) Level of subscription of public balloting and placement;  (b) Basis of allotment/allocation;  (c) A table showing the distribution for placement tranche, in format attached in Appendix I of the approval letter of Bursa Securities; and  (d) Disclosure of placees who become substantial shareholders of Radiant Globaltech arising from the public offering, if any.	To be complied prior to Listing.
Radiant Globaltech / AIBB to ensure that the overall distribution of Radiant Globaltech's securities is properly carried out to provide an orderly trading in the secondary market; and	
(vii) Radiant Globaltech / AIBB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities's approval once the admission to the Official List on the ACE Market is completed.	To be complied upon Listing.

**8. APPROVALS AND CONDITIONS (Cont'd)**

The conditions imposed by MDeC vide its letter dated 9 December 2014 in respect of the MSC-Malaysia status granted to Radiant Globaltech are as follows:-

Details of conditions imposed	Status of compliance
<p>Radiant Globaltech agrees to:</p> <p>(i) complete business registration of the proposed entity as a locally incorporated company under the Companies Act 1965 within one (1) month from the date of the approval letter, commence operations of the proposed entity within six (6) months from the date of the approval letter, and undertake such activities specified in Radiant Globaltech's business plan ("<b>Business Plan</b>") as approved by MDeC below ("<b>MSC-Malaysia Qualifying Activities</b>") within six (6) months from the date of the approval letter or by such date(s) as may be specified in the Business Plan (which date(s) may be extended or modified with the written consent of MDeC) and thereafter continue with such business and activities unless otherwise approved by MDeC. The MSC-Malaysia Qualifying Activities are as follows:-</p> <p>(a) Research, development and commercialization of the following solution:</p> <ul style="list-style-type: none"> <li>• <i>AX Retail B2B Portal</i> Version 3.0 and above</li> <li>• <i>AX Retail Consignment Portal</i> Version 2.0 and above</li> <li>• <i>AX Mobile System</i> Version 2.0 and above</li> </ul> <p>(b) Provision of implementation, maintenance and technical services related to the above solution.</p> <p>Any changes proposed to the above MSC-Malaysia Qualifying Activities as detailed in the Business Plan must receive the prior written consent of MDeC;</p>	<p>Complied.</p>
<p>(ii) locate the implementation and operation of the MSC-Malaysia Qualifying Activities in a Designated Premises in an MSC-Malaysia Cybercentre with minimum office space of 10,200 sq ft, within six (6) months from the date of the approval letter. Radiant Globaltech shall obtain MDeC's prior written approval in the event of any changes in the location or address of the company;</p>	<p>Complied.</p>

## 8. APPROVALS AND CONDITIONS (Cont'd)

Details of conditions imposed	Status of compliance
(iii) ensure that at all times at least fifteen percent (15%) of the total number of employees (excluding support staff) of Radiant Globaltech shall be "knowledge workers" (as defined by MDeC). "Knowledge workers" shall be recruited, employed and/or appointed solely for the purpose of undertaking the MSC Malaysia Qualifying Activities. The recruitment, employment and/or appointment of foreign "knowledge workers" (if any) shall be the sole responsibility of Radiant Globaltech and MDeC shall not be held responsible for any liability arising from such recruitment, employment and/or appointment;	Complied.
(iv) ensure that any products produced pursuant to the MSC-Malaysia Qualifying Activities are original, and that no part or portion of such product is an infringement or violation of any intellectual property or any proprietary rights of any third party, or constitutes a misappropriation of know-how belonging to any third party;	Complied.
(v) submit to MDeC a copy of Radiant Globaltech's Annual Report and Audited Statements in parallel with submission to the Companies Commission of Malaysia;	Complied.
(vi) ensure that all information and/or documents furnished by Radiant Globaltech to MDeC or any other authority or agency do not contain any false, untrue or inaccurate statements or omit to state any facts, the omission of which would make any statements made therein in the light of the circumstances under which they are made, misleading;	Complied.
(vii) inform and obtain the prior approval of MDeC for any proposed change in the name of Radiant Globaltech;	Complied.
(viii) inform MDeC of any change in the equity structure or shareholding structure of Radiant Globaltech, or such other changes that may affect the direction or operation of Radiant Globaltech. MDeC must be informed of any change before steps are taken to effect such change; and	Complied.
(ix) comply with all such statutory, regulatory and/or licensing requirements as may be applicable, including but not limited to the Transfer Pricing Guidelines issued by the Inland Revenue Board of Malaysia on 2 July 2003, and such other amendments as may be applicable from time to time.	Complied.
The MSC-Malaysia Status granted to Radiant Globaltech shall not be transferable or assignable in any way whatsoever without the prior written consent of MDeC.	

**8. APPROVALS AND CONDITIONS (Cont'd)****8.3 MORATORIUM ON SALE OF SHARES**

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:-

- (i) The moratorium applies to our Promoters' entire shareholdings for a period of six (6) months from the date of our admission to the ACE Market of Bursa Securities ("**First 6-Month Moratorium**");
- (ii) Upon the expiry of the First 6-Month Moratorium, we must ensure that our Promoters' aggregate shareholdings amounting to 45% of our issued and paid-up ordinary share capital remain under moratorium for a further six (6) months ("**Second 6-Month Moratorium**"); and
- (iii) Upon the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of one third per annum (on a straight line basis) of our Shares held under moratorium.

Details of our Shares held by our Promoters which will be subject to moratorium are as follows:-

Promoters	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	No. of Shares	% of enlarged issued share capital	No. of Shares	% of enlarged issued share capital
Global Merits <sup>(1)</sup>	168,732,800	32.13	112,918,000	21.50
Practical Resources <sup>(2)</sup>	136,963,200	26.08	112,918,000	21.50
Jejak Menang <sup>(3)</sup>	39,712,000	7.56	10,504,000	2.00
Yap Poh Keong <sup>(4)</sup>	1,500,000	0.29	-	-
Yap Siok Chin <sup>(4)</sup>	1,500,000	0.29	-	-
<b>Total</b>	<b>348,408,000</b>	<b>66.35</b>	<b>236,340,000</b>	<b>45.00</b>

**Notes:-**

- (1) Investment holding company for Yap Ban Foo.
- (2) Investment holding company for Yap Sin Sang.
- (3) Investment holding company for Yap Poh Keong.
- (4) Pursuant to Pink Form Allocation under the Listing Scheme.

The moratorium, which is fully acknowledged by our Promoters, is specifically endorsed on our share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

The ultimate shareholders of Global Merits, Practical Resources and Jejak Menang have also undertaken not to sell, transfer or assign their respective shareholdings in Global Merits, Practical Resources and Jejak Menang during the moratorium period.

## 9. OTHER INFORMATION

## 9.1 INFORMATION ON MATERIAL LAND AND BUILDINGS

## 9.1.1 Properties owned

A summary of the material land and buildings owned by our Group for our operations as at the LPD is as follows:-

Registered and Beneficial Owner	Property Address/Title Details	Description and Existing Use	Category of Land Use/Tenure of Property	Restrictions of Interest/ Encumbrance(s)	Date of Issuance of Certificate of Fitness or CCC	Gross Built-Up Area/Land Area (sq ft)	Net book value as at December 31 2017 RM million	Date of acquisition
RG Malaysia	No. 8, Jalan 3/91A, Taman Shamelin Perkasa, Batu 3½, Cheras, 56100 Kuala Lumpur, Wilayah Persekutuan, Malaysia/ PN 31014 Lot 54594, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Three (3)-storey intermediate semi-detached factory used as office, warehouse and customer support service office	Industrial/ Leasehold expiring on 11.09.2082	1. Charge to Alliance Bank Malaysia Berhad; and 2. Private caveat by Alliance Bank Malaysia Berhad	30.01.2018	14,738/ 12,389.26	3.476	02.05.2008

## 9. OTHER INFORMATION (Cont'd)

Registered and Beneficial Owner	Property Address/Title Details	Description and Existing Use	Category of Land Use/Tenure of Property	Restrictions of Interest/ Encumbrance(s)	Date of Issuance of Certificate of Fitness or CCC	Gross Built-Up Area/Land Area (sq ft)	Net book value as at 31 December 2017 RM million	Date of acquisition
Paramount Properties Sdn Bhd/RG Malaysia	Unit 03-06, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur/ Master Title PN 46338 Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Persekutuan Kuala Lumpur*	An office unit on 3 <sup>rd</sup> floor of a 32-storey office building used as head office	Building/ Leasehold expiring on 16.08.2106 Remaining unexpired lease term: approximately 88 years 10 months	1. Lease in favour of Nasional Berhad for area of 884.47 sq ft for 30 years from 31.07.2011 ending 30.07.2041; and 2. Easements registered vide the Presentation No. 40871/2012 and 40872/2012.	14.07.2015	2,362/N/A	2.333	09.09.2015

## 9. OTHER INFORMATION (Cont'd)

Registered and Beneficial Owner	Property Address/Title Details	Description and Existing Use	Category of Land Use/Tenure of Property	Restrictions of Interest/ Encumbrance(s)	Date of Issuance of Certificate of Fitness or CCC	Gross Built-Up Area/Land Area (sq ft)	Net book value as at 31 December 2017 RM million	Date of acquisition
Paramount Properties Sdn Bhd/ RG Malaysia	Unit 03-07, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur/ Master Title PN 46338 Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur*	An office unit on 3 <sup>rd</sup> floor of a 32-storey office building used as head office	Building/ Leasehold expiring on 16.08.2106 Remaining unexpired lease term: approximately 88 years 10 months	1. Lease in favour of Tenaga Nasional Berhad for area of 884.47 sq ft for 30 years from 31.07.2011 ending 30.07.2041; and 2. Easements registered vide the Presentation No. 40871/2012 and 40872/2012.	14.07.2015	939/N/A	0.948	09.09.2015

## 9. OTHER INFORMATION (Cont'd)

Registered and Beneficial Owner	Property Address/Title Details	Description and Existing Use	Category of Land Use/Tenure of Property	Restrictions of Interest/ Encumbrance(s)	Date of Issuance of Certificate of Fitness or CCC	Gross Built-Up Area/Land Area (sq ft)	Net book value as at 31 December 2017 RM million	Date of acquisition
Paramount Properties Sdn Bhd/ Radiant Globaltech	Unit 03-08, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur/ Master Title PN 46338 Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur <sup>A</sup>	An office unit on 3 <sup>rd</sup> floor of a 32-storey office building intended to be used as head office in second half of 2018	Building/ Leasehold on expiring 16.08.2106 Remaining unexpired lease term: approximately 88 years 10 months	1. Lease in favour of Tenaga Nasional Berhad for area of 884.47 sq ft for 30 years from 31.07.2011 ending 30.07.2041; and 2. Easements registered vide the Presentation No. 40871/2012 and 40872/2012.	14.07.2015	2,659/N/A	2.808	29.06.2016

9. OTHER INFORMATION (Cont'd)

Notes:-

- \* Renovations have been carried out to combine both Vertical Business Suite 03-06 and Vertical Business Suite 03-07. Consent for the renovation as required in the sale and purchase agreement between RG Malaysia and Paramount Properties Sdn Bhd has been obtained from the building management, Dats Management Sdn Bhd on 14 January 2016 and the consent as required in Schedule 6 of the facility agreement with UOB Bank Berhad has been obtained on 8 March 2017.
- ^ The consent for renovation for Vertical Business Suite 03-08 was obtained from Dats Management Sdn Bhd on 1 June 2017. As at the LPD, renovations are in progress and expected to complete by August 2018.

As at the LPD, there is no breach of any property or land use conditions and/or non-compliance with any regulatory requirement, land rules, building regulations and environmental issue which may materially affect our Group's operation and utilisation of assets in respect of the property owned by our Group for our operations as set out above.

## 9. OTHER INFORMATION (Cont'd)

## 9.1.2 Properties rented

A summary of the material land and buildings rented by our Group for our operations as at the LPD is as follows:-

Landlord	Tenant	Property Address	Description and Existing Use	Gross Built-Up Area (sq ft)	Tenure	Rental per annum
Syarikat Perniagaan Peladang (MADA) Sdn Bhd	RG Malaysia	<b>Alor Setar</b> : No. 5010, Taman PKNK, Jalan Tun Razak, 05150 Alor Setar, Kedah	Two (2) storey shop lot used as customer support service office	1,200	01.03.2018 to 28.02.2020	RM15,264
Sia Tong Oun	Yap Sin Sang on behalf of RG Malaysia	<b>Muar</b> : No. 17-2, Taman Permata, Jalan Hj. Jaib, 84000 Muar, Johor Darul Takzim	2 <sup>nd</sup> Floor of a 3-storey terrace shop used as customer support service office	1,540	01.01.2017 to 31.12.2018	RM9,000
Beh Siew Lei	RG Malaysia	<b>Penang</b> : 70-2-56A, D'Piazza Mall, Jalan Mahsuri, Bayan Baru, 11900 Bayan Lepas, Pulau Pinang	An office unit on the 2 <sup>nd</sup> floor of a 3-storey office block with bazaar used as customer support service office	1,643	01.02.2017 to 31.01.2019	RM27,600
Chua Kheng Chong	RG Malaysia	<b>Kelantan</b> : Lot No. A-04-06, Pelangi Mall, Jalan Post Office Lama, 15000 Kota Bharu, Kelantan	An office unit on the 4 <sup>th</sup> floor of a 15-floor mall used as customer support service office	1,408	01.01.2018 to 31.12.2018	RM12,000

## 9. OTHER INFORMATION (Cont'd)

Landlord	Tenant	Property Address	Description and Existing Use	Gross Built-Up Area (sq ft)	Tenure	Rental per annum
Kylson Technologies Sdn Bhd	RG Malaysia	<b>Kuantan</b> : Second Floor, B-156, Jalan Haji Ahmad, Perumahan Sekilau, 25300 Kuantan, Pahang	An office unit on the 2 <sup>nd</sup> floor of a 3-storey shoplot used as customer support service office	1,400	01.01.2017 to 31.12.2018	RM13,536
Liew Pua Fan	RG Malaysia	<b>Ipoh</b> : No. 3A, (1st Floor), Lengkok Tasek Timur 1A, Pusat Perdagangan Tasek Indra, 31400 Ipoh	An office unit on the 1st floor of a 3-storey shoplot used as customer support service office	1,540	01.01.2018 to 31.12.2018	RM9,600
Yap Ban Foo and Yap Sin Sang	RG Malaysia	<b>Mont Kiara, KL</b> : B-03A-13A, Gateway Kiaramas, No.1, Jalan Desa Kiara, Mont Kiara, 50480, Kuala Lumpur	An office unit on the 4 <sup>th</sup> floor of a 12-floor office building used as support centre for IT outsourcing services	1,173	01.01.2017 to 31.12.2018	RM30,000
Low Lian Choon	RG Malaysia	<b>Johor Bahru</b> : No. 30A Jalan Layang 16, Taman Perling, Johor Bahru 81200, Johor, Malaysia	Upper floor of a double storey shop house used as customer support service office	1,575	01.03.2018 to 28.02.2019	RM13,200

## 9. OTHER INFORMATION (Cont'd)

Landlord	Tenant	Property Address	Description and Existing Use	Gross Built-Up Area (sq ft)	Tenure	Rental per annum
Hotel Cambodiana	RG Cambodia	Unit No.10, Ground Floor at the Hotel Cambodiana, 313 Sisowath Quay, Phnom Penh, Cambodia	Full service hotel with its ground and first floors used as office and warehouse	753.47	15.03.2018 to 14.03.2021	15.03.2018 to 14.03.2019: USD13,608 15.03.2019 to 14.03.2021: USD14,288
Nguyen Thi Vuong	RG Vietnam	No. 456/57, Cao Thang Street, Ward 12, District 10, Ho Chi Minh City	Four-floor residential house used as office, warehouse and customer support service office	2,173.23	15.07.2016 to 15.07.2018	VND335,100,000
Robot Investment Corporation	RG Vietnam	7th Floor, Robot Tower, 308-308C Dien Bien Phu Street, Ward 4, District 3, Ho Chi Minh City	An office unit on the 7 <sup>th</sup> floor within a 15-storey office building used as sales office	1,216.32	01.04.2017 to 31.03.2019	VND436,632,000

As at the LPD, there is no breach of any property or land use conditions and/or non-compliance with any regulatory requirement, land rules, building regulations and environmental issue which may materially affect our Group's operation and utilisation of assets in respect of the property rented by our Group for our operations as set out above.

**10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

Pursuant to the Listing Requirements, subject to certain exemptions, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A "related party" is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding six (6) months before the transaction was entered into). "Major shareholder" means a shareholder with a shareholding of ten percent (10%) or more (or five percent (5%) or more where such person is the largest shareholder in the company) of all the voting shares in the company.

After the Listing, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. The interested person shall abstain from voting on resolution(s) pertaining to the respective transaction. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12 month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities of interests in one corporation/asset or of various parcels of land contiguous to each other.

**10.1 RELATED PARTY TRANSACTIONS**

(a) Pursuant to our Group's internal reorganisation, we have undertaken the following related party transactions:-

**(i) Yap Ban Foo**

Transacting parties	Nature of transaction	Total value of consideration RM	Interested related parties
Radiant Globaltech and Yap Ban Foo	Acquisition of RG Cambodia	1	Yap Ban Foo <ul style="list-style-type: none"> <li>• Promoter, substantial shareholder and Managing Director of Radiant Globaltech; and</li> <li>• Director and indirect substantial shareholder of RG Cambodia.</li> </ul>
<b>Total</b>		<b>1</b>	

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

(ii) Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock

Transacting parties	Nature of transaction	Total value of consideration RM	Interested related parties
Radiant Globaltech, and Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock	Acquisition of RG Malaysia	14,133,000	Yap Ban Foo <ul style="list-style-type: none"> <li>• Promoter, substantial shareholder and Managing Director of Radiant Globaltech; and</li> <li>• Director and indirect substantial shareholder of RG Malaysia and RG Solutions.</li> </ul>
	Acquisition of RG Solutions	1,073,000	Yap Sin Sang <ul style="list-style-type: none"> <li>• Promoter, substantial shareholder and Executive Director – Operations of Radiant Globaltech; and</li> <li>• Director and indirect substantial shareholder of RG Malaysia and RG Solutions.</li> </ul>
<b>Total</b>		<b>15,206,000</b>	Yap Poh Keong <ul style="list-style-type: none"> <li>• Promoter, substantial shareholder and Executive Director – Sales and Software Development of Radiant Globaltech; and</li> <li>• Indirect substantial shareholder of RG Malaysia and RG Solutions.</li> </ul> Tan Chuan Hock <ul style="list-style-type: none"> <li>• Substantial shareholder of Radiant Globaltech; and</li> <li>• Indirect substantial shareholder of RG Malaysia and RG Solutions.</li> </ul>

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- (b) Save as disclosed below, our Directors have confirmed that there are no other material related party transactions that we had entered into with related parties in respect of the past three (3) FYE 31 December 2015 to 2017 and up to the LPD:-

## (i) Yap Ban Foo

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Cambodia and Ever Praise	Purchase of retail software from Ever Praise by RG Cambodia <sup>(1)</sup> . This transaction has ceased and is no longer ongoing.	-	290	-	-	Yap Ban Foo and Yap Sin Sang are both directors and substantial shareholders of Ever Praise. Ever Praise has ceased operation in trading of hardware and provision of IT services. Since 1 January 2017, Ever Praise is an investment holding company.
<b>Total</b>		-	<b>290</b>	-	-	

## Note:-

- (1) The related party transaction contributed 0.66% of our Group's net purchases in the FYE 31 December 2016.

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

## (ii) Yap Sin Sang

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Malaysia and Radiant Global ADC (Thailand) Co. Ltd	Sale of retail hardware to Radiant Global ADC (Thailand) Co. Ltd by RG Malaysia <sup>(1)</sup> .  This transaction has ceased and is no longer ongoing.	418	115	14	-	Yap Sin Sang was a director and substantial shareholder of Radiant Global ADC (Thailand) Co. Ltd.  Yap Sin Sang has resigned as a director on 29 January 2017 and disposed of his entire shareholding comprising 9,000 shares representing 45% in Radiant Global ADC (Thailand) Co. Ltd to an unrelated third party.
	Purchase of retail hardware from Radiant Global ADC (Thailand) Co. Ltd by RG Malaysia <sup>(2)</sup> .  This transaction has ceased and is no longer ongoing.	-	-	187	-	
<b>Total</b>		<b>418</b>	<b>115</b>	<b>201</b>	<b>-</b>	

## Notes:-

- (1) The related party transaction contributed 0.63%, 0.15% and 0.02% of our Group's revenue in the three (3) FYE 31 December 2015 to 2017, respectively.
- (2) The related party transaction contributed 0.39% of our Group's net purchases in the FYE 31 December 2017.

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

## (iii) Yap Ban Foo and Yap Sin Sang, collectively

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Malaysia and Applied Media & Labels Sdn Bhd	Purchase of consumables from Applied Media & Labels Sdn Bhd by RG Malaysia <sup>(1)</sup> . This transaction has ceased and is no longer ongoing.	164	94	102	-	Yap Ban Foo and Yap Sin Sang are both directors and substantial shareholders of Ever Praise.  Applied Media & Labels Sdn Bhd was a subsidiary of Ever Praise. Ever Praise had disposed of its interest comprising 51,000 shares representing 51% in Applied Media & Labels Sdn Bhd on 10 August 2017 to an unrelated third party.
	Sale of retail hardware and consumables to Applied Media & Labels Sdn Bhd by RG Malaysia <sup>(2)</sup> . This transaction has ceased and is no longer ongoing.	-	24	37	-	

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Malaysia and Ideasoftware Solutions Sdn Bhd	Management fees charged to Ideasoftware Solutions Sdn Bhd by RG Malaysia <sup>(3)</sup> . This transaction has ceased and is no longer ongoing.	36	36	-	-	Yap Ban Foo and Yap Sin Sang are both directors and substantial shareholders of Ideasoftware Solutions Sdn Bhd. Ideasoftware Solutions Sdn Bhd had appointed liquidator on 7 August 2017 to commence members' voluntary winding up.
RG Malaysia and Radiant Global HD Inc.	Outsourced customer support services and IT support rendered by Radiant Global HD Inc. to RG Malaysia <sup>(4)</sup> . This transaction is still ongoing as Radiant Global HD Inc. is our Group's outsourced service provider in Philippines, to provide maintenance or technical support from time to time. However, it is no longer a related party transaction.	109	227	-	-	Yap Ban Foo and Yap Sin Sang were both directors and substantial shareholders of Radiant Global HD Inc.. Yap Ban Foo and Yap Sin Sang have resigned as directors on 31 March 2017 and disposed of their entire shareholding comprising 500 and 500 shares respectively representing 50% each in Radiant Global HD Inc. to unrelated third parties.

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Malaysia and SPEM	<p>Sale of retail hardware to SPEM by RG Malaysia<sup>(6)</sup>.</p> <p>This transaction is still ongoing as SPEM is our Group's distributor of hardware products and accessories in East Malaysia.</p>	1,398	748	385	-	Yap Ban Foo and Yap Sin Sang have resigned as directors in SPEM on 3 January 2017 and have disposed of their entire shareholdings comprising 17.50% and 10.50% respectively in SPEM on 16 May 2018 to one of the directors of SPEM.
	<p>Outsourced customer support services rendered by SPEM to RG Malaysia<sup>(6)</sup>.</p> <p>This transaction is still ongoing as SPEM is our Group's outsourced service provider in East Malaysia, to provide maintenance or technical support from time to time.</p>	551	375	371	-	

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
Accurate Computer Solutions and SPEM	<p>Sale of retail hardware to SPEM by Accurate Computer Solutions<sup>(7)</sup></p> <p>This transaction has ceased and is no longer ongoing.</p>	2	-	-	-	<p>Yap Ban Foo and Yap Sin Sang are currently both directors and substantial shareholders of Accurate Computer Solutions.</p> <p>RG Malaysia disposed of Accurate Computer Solutions on 18 May 2017 to Yap Ban Foo and Yap Sin Sang for disposal consideration of RM50,000. Accurate Computer Solutions had appointed liquidator on 7 August 2017 to commence members' voluntary winding-up.</p> <p>Yap Ban Foo and Yap Sin Sang have resigned as Directors in SPEM on 3 January 2017 and have disposed of their entire shareholdings comprising 17.50% and 10.50% respectively in SPEM on 16 May 2018 to one of the directors of SPEM.</p>
<b>Total</b>		<b>2,260</b>	<b>1,504</b>	<b>895</b>	<b>-</b>	

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Notes:-

- (1) *The related party transaction contributed 0.38%, 0.21% and 0.21% of our Group's net purchases in the three (3) FYE 31 December 2015 to 2017, respectively.*
- (2) *The related party transaction contributed 0.03% and 0.05% of our Group's revenue in the FYE 31 December 2016 and 2017, respectively.*
- (3) *The related party transaction contributed 21.30% and 3.09% of our Group's other income in the FYE 31 December 2015 and 2016, respectively.*
- (4) *The related party transaction contributed 0.25% and 0.52% of our Group's net purchases in the FYE 31 December 2015 and 2016, respectively.*
- (5) *The related party transaction contributed 2.11%, 0.97% and 0.48% of our Group's revenue in the FYE 31 December 2015 to 2017, respectively.*
- (6) *The related party transaction contributed 1.29%, 0.85% and 0.77% of our Group's net purchases in the FYE 31 December 2015 to 2017, respectively.*
- (7) *The related party transaction contributed less than 0.01% of our Group's revenue in the FYE 31 December 2015.*

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

(iv) Yap Ban Foo, Yap Sin Sang and Yap Poh Keong, collectively

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Malaysia and Spectrum Highlights Sdn Bhd	Sale of retail hardware to Spectrum Highlights Sdn Bhd by RG Malaysia <sup>(1)</sup> This transaction has ceased and is no longer ongoing.	49	-	-	-	Yap Ban Foo is a director of Spectrum Highlights Sdn Bhd. Yap Sin Sang is a director and substantial shareholder of Spectrum Highlights Sdn Bhd.
	Provision of software development by Spectrum Highlights Sdn Bhd to RG Malaysia <sup>(2)</sup> This transaction has ceased and is no longer ongoing.	525	-	-	-	Yap Poh Keong is a substantial shareholder of Spectrum Highlights Sdn Bhd Spectrum Highlights Sdn Bhd had appointed a liquidator on 10 July 2017 to commence members' voluntary winding up.
	Management fees charged to Spectrum Highlights Sdn Bhd by RG Malaysia <sup>(3)</sup> This transaction has ceased and is no longer ongoing.	60	60	-	-	
<b>Total</b>		<b>634</b>	<b>60</b>	<b>-</b>	<b>-</b>	

## Notes:-

- (1) The related party transaction contributed 0.07% of our Group's revenue in the FYE 31 December 2015.  
(2) The related party transaction contributed 1.22% of our Group's net purchases in the FYE 31 December 2015.

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- (3) The related party transaction contributed 35.50% and 5.15% of our Group's other income in the FYE 31 December 2015 and 2016, respectively.

## (iv) Tran Phu Vinh

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Vietnam and Global Vision Co. Ltd	Sale of retail hardware to Global Vision Co. Ltd by RG Vietnam <sup>(1)</sup> This transaction has ceased and is no longer ongoing.	482	723	41	-	Tran Phu Vinh was a director and substantial shareholder of Global Vision Co. Ltd.
	Purchase of retail hardware from Global Vision Co. Ltd by RG Vietnam <sup>(2)</sup> This transaction has ceased and is no longer ongoing.	105	155	1,374	-	Tran Phu Vinh has resigned as a director on 12 May 2017 and disposed of his entire shareholding of VND250,000 in Global Vision Co. Ltd to an unrelated third party.
<b>Total</b>		<b>587</b>	<b>878</b>	<b>1,415</b>	<b>-</b>	

## Notes:-

- (1) The related party transaction contributed 0.73%, 0.94% and 0.05% of our Group's revenue in the three (3) FYE 31 December 2015 to 2017, respectively.
- (2) The related party transaction contributed 0.24%, 0.35% and 2.85% of our Group's net purchases in the three (3) FYE 31 December 2015 to 2017, respectively.

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

## (v) Tan Chuan Hock

Transacting Parties	Nature of Transaction	Value for the FYE 31 December			Value up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000		
RG Malaysia and Grand-Flo Spritvest Sdn Bhd	Sale of retail hardware to Grand-Flo Spritvest Sdn Bhd to RG Malaysia. This transaction is recurrent in nature.	-	-	37 <sup>(1)</sup>	342	Tan Chuan Hock • Substantial shareholder of Radiant Globaltech; • Non-independent non-executive director and shareholder of Grand-Flo Berhad. Grand-Flo Spritvest Sdn Bhd is a wholly-owned subsidiary of Grand-Flo Berhad.
	Purchase of retail hardware from Grand-Flo Spritvest Sdn Bhd to RG Malaysia. This transaction is recurrent in nature.	-	-	401 <sup>(2)</sup>	144	
<b>Total</b>		-	-	<b>438</b>	<b>486</b>	

## Notes:-

- (1) The related party transaction contributed 0.05% of our Group's revenue in the FYE 31 December 2017.  
(2) The related party transaction contributed 0.83% of our Group's net purchases in the FYE 31 December 2017.

All the above transactions were conducted based on negotiated terms and carried out on an arm's length basis. Our Directors are of the opinion that the above transactions were transacted in the best interests of growing our Group's business. Our Directors have also confirmed that there are no other material related party transactions that we had entered into with related parties but not yet effected up to the date of this Prospectus.

Our Directors have no intention to enter into business transactions with the above related parties moving forward, save for the ongoing recurrent related party transaction between RG Malaysia and SPEM, and RG Malaysia and Grand-Flo Spritvest Sdn Bhd.

**10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)**

Nonetheless, our Audit Committee will review the terms of any related party transactions to ensure no conflicts of interest arise within our Company, and in accordance to Radiant Globaltech's Constitution, the interested Director is restricted to participate in any discussion in view of his interest. Our Audit Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to ensure that these transactions are carried out in the best interest of the Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders. All reviews by the Audit Committee are reported to our Board for its further action. Our Group will seek such relevant shareholders' approval (where the interested Director and persons connected to him are required to abstain from voting at the relevant general meeting) and disclose them in our annual reports, where required.

**10.2 TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITION**

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the past three (3) FYE 31 December 2015 to 2017 and up to the LPD.

**10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)****10.3 OUTSTANDING LOANS AND/OR FINANCIAL ASSISTANCE MADE TO OR FOR THE BENEFIT OF THE RELATED PARTIES**

Save as disclosed below, our Directors have confirmed that there are no outstanding loans (including guarantees of any kind) and/or financial assistance made by us to or for the benefit of the related parties for the past three (3) FYE 31 December 2015 to 2017 and up to the LPD:-

Loans made to or for the benefit of	Interested related parties	Nature of transaction	As at 31 December			As at the LPD RM'000
			2015 RM'000	2016 RM'000	2017 RM'000	
Loans made to Radiant Global Holdings Sdn Bhd by RG Malaysia	Yap Ban Foo and Yap Sin Sang were both directors and substantial shareholders of Radiant Global Holdings Sdn Bhd.  Radiant Global Holdings Sdn Bhd was struck off the register since 30 November 2017.	Advances for the payment of statutory expenses and preliminary expenses	6	10	*	-
Loans from Global Vision Co. Ltd. to RG Vietnam	Tran Phu Vinh was a director and substantial shareholder of Global Vision Co. Ltd.  Tran Phu Vinh has resigned as a director on 12 May 2017 and disposed of his entire shareholding of VND250,000 in Global Vision Co. Ltd to an unrelated third party.	Loan	94	97	-	-

**Note:-**

\* Less than RM1,000

These advances were not made on arm's length basis as the abovementioned loans made by us to or for the benefit of the related parties were interest-free, unsecured and repayable on demand. As at the LPD, these advances were fully paid. Going forward, our Group will not be providing any such advances (including loans and guarantees of any kind) to or for the benefit of the related parties.

**10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)****10.4 CONFLICT OF INTEREST**

Save as disclosed below, none of our Directors and/or substantial shareholders has any other interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group or which were the customers or suppliers of our Group:-

<b>Directors and/or substantial shareholders</b>	<b>Company</b>	<b>Position Held</b>	<b>Principal Remarks</b>	<b>Activities/</b>	<b>Direct and Indirect Equity Interest (%)</b>
Yap Ban Foo	Accurate Computer Solutions	Executive Director/ Shareholder	Liquidator appointed on 7 August 2017 for members' voluntary winding up		Direct: 50.00 Indirect: -
	Ideasoft Solutions Sdn Bhd	Executive Director/ Shareholder	Liquidator appointed on 7 August 2017 for members' voluntary winding up		Direct: 50.00 Indirect: -
	Radiant Genius Sdn Bhd	Executive Director/ Shareholder	Struck off		Direct: 55.00 Indirect: -
	Spectrum Highlights Sdn Bhd	Executive Director	Liquidator appointed on 10 July 2017 for members' voluntary winding up		Nil
	Ever Praise <sup>^</sup>	Executive Director/ Shareholder	Investment holding (Ceased operation in trading and provision of IT services since 31 December 2016)		Direct: 50.00 Indirect: -
Yap Sin Sang	Accurate Computer Solutions	Executive Director/ Shareholder	Liquidator appointed on 7 August 2017 for members' voluntary winding up		Direct: 50.00 Indirect: -
	Ideasoft Solutions Sdn Bhd	Executive Director/ Shareholder	Liquidator appointed on 7 August 2017 for members' voluntary winding up		Direct: 50.00 Indirect: -
	Radiant Genius Sdn Bhd	Executive Director/ Shareholder	Struck off		Direct: 45.00 Indirect: -
	Spectrum Highlights Sdn Bhd	Executive Director/ Shareholder	Liquidator appointed on 10 July 2017 for members' voluntary winding up		Direct: 70.00 Indirect: -

**10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)**

Directors and/or substantial shareholders	Company	Position Held	Principal Remarks	Activities/	Direct and Indirect Equity Interest (%)
Yap Sin Sang (Cont'd)	Ever Praise <sup>^</sup>	Executive Director/ Shareholder	Investment holding (Ceased operation in trading and provision of IT services since 31 December 2016)		Direct: 50.00 Indirect: -
Yap Poh Keong	Spectrum Highlights Sdn Bhd	Shareholder	Liquidator appointed on 10 July 2017 for members' voluntary winding up		Direct: 20.00 Indirect: -
Tan Chuan Hock	Grand-Flo Berhad <sup>(1)</sup>	Non-Independent Non-Executive Director / Shareholder	Provision of information technology solutions and investment holding		Direct: 2.663 Indirect: 2.536

**Notes:-**

<sup>^</sup> Ever Praise held 51% interest in Applied Media & Labels Sdn Bhd, a company principally involved in the manufacture and supply of product labels and media. Ever Praise disposed of its interest in Applied Media & Labels Sdn Bhd on 10 August 2017. Further information on the past transactions between Applied Media & Labels Sdn Bhd and our Group is set out in Section 10.1(b) of this Prospectus.

(1) In the FYE 31 December 2017, RG Malaysia sold and purchased retail hardware from a wholly-owned subsidiary of Grand-Flo Berhad, namely Grand-Flo Spritvest Sdn Bhd. Tan Chuan Hock is neither director nor shareholder in Grand-Flo Spritvest Sdn Bhd. The principal activity of Grand-Flo Spritvest Sdn Bhd is in the provision of technology solutions specialising in automated data collection resources and mobile computing.

For Grand-Flo Berhad, Tan Chuan Hock is a Non-Independent Non-Executive Director and is not involved in the day-to-day operations and decision making of Grand-Flo Berhad.

Our Directors are of the opinion that the abovementioned transaction with Grand-Flo Spritvest Sdn Bhd, a wholly-owned subsidiary of Grand-Flo Berhad, were conducted based on negotiated terms and carried out on an arm's length basis, on normal commercial terms and are not detrimental to the interest of our minority shareholders.

Save as disclosed above, the involvement of our Directors and/or substantial shareholders in the other businesses or corporations abovementioned are minimal, as they are only required to attend general meeting of the company as a shareholder and/or any board of directors' meeting and board committee meeting as a director. In addition, the other businesses or corporations have ceased operations and are in the midst of commencing members' voluntary winding-up/striking off.

The Audit Committee will review the Group's current and future related party transactions and Radiant Globaltech will seek such relevant shareholders' approval where required. We will also make disclosures in our annual report of the aggregate value of any recurrent related party transactions to be entered into by us (where required) based on the nature of the transactions

**10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)**

made, names of the related parties involved and their relationship with our Group. In addition, the related party is restricted to participate in any discussion in view of his interest, and he and persons connected to him are required to abstain from voting at the relevant general meeting where shareholders' approval is sought.

**10.5 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST****10.5.1 Principal Adviser, Sponsor, Sole Underwriter and Placement Agent**

AIBB and/or its related companies (“**Alliance Banking Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading and credit transaction services business. The Alliance Banking Group has engaged and may in the future, engage in transactions with and perform services for the Radiant Globaltech Group and/or the Radiant Globaltech Group's affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Alliance Banking Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of the Radiant Globaltech Group, its shareholders, and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by the Radiant Globaltech Group and/or its affiliates, and may trade or otherwise effect transactions for its own account or account of its other customer in debt or equity securities or loans of any member of the Radiant Globaltech Group and/or its affiliates. This is the result of the businesses of Alliance Banking Group generally acting independently of each other and accordingly, there may be situations where parts of the Alliance Banking Group now have or in the future, may have an interest or take actions that may conflict with the interest of the Radiant Globaltech Group. Nonetheless, Alliance Banking Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

For information, the total outstanding financing to Radiant Globaltech Group amounting to RM2.552 million, represents 9.33% of the consolidated net assets of Radiant Globaltech as at 31 December 2017, and 0.05% of the latest available unaudited consolidated net assets of Alliance Bank Malaysia Berhad as at 31 March 2018.

AIBB has confirmed that there is no conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent to our Group in relation to the Listing. The Underwriting Agreement, which certain details are set out in Sections 3.7.2 and 3.7.4 of this Prospectus, was entered into on arm's length basis and on market terms.

**10.5.2 Solicitors for the Listing**

Messrs. Cheang & Ariff has confirmed that there is no conflict of interest in its capacity as the Solicitors to our Group in relation to the Listing.

**10.5.3 External Auditors and Reporting Accountants**

Messrs. Crowe Malaysia (*formerly known as Crowe Horwath*) has confirmed that there is no conflict of interest in its capacity as the External Auditors and Reporting Accountants to our Group in relation to the Listing.

**10.5.4 Independent Market Researcher**

Messrs. Smith Zander has confirmed that there is no conflict of interest in its capacity as the Independent Market Researcher to our Group in relation to the Listing.

**11. FINANCIAL INFORMATION****11.1 HISTORICAL AUDITED COMBINED AND CONSOLIDATED FINANCIAL INFORMATION**

The historical audited combined financial information of our Group for FYE 31 December 2015 and 2016 and historical audited consolidated financial information of our Group for FYE 31 December 2017 have been extracted from the Accountants' Report set out in Section 12 of this Prospectus, which deals with the audited combined and consolidated financial statements of our Group for the same financial years under review.

The historical audited combined and consolidated financial information should be read with our Management's Discussion and Analysis of Financial Conditions, Results of Operations and Prospects set out in Section 11.2 of this Prospectus and with the Accountants' Report and related notes set out in Section 12 of this Prospectus. The historical audited combined and consolidated financial information included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future, and our Group's past operating results are not indicative of our Group's future operating performance.

**(i) Historical audited combined and consolidated statements of profit or loss and other comprehensive income of our Group**

	<-----Audited----->		
	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Revenue	66,402	76,847	80,783
Cost of sales	(42,704)	(45,660)	(47,254)
Gross profit	23,698	31,187	33,529
Other income	169	1,165	967
	23,867	32,352	34,496
Selling & distribution expenses	(887)	(912)	(1,201)
Administrative expenses	(2,924)	(3,841)	(4,578)
Staff costs	(10,487)	(13,783)	(16,800)
Other expenses	(1,360)	(1,612)	(2,139)
Finance costs	(174)	(357)	(617)
Share of net losses of equity accounted in an associate	-	-	(158)
PBT	8,035	11,847	9,003
Income tax expense	(1,690)	(2,377)	(1,893)
PAT	6,345	9,470	7,110
Other comprehensive (expenses)/income	(41)	26	(94)
Total comprehensive income	6,304	9,496	7,016
PAT attributable to owners of the Company	6,345	9,470	7,110
Total comprehensive income attributable to owners of the Company	6,304	9,496	7,016

**11. FINANCIAL INFORMATION (Cont'd)**

	<-----Audited----->		
	<-----FYE 31 December----->		
	2015	2016	2017
Number of issued ordinary shares ('000)	397,120 <sup>(1)</sup>	397,120 <sup>(1)</sup>	397,120
Depreciation (RM'000)	322	357	606
Basic and diluted EPS <sup>(2)</sup> (sen)	1.60	2.38	1.79
GP margin <sup>(3)</sup> (%)	35.69	40.58	41.51
PBT margin <sup>(4)</sup> (%)	12.10	15.42	11.14
PAT margin <sup>(5)</sup> (%)	9.56	12.32	8.80
Effective tax rate <sup>(6)</sup> (%)	21.03	20.06	21.03

**Notes:-**

- (1) The number of issued ordinary shares after acquisition of RG Malaysia and its subsidiary, and RG Solutions for the FYE 31 December 2015 and FYE 31 December 2016.
- (2) Basic EPS is calculated based on PAT divided by the number of issued ordinary shares. No dilution of EPS.
- (3) Gross profit margin is calculated based on gross profit divided by revenue.
- (4) PBT margin is calculated based on PBT divided by revenue.
- (5) PAT margin is calculated based on PAT divided by revenue.
- (6) Effective tax rate is calculated based on income tax expense divided by PBT.

## 11. FINANCIAL INFORMATION (Cont'd)

(ii) Historical combined and consolidated statements of financial position of our Group

	<-----Audited----->		
	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8,295	11,156	11,107
Investment in an associate	-	-	342
Deferred tax asset	-	-	490
<b>Total non-current assets</b>	<b>8,295</b>	<b>11,156</b>	<b>11,939</b>
<b>Current assets</b>			
Inventories	9,835	7,782	9,698
Trade receivables	20,532	22,725	22,903
Other receivables, deposits and prepayments	1,370	1,960	2,102
Amount owing by related parties	4,768	3,167	53
Current tax assets	233	513	904
Fixed deposits with licensed banks	1,139	1,727	1,524
Cash and bank balances	14,676	13,916	10,285
<b>Total current assets</b>	<b>52,553</b>	<b>51,790</b>	<b>47,469</b>
<b>Total assets</b>	<b>60,848</b>	<b>62,946</b>	<b>59,408</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	1,025	1,675	19,856
Foreign exchange translation reserve	(173)	(147)	(241)
Merger deficit	-	-	(13,681)
Retained profits	17,646	21,816	21,426
<b>Total equity</b>	<b>18,498</b>	<b>23,344</b>	<b>27,360</b>
<b>Non-current liabilities</b>			
Hire purchase payables	702	591	667
Term loans	4,564	9,046	8,258
Deferred revenue	222	788	542
<b>Total non-current liabilities</b>	<b>5,488</b>	<b>10,425</b>	<b>9,467</b>

## 11. FINANCIAL INFORMATION (Cont'd)

	<-----Audited----->		
	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
<b>Current liabilities</b>			
Trade payables	15,724	7,403	12,084
Other payables and accruals	9,595	12,409	9,006
Amount owing to related parties	6,863	3,027	49
Amount owing to a director	3,264	3,930	-
Bankers' acceptances	230	397	-
Hire purchase payables	108	105	161
Term loans	464	1,103	1,113
Current tax liabilities	614	803	168
<b>Total current liabilities</b>	<b>36,862</b>	<b>29,177</b>	<b>22,581</b>
<b>Total liabilities</b>	<b>42,350</b>	<b>39,602</b>	<b>32,048</b>
<b>Total equity and liabilities</b>	<b>60,848</b>	<b>62,946</b>	<b>59,408</b>
Number of issued ordinary shares ('000)	397,120 <sup>(1)</sup>	397,120 <sup>(1)</sup>	397,120
Net assets (RM'000)	18,498	23,344	27,360
Net assets per share (RM)	0.05	0.06	0.07

**Note:-**

- (1) The number of issued ordinary shares after acquisition of RG Malaysia and its subsidiary, and RG Solutions for the FYE 31 December 2015 and FYE 31 December 2016.

## 11. FINANCIAL INFORMATION (Cont'd)

## Commentaries:-

## Non-current assets

Radiant Globaltech Group's non-current assets for the past three (3) FYE 31 December 2015 to 2017 mainly consist of property, plant and equipment, which includes leasehold land and buildings, office buildings, motor vehicles, furniture and fittings, office equipment, renovation and computer are set out as below:-

FYE 31 December	Net Book Value (RM'000)							Total
	Leasehold land and buildings	Office Buildings	Motor Vehicles	Furniture and Fittings	Office equipment	Renovation	Computer	
2015	3,610	3,404	864	77	109	220	11	8,295
2016	3,543	6,229	777	151	96	353	7	11,156
2017	3,476	6,089	983	132	138	287	2	11,107

Leasehold land and buildings and office buildings are the properties we own for our operations which are located in Kuala Lumpur, i.e. Vertical Business Suite 03-06, Vertical Business Suite 03-07, Vertical Business Suite 03-08 and Shamelin Office. The increase of office buildings in the FYE 31 December 2015 and the FYE 31 December 2016 were due to the acquisition of Vertical Business Suite 03-06, Vertical Business Suite 03-07 and Vertical Business Suite 03-08.

As at the FYE 31 December 2017, we own a total of eight (8) units of motor vehicles, which includes three (3) units of commercial vans and five (5) units of cars. The increase in motor vehicles from the FYE 31 December 2016 to the FYE 31 December 2017 was related to the acquisition of one (1) unit of new car for our director and one (1) unit of new car for our business operations in Vietnam amounting to a total of RM0.478 million.

In the FYE 31 December 2017, our Group recorded deferred tax asset amounting to RM0.490 million due to taxation that was paid in advance for revenue to be recognised in future periods related to RG Malaysia and RG Cambodia.

## 11. FINANCIAL INFORMATION (Cont'd)

### Current assets

The decrease from RM52.553 million as at 31 December 2015 to RM51.790 million as at 31 December 2016 was mainly due to the net effects of the following:-

- Decrease in inventories by RM2.053 million, which was mainly due to the inventories written down of RM1.535 million of stock;
- Increase in trade receivables by RM2.193 million, which was in line with the increase in sales for the financial year under review; and
- Repayment by related parties amounting to RM1.601 million.

The decrease from RM51.790 million as at 31 December 2016 to RM47.469 million as at 31 December 2017 was mainly due to the net effects of the following:

- Repayment by related parties amounting to RM3.114 million;
- Decrease in cash and bank balances by RM3.631 million was mainly due to payment of incentives provided for in prior year and dividends; and
- Increase in inventories by RM1.916 million, which was mainly due to the purchase of inventories for POS equipment in a refreshment exercise of Japanese based hypermarkets for purchase orders received during the end of FYE 31 December 2017.

Please refer to Sections 11.2.8 and 11.2.2 of this Prospectus for further details on trade receivables and inventories, and a summary of our Group's historical audited combined and consolidated statements of cash flows, respectively.

### Equity

During the FYE 31 December 2016, Radiant Globaltech's combined issued share capital increased by RM650,000 from RM1,025,195 to RM1,675,195 due to the following:-

- The allotment of 50,000 new ordinary shares in Radiant Globaltech, issued via cash consideration for working capital purposes;
- The allotment of 300,000 new ordinary shares in RG Malaysia issued via a bonus issue exercise; and
- The allotment of 300,000 new ordinary shares in RG Malaysia, issued via cash consideration for working capital purposes.

The increase in total equity from RM18.498 million as at 31 December 2015 to RM23.344 million as at 31 December 2016 is due to the increase in retained profits, which was in line with the increase in our Group's PAT, and issuance of new ordinary shares in Radiant Globaltech and RG Malaysia by cash as abovementioned.

As at 31 December 2017, total equity increased as Radiant Globaltech's consolidated issued share capital increased from RM1,675,195 to RM19,856,000 due to the following:-

- The allotment of 90,000,000 new ordinary shares in Radiant Globaltech via a bonus issue on the basis of 30 bonus shares for every one (1) existing share;
- The allotment of 282,660,000 new ordinary shares in Radiant Globaltech pursuant to the acquisition of RG Malaysia and its subsidiary; and
- The allotment of 21,460,000 new ordinary shares in Radiant Globaltech pursuant to the acquisition of RG Solutions.

Please refer to Sections 5.1.3 and 5.2 of this Prospectus for further details on the increase in the issued share capital of Radiant Globaltech and its subsidiaries, respectively.

**11. FINANCIAL INFORMATION (Cont'd)**

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**Non-current liabilities**

The increase from RM5.488 million as at 31 December 2015 to RM10.425 million as at 31 December 2016 was mainly due to the following:-

- Increase in term loans by RM4.482 million to finance the purchase of our Vertical Business Suite 03-08 and drawdown for working capital purposes; and
- Increase in deferred revenue by RM0.566 million, which was mainly due to prepayment by our customers on the software license and maintenance service fees.

The decrease from RM10.425 million as at 31 December 2016 to RM9.467 million as at 31 December 2017 was mainly due to decrease in term loans by RM0.788 million arising from repayment of our term loans via monthly instalments.

**Current liabilities**

The decrease from RM36.862 million as at 31 December 2015 to RM29.177 million as at 31 December 2016 was mainly due to the net effects of the following:-

- Decrease in trade payables by RM8.321 million, which was mainly due to prompt payment made to our suppliers in the current financial year in line with the adoption of prompt payment practice by our Group;
- Increase in other payables and accruals by RM2.814 million, which was mainly due to increase in advances from customers, deposits received and deferred revenue;
- Repayment to related parties amounting to RM3.836 million; and
- Increase in term loans by RM0.639 million to finance the purchase of our Vertical Business Suite 03-08.

The decrease from RM29.177 million as at 31 December 2016 to RM22.581 million as at 31 December 2017 was mainly due to the following:-

- Repayment to directors in full amounting to RM3.930 million;
- Decrease in bankers' acceptances of RM0.397 million; and
- Repayment to related parties amounting to RM2.978 million.

Please refer to Sections 11.4 and 11.2.8 of this Prospectus for further details on our Group's borrowing and financial instruments as well as trade payables, respectively.

**11. FINANCIAL INFORMATION (Cont'd)****11.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS, RESULTS OF OPERATIONS AND PROSPECTS**

Investors should read the following management's discussion and analysis of our Group's financial conditions and results of operations in conjunction with the Accountants' Report as set out in Section 12 of this Prospectus.

The management's discussion and analysis contains data derived from our audited combined and consolidated financial statements as well as forward-looking statements that involves risks and uncertainties. The results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

**11.2.1 Analysis of our Group's operating results**

Our Group is principally involved in the provision of retail technology solutions. Retail technology solutions are product and services used by businesses in the retail sector to automate their operations, in order to increase efficiency and to reduce costs.

Our retail technology products and services are as follows:-

- (i) Hardware for the retail industry;
- (ii) Software for the retail industry; and
- (iii) Maintenance and technical support services for retail hardware and software.

Please refer to Section 5 of this Prospectus for our Group's detailed business overview.

**(a) Segmental analysis**

The table below sets forth the breakdown of our Group's revenue and gross profit for the respective financial years under review:-

**Revenue analysis****(i) Analysis of contribution to revenue by business activities**

Business Activities	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Hardware	51,277	77.23	58,509	76.14	58,306	72.18
Software	6,344	9.55	7,104	9.24	10,432	12.91
➤ <i>In-house</i>	1,924	2.90	3,384	4.40	4,007	4.96
➤ <i>Third party</i>	4,420	6.65	3,720	4.84	6,425	7.95
Maintenance and technical support services	8,781	13.22	11,234	14.62	12,045	14.91
<b>Total</b>	<b>66,402</b>	<b>100.00</b>	<b>76,847</b>	<b>100.00</b>	<b>80,783</b>	<b>100.00</b>

## 11. FINANCIAL INFORMATION (Cont'd)

## (ii) Analysis of contribution to revenue by companies

Companies	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Radiant Globaltech	1,924	2.90	3,384	4.41	4,007	4.96
RG Malaysia	57,517	86.62	64,858	84.40	61,821	76.53
RG Solutions	4,015	6.05	3,543	4.61	4,369	5.41
RG Cambodia	206	0.31	1,671	2.17	2,625	3.25
RG Vietnam	2,740	4.12	3,391	4.41	7,961	9.85
<b>Total</b>	<b>66,402</b>	<b>100.00</b>	<b>76,847</b>	<b>100.00</b>	<b>80,783</b>	<b>100.00</b>

**11. FINANCIAL INFORMATION (Cont'd)****(iii) Analysis of revenue by geographical location**

	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
<b>Local (Malaysia)</b>	61,180	92.14	67,946	88.42	66,600	82.44
<b>Overseas</b>	5,222	7.86	8,901	11.58	14,183	17.56
<b>Total</b>	<b>66,402</b>	<b>100.00</b>	<b>76,847</b>	<b>100.00</b>	<b>80,783</b>	<b>100.00</b>

The segmentation below was tabulated based on the registered address of our customers. The invoices were issued to the customer's billing offices, which may be located overseas.

Overseas Countries	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%^	RM'000	%^	RM'000	%^
Australia <sup>(1)</sup>	8	0.01	13	0.02	5	0.01
Brunei <sup>(2)</sup>	-	-	*	-	-	-
Cambodia	205	0.31	1,685	2.19	2,644	3.27
Germany <sup>(1)</sup>	26	0.04	315	0.41	-	-
Hong Kong <sup>(3)</sup>	-	-	132	0.17	4	0.01
Iceland <sup>(1)</sup>	-	-	11	0.01	-	-
Indonesia	192	0.28	209	0.27	572	0.71
Italy <sup>(1)</sup>	7	0.01	15	0.02	-	-
Japan <sup>(4)</sup>	48	0.07	634	0.83	2,196	2.72
Maldives <sup>(1)</sup>	-	-	-	-	6	0.01
Myanmar	223	0.34	115	0.15	35	0.04
Philippines <sup>(5)</sup>	57	0.09	1,094	1.42	357	0.44
Singapore <sup>(3)</sup>	452	0.68	821	1.07	1,434	1.78
Sri Lanka	-	-	-	-	781	0.97
Taiwan	34	0.05	56	0.07	96	0.11
Thailand	867	1.31	275	0.36	7	0.01
Vietnam	3,103	4.67	3,526	4.59	6,046	7.48
<b>Total</b>	<b>5,222</b>	<b>7.86</b>	<b>8,901</b>	<b>11.58</b>	<b>14,183</b>	<b>17.56</b>

**Notes:-**

\* Amount below RM1,000.

^ Percentage is calculated by taking the revenue from the respective country and dividing it by the total revenue for the relevant FYEs.

**11. FINANCIAL INFORMATION (Cont'd)**

- (1) *Products and services were delivered and/or performed in Malaysia.*
- (2) *Products and services were delivered and/or performed in Brunei and Malaysia.*
- (3) *Products and services were delivered and/or performed in Singapore and Malaysia.*
- (4) *Products and services were delivered and/or performed in Vietnam and Malaysia.*
- (5) *Products and services were delivered and/or performed in the Philippines and Malaysia.*

**Gross profit and gross profit margins analysis**

- (i) **Analysis of contribution to gross profit and gross profit margin by business activities**

Business activities	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
<b>Gross Profit</b>						
Hardware	14,782	62.38	17,408	55.82	18,116	54.03
Software	3,870	16.33	5,118	16.41	6,563	19.57
➤ <i>In-house</i>	1,876	7.92	3,315	10.63	3,877	11.56
➤ <i>Third party</i>	1,994	8.41	1,803	5.78	2,686	8.01
Maintenance and technical support services	5,046	21.29	8,661	27.77	8,850	26.40
<b>Total</b>	<b>23,698</b>	<b>100.00</b>	<b>31,187</b>	<b>100.00</b>	<b>33,529</b>	<b>100.00</b>
<b>Gross Profit Margin (%)</b>						
Hardware		28.83		29.75		31.07
Software		61.00		72.04		62.91
➤ <i>In-house</i>		97.51		97.96		96.76
➤ <i>Third party</i>		45.11		48.47		41.81
Maintenance and technical support services		57.47		77.10		73.47
<b>Total</b>		<b>35.69</b>		<b>40.58</b>		<b>41.51</b>

## 11. FINANCIAL INFORMATION (Cont'd)

## (ii) Analysis of contribution to gross profit and gross profit margin by company

Companies	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
<b>Gross Profit</b>						
Radiant Globaltech	1,876	7.92	3,315	10.63	3,877	11.56
RG Malaysia*	18,795	79.31	23,983	76.90	23,071	68.81
RG Solutions	2,002	8.45	1,613	5.17	1,878	5.60
RG Cambodia	113	0.47	678	2.19	1,752	5.23
RG Vietnam	912	3.85	1,598	5.11	2,951	8.80
<b>Total</b>	<b>23,698</b>	<b>100.00</b>	<b>31,187</b>	<b>100.00</b>	<b>33,529</b>	<b>100.00</b>
<b>Gross Profit Margin (%)</b>						
Radiant Globaltech		97.51		97.96		96.76
RG Malaysia		32.68		36.98		37.32
RG Solutions		49.86		45.53		42.98
RG Cambodia		54.85		40.57		66.74
RG Vietnam		33.28		47.12		37.07
<b>Total</b>		<b>35.69</b>		<b>40.58</b>		<b>41.51</b>

**Note:-**

- \* Accurate Computer Solutions was a subsidiary of RG Malaysia during the FYE 31 December 2015 and 2016. The revenue generated by Accurate Computer Solutions was derived from the sale of goods to RG Malaysia. Hence, the cost of sales incurred by Accurate Computer Solutions were essentially purchases made for RG Malaysia. For the purpose of a more reflective computation of the GP of RG Malaysia, the cost of sales of Accurate Computer Solutions were also included as part of the cost of sales of RG Malaysia.

**11. FINANCIAL INFORMATION (Cont'd)****(b) Financial Commentaries****FYE 31 December 2015****Revenue**

For the FYE 31 December 2015, our Group's revenue increased substantially by approximately 23.11% or RM12.464 million from RM53.938 million in the FYE 31 December 2014 to RM66.402 million in the FYE 31 December 2015.

The increase in revenue was due to our efforts to cross-sell our software products, and maintenance and technical support services to our hardware customers by leveraging on our large base of hardware customers.

The increase in our Group's revenue from the FYE 31 December 2014 to FYE 31 December 2015 was mainly due to the following:-

- Increase in retail hardware orders and maintenance contract from a Japanese based IT company by RM11.285 million. The purchase orders secured were for a few Japanese based retail stores and outlets, which are located in Malaysia for replacement of POS hardware;
- Increase in purchase orders from a security services firm by RM3.221 million for handheld terminals bundled with our in-house *AX Mobile – proof of delivery system* software;
- Increase in purchase orders for retail hardware orders and maintenance contracts by RM1.342 million from a foreign owned retail hypermarket located in Malaysia;
- Increase in purchase orders from one of our principals by RM1.545 million mainly for provision of installation services for bundled POS hardware and software at 24-hour convenience store outlets;
- Increase in purchase orders from Malaysian based health and beauty store outlet by RM2.388 million for retail hardware and maintenance; and
- Subscription of our in-house software services, namely *AX Mobile Consignment Portal* amounting to RM1.724 million from a Malaysian based departmental store;

which was offset mainly by the following:-

- Decrease in retail hardware and orders bundled with third party retail software which we offer, i.e. *Microsoft Dynamics Nav* and *LS Retail*, by RM4.994 million contributed by a Malaysian based departmental store for replacement of POS hardware and provision of third-party software which was completed in year 2014; and
- Decrease in retail hardware orders and maintenance contracts by RM4.084 million from a Malaysian based IT company.

Our Group's hardware segment revenue increased by RM8.112 million or 18.79% from RM43.165 million to RM51.277 million in the FYE 31 December 2014 and FYE 31 December 2015, respectively. Some of our hardware customers also entered into maintenance and technical support services contracts, which resulted in an increase in revenue from our maintenance and technical support services segment. Notwithstanding the increase in revenue contribution, the percentage of contribution from hardware segment decreased from 80.03% in the FYE 31 December 2014 to 77.23% in the FYE 31 December 2015. This was due to the revenue from both software segment and maintenance and technical support services segment increasing at a higher rate as compared to hardware segment.

**11. FINANCIAL INFORMATION (Cont'd)**

For our Group's software segment, our revenue contribution from in-house software increased by RM0.776 million or 67.60% from the FYE 31 December 2014 to the FYE 31 December 2015. This was mainly due to the subscription of our in-house software services amounting to RM1.724 million from a Malaysian based departmental store, as disclosed above.

Our revenue contribution from the third party software decreased by RM1.394 million or 23.98% from the FYE 31 December 2014 to the FYE 31 December 2015. In the FYE 31 December 2014, our Group had received a large purchase order from a Malaysian based departmental store for replacement of POS hardware and provision of third-party software. The Malaysian based departmental store only required renewal of third party software license in the FYE 31 December 2015, resulting in a decrease in the revenue of third party software segment.

**GP and GP margin**

Our Group's overall GP increased by RM5.652 million from RM18.046 million in the FYE 31 December 2014 to RM23.698 million in the FYE 31 December 2015.

The increase in overall GP margins from 33.46% in the FYE 31 December 2014 to 35.69% in the FYE 31 December 2015 was mainly due to the increase in our revenue and corresponding increase in GP for our in-house retail software, and maintenance and technical support services arising from our cross-selling efforts.

For the FYE 31 December 2015, there was a significant increase in GP margin of our in-house software from 48.87% in the FYE 31 December 2014 to 97.51% the FYE 31 December 2015. This was primarily due to most of our in-house software for the financial year under review has been commercialised. In addition, our in-house software cost comprising server costs are relatively stagnant year-on-year while revenue had continued increasing at a higher rate.

The increase in our GP margin was also due to the maintenance and technical support services segment, which had registered a significant increase by 358.73% or RM3.946 million from RM1.100 million in the FYE 31 December 2014 to RM5.046 million in the FYE 31 December 2015. This was mainly due to the maintenance contracts we secured from a Japanese based IT company and a foreign owned retail hypermarket in Malaysia amounting to RM5.315 million.

However, our GP margin for the hardware segment decreased by 1.66% from 30.49% in the FYE 31 December 2014 to 28.83% in the FYE 31 December 2015. This was mainly due to several hardware purchase orders received from a Japanese based IT company and a foreign owned retail hypermarket in Malaysia, which had lower profit margins due to competitive pricing.

Further, for the FYE 31 December 2015, there was a decrease in GP margin of our third-party software from 55.45% to 45.11%. The decrease in GP margin for third party software segment was primarily due to lower partner discount rate from Microsoft Regional Sales Corporation to RG Solutions in FYE 31 December 2015, which resulted in lower GP margins as compared to FYE 31 December 2014. The partner discount rates are given by Microsoft Regional Sales Corporation based on the level of sales recorded by RG Solutions.

**PBT and PBT margin**

In the FYE 31 December 2015, our Group recorded a PBT of RM8.035 million (2014: RM4.674 million). The increase in PBT by RM3.361 million was in line with the increase in revenue and GP margin. The PBT margin increased from 8.67% in the FYE 31 December 2014 to 12.10% in the FYE 31 December 2015.

**11. FINANCIAL INFORMATION (Cont'd)****PAT and PAT margin**

In the FYE 31 December 2015, our Group recorded a PAT of RM6.345 million (2014: RM3.456 million). The increase in PAT by RM2.889 million was in line with the increase in revenue and lower effective tax rate due to our MSC-Malaysia status. The PAT margin increased from 6.41% in the FYE 31 December 2014 to 9.56% in the FYE 31 December 2015.

**FYE 31 December 2016****Revenue**

For the FYE 31 December 2016, our Group's revenue increased by approximately 15.73% or RM10.445 million from RM66.402 million in the FYE 31 December 2015 to RM76.847 million in the FYE 31 December 2016.

The increase in our Group's revenue from the FYE 31 December 2015 to FYE 31 December 2016 was mainly due to the following:-

- Increase in purchase orders from a Japanese based IT company for a few Japanese based retail stores and outlets by RM0.683 million for retail hardware order and maintenance contract;
- Increase in retail hardware order and maintenance contract from a foreign owned retail hypermarket located in Malaysia by RM4.374 million;
- Increase in retail hardware order amounting by RM3.812 million that was derived from a Malaysian postal and courier services company;
- Increase in purchase orders from one of our principals by RM1.655 million mainly for handheld terminals and *AX Mobile* software at 24-hour convenience store outlets;
- Purchase order for POS hardware amounting to RM3.000 million for food and beverage outlets;
- Purchase order from a Malaysian based pharmacy of RM1.234 million for POS software; and
- Increase in subscription of our in-house software namely *AX Retail B2B Portal*, by Philippines based supermarkets by RM0.994 million;

which was offset mainly due to the decrease in purchase orders from a security services firm by RM4.935 million for handheld terminals bundled with our in-house *AX Mobile – proof of delivery system* software which was completed in year 2015.

Our Group's hardware segment revenue increased by RM7.232 million or 14.10% from RM51.277 million to RM58.509 million in the FYE 31 December 2015 and FYE 31 December 2016 respectively, with a corresponding increase in revenue from our maintenance and technical support services segment by RM2.453 million or 27.94% from RM8.781 million in the FYE 31 December 2015 to RM11.234 million in the FYE 31 December 2016, as majority of our customers who entered into maintenance and technical support services were our hardware customer. Notwithstanding the revenue from both software segment and maintenance and technical support services segment increased at a higher rate as compared to hardware segment, the percentage of contribution from hardware segment only decreased slightly from 77.23% in the FYE 31 December 2015 to 76.14% in the FYE 31 December 2016 due to successfully procuring a few large orders as disclosed above in the financial year under review.

For our Group's software segment, our revenue contribution from in-house software increased by RM1.460 million or 75.88% from the FYE 31 December 2015 to the FYE 31 December 2016. This was mainly due to the new

**11. FINANCIAL INFORMATION (Cont'd)**

subscription of our in-house software, *AX Retail B2B Portal*, by Philippines based supermarkets as disclosed above. In contrast, contribution from third party software had decreased by RM0.700 million or 15.84% from RM4.420 million to RM3.720 million in the FYE 31 December 2015 and the FYE 31 December 2016 respectively. The decrease in the revenue contribution from third party software was mainly due to completion of software refreshment exercise in a Malaysian based departmental stores in the FYE 31 December 2015.

**GP and GP margin**

Our Group's overall GP increased by RM7.489 million from RM23.698 million in the FYE 31 December 2015 to RM31.187 million in the FYE 31 December 2016. Our Group's GP margin increased from 35.69% in the FYE 31 December 2015 to 40.58% in the FYE 31 December 2016 mainly due to the overall increase in GP margins across all segments.

The increase in GP margins for software segment was due to both our in-house software and third party software segment. Our in-house software does not incur software license costs from a software developer, unlike our third party software. This cost of sales for our in-house software segment is relatively stagnant and as the revenue generated from this segment increased at a higher rate than cost of sales, the GP margin attained from this in-house software segment increased from 97.51% in the FYE 31 December 2015 to 97.96% in the FYE 31 December 2016.

GP margin for third party software segment had increased from 45.11% in the FYE 31 December 2015 to 48.47% in FYE 31 December 2016 mainly due to decrease in software license costs coupled with more professional services rendered by RG Solutions comprising customisation, enhancements, localisation and/or add-ons, thus contributing to the increase in margins for this segment.

The increase in GP margins of maintenance and technical support services segment by 19.63% from 57.47% in the FYE 31 December 2015 to 77.10% in the FYE 31 December 2016 was due to higher maintenance contracts contributed by Japanese based IT company and a foreign owned retail hypermarket in Malaysia amounting to RM8.793 million. The costs of replacement parts incurred incidental to our maintenance and technical support service contracts increased at a lower rate than our revenue in this segment.

**PBT and PBT margin**

In the FYE 31 December 2016, our Group recorded a PBT of RM11.847 million (2015: RM8.035 million). The increase in PBT was in line with the increase in revenue and GP margins. The PBT margin increased from 12.10% in the FYE 31 December 2015 to 15.42% in the FYE 31 December 2016.

**PAT and PAT margin**

In the FYE 31 December 2016, our Group recorded a PAT of RM9.470 million (2015: RM6.345 million). The PAT margin increased from 9.56% in the FYE 31 December 2015 to 12.32% in the FYE 31 December 2016. The increase in PAT was in line with the increase in revenue and GP margins and tax exemption on profit arising from the Pioneer Status granted to our in-house software business segment as well as contribution from other income such as unrealised gain on foreign exchange.

**11. FINANCIAL INFORMATION (Cont'd)****FYE 31 December 2017****Revenue**

For the FYE 31 December 2017, our Group's revenue increased by approximately 5.12% or RM3.936 million from RM76.847 million in the FYE 31 December 2016 to RM80.783 million in the FYE 31 December 2017.

The increase in our Group's revenue from the FYE 31 December 2016 to FYE 31 December 2017 was mainly contributed by the following:-

- Purchase order from a supermarket chain located in Sri Lanka, for installation of third party software i.e. *MS Dynamics NAV and LS Retail* software for our third party retail software amounting to RM0.781 million;
- Sales to a Japanese based supermarket in Vietnam for third party software i.e. *CRM Loyalty System* amounting to RM1.208 million;
- A few large purchase orders of handheld terminals, POS equipment/peripheral and sales data collection device as well as technical support services to one of our principals amounting to RM8.665 million for an e-service provider;
- Sales of POS equipment/peripherals and technical support services to food and beverage outlets amounting to RM1.652 million for upgrading of POS equipments/peripherals at their outlets;
- Increase in purchase orders for retail hardware from a Malaysian based health and beauty store by RM0.777 million; and
- Increase in purchase orders for retail hardware from a supermarket chain in Cambodia by RM1.857 million;

which was offset mainly due to the following:-

- Decrease in retail hardware orders and maintenance contracts from foreign owned retail hypermarket by RM3.629 million;
- Decrease in sales of hardware consumables by RM4.481 million from a Malaysian postal service provider; and
- Decrease in retail hardware orders by RM3.034 million from a Japanese based IT company.

Our Group's hardware segment revenue decreased slightly by RM0.203 million or 0.35% from RM58.509 million in the FYE 31 December 2016 to RM58.306 million in the FYE 31 December 2017. The decrease was mainly caused by net effect of the following:-

- Completion of POS equipment/peripherals refreshment exercise by the Japanese based retail stores and outlets in year 2016 which did not recur in 2017; and
- Large orders received from the supermarket chain located in Cambodia, food and beverage outlets and one of our principals for an e-service provider in the current financial year.

On the contrary, our maintenance and technical support services segment's revenue increased by RM0.811 million or 7.22%. The increase was mainly contributed by the following:-

- Maintenance and technical support services contracts secured from existing customers in RG Malaysia; and
- RG Vietnam has also received additional maintenance and technical support services contracts from new customers. This is in line with our Group's Vietnam expansion strategies implemented throughout the year.

## 11. FINANCIAL INFORMATION (Cont'd)

For our Group's software segment, our revenue contribution from in-house software increased by RM0.623 million or 18.41% from RM3.384 million in the FYE 31 December 2016 to RM4.007 million in the FYE 31 December 2017. This was mainly due to the new subscription of our in-house software, namely *AX Retail Consignment Portal* by a Malaysian retail bookstore and *AX Mobile* by an Indonesian IT reseller for a Thailand-based furniture retailer.

Contribution from third party software had also increased by RM2.705 million or 72.72% from RM3.720 million in the FYE 31 December 2016 to RM6.425 million in the FYE 31 December 2017. The increase was mainly contributed by the following:-

- Orders from a supermarket chain in Sri Lanka and Indonesian IT reseller amounting to a total of RM1.206 million for our third party software, namely *MS Dynamics NAV* and *LS Retail* software; and
- RG Vietnam received new software purchase order from a Japanese based supermarket in Vietnam for third party software i.e. *CRM Loyalty System* amounting to RM1.208 million.

### **GP and GP margin**

Our Group's overall GP increased by RM2.342 million from RM31.187 million in the FYE 31 December 2016 to RM33.529 million in the FYE 31 December 2017 while GP margin increased from 40.58% in the FYE 31 December 2016 to 41.51% in the FYE 31 December 2017. The increase in GP and GP margin was primarily due to increased GP contribution from hardware segment notwithstanding recording stagnant hardware revenue.

For hardware segment, our Group constantly monitors our product pricing, to ensure the profitability of the purchase orders secured are within the range of profit margin or offering competitive pricing on a case-to-case basis, as determined by the Executive Directors of our Group. This had resulted in the marginal fluctuation of GP margin of the hardware segment throughout the FYE 31 December 2014 to the FYE 31 December 2017. Besides, our Group leverages on our large base of hardware customers to cross-sell our software and maintenance and technical support services.

In the FYE 31 December 2017, in order to attract new software customers and also to expand our market share in the software segment, we have secured a few new purchase orders, which had registered a lower GP margins. Coupled with the decrease in our partner discount rate from Microsoft Regional Sales Corporation to RG Solutions in the FYE 31 December 2017, GP margins for software segment had decreased by 9.13% from 72.04% in the FYE 31 December 2016 to 62.91% in FYE 31 December 2017.

GP margins of maintenance and technical support services segment had decreased by 3.63% from 77.10% in the FYE 31 December 2016 to 73.47% in the FYE 31 December 2017. Our maintenance and technical support services segment's cost of sales had increased significantly arising from repairs and maintenance undertaken for our retail hardware customers with maintenance contracts, where the cost of replacement of spare parts are borne by us.

### **PBT and PBT margin**

In the FYE 31 December 2017, our Group recorded a PBT of RM9.003 million (2016: RM11.847 million). The PBT margin decreased from 15.42% in the FYE 31 December 2016 to 11.14% in the FYE 31 December 2017. The decrease in PBT was mainly due to the following:-

**11. FINANCIAL INFORMATION (Cont'd)**

- One-off IPO expenses incurred amounting to RM0.957 million; and
- Higher staff costs incurred as the number of employees for our Group increased from 212 employees in the FYE 31 December 2016 to 247 employees in the FYE 31 December 2017.

**PAT and PAT margin**

In the FYE 31 December 2017, our Group recorded a PAT of RM7.110 million (2016: RM9.470 million). The PAT margin decreased from 12.32% in the FYE 31 December 2016 to 8.80% in the FYE 31 December 2017. The decrease in PAT was in line with the decrease in PBT.

**(c) Other key factors affecting the profitability of our Group**

The other key factors affecting the profitability of our Group include those factors discussed below and other sections in this Prospectus, in particular the risk factors under Section 4 of this Prospectus:-

**(i) Cost of Sales**

A breakdown of the components of our cost of sales for the past three (3) FYE 31 December 2015 to 2017 are as follows:-

Types of cost	----- Audited ----->					
	-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Retail technology solutions related*	42,378	99.24	45,261	99.13	46,638	98.70
Carriage inwards	137	0.32	124	0.27	105	0.22
Custom duties	96	0.22	162	0.35	372	0.79
Ocean/Air freight charges	80	0.19	76	0.17	75	0.16
Import Charges	13	0.03	37	0.08	64	0.13
<b>Total</b>	<b>42,704</b>	<b>100.00</b>	<b>45,660</b>	<b>100.00</b>	<b>47,254</b>	<b>100.00</b>

**Note:-**

- \* Comprising mainly hardware cost such as POS equipment/peripherals, handheld terminals, barcode scanners including cost of replacement parts; cost of third party software such as LS Retail and Microsoft Dynamic NAV; and cost of in-house software such as server rental.

**11. FINANCIAL INFORMATION (Cont'd)****(aa) Analysis of cost of sales by companies**

Companies	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Radiant Globaltech	48	0.11	69	0.15	130	0.28
RG Malaysia*	38,722	90.68	40,875	89.52	38,750	82.00
RG Solutions	2,013	4.71	1,930	4.23	2,491	5.27
RG Cambodia	93	0.22	993	2.17	873	1.85
RG Vietnam	1,828	4.28	1,793	3.93	5,010	10.60
<b>Total</b>	<b>42,704</b>	<b>100.00</b>	<b>45,660</b>	<b>100.00</b>	<b>47,254</b>	<b>100.00</b>

**Note:-**

- \* Accurate Computer Solutions was a subsidiary of RG Malaysia during the FYE 31 December 2015 and 2016. The revenue generated by Accurate Computer Solutions was derived from the sale of goods to RG Malaysia. Hence, the cost of sales incurred by Accurate Computer Solutions were essentially purchases made for RG Malaysia. For the purpose of a more reflective computation of the GP of RG Malaysia, the cost of sales of Accurate Computer Solutions were also included as part of the cost of sales of RG Malaysia.

**(bb) Analysis of cost of sales by business activities**

Business activities	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Hardware	36,495	85.46	41,101	90.01	40,190	85.05
Software	2,474	5.80	1,986	4.35	3,869	8.19
Maintenance and technical support services*	3,735	8.74	2,573	5.64	3,195	6.76
<b>Total</b>	<b>42,704</b>	<b>100.00</b>	<b>45,660</b>	<b>100.00</b>	<b>47,254</b>	<b>100.00</b>

**Note:-**

- \* Cost of sales of maintenance and technical support services consist of spare parts cost and on-site services fees (for those performed by our outsourced service providers and generally billed to our Group on a monthly basis).

**11. FINANCIAL INFORMATION (Cont'd)*****FYE 31 December 2015***

Our cost of sales for the FYE 31 December 2015 increased by 18.98% from the FYE 31 December 2014 due to the following reasons:-

- The increase in cost of sales for the hardware segment was in line with its increase in sales. However, the percentage of revenue contribution and gross profit margin declined for the FYE 31 December 2015 due to higher cost of sales arising from several purchase orders with competitive pricing; and
- The increase in cost of sales for our maintenance and technical support services segment was in line with the increase in revenue.

Although there was an increase in the overall cost of sales, the decrease in cost of sales in our software segment by RM0.703 million was mainly due to the lower costs incurred for the renewal of third party retail software license as compared to the purchase of new third party retail software licenses in the FYE 31 December 2014 for a Malaysian based department store. This was in line with the decrease in revenue contribution from our third party software segment.

***FYE 31 December 2016***

Our cost of sales for the FYE 31 December 2016 increased by 6.92% from the FYE 31 December 2015 primarily due to the increase in cost of sales in the hardware segment by RM4.606 million or 12.62% from the FYE 31 December 2015 to the FYE 31 December 2016, which was in line with the increase of our sales from hardware segment by RM7.232 million or 14.10%.

Although our overall cost of sales increased, there was a decrease in cost of sales in the software and maintenance and technical support services segment. This was due to the decrease in third party software sales from RG Solutions and lower cost of replacement parts incurred for the financial year under review, respectively.

***FYE 31 December 2017***

Our cost of sales for the FYE 31 December 2017 increased by 3.49% from the FYE 31 December 2016 primarily due to the increase in cost of sales in the software segment by RM1.883 million or 94.81% from the FYE 31 December 2016 to the FYE 31 December 2017, which was in line with the increase of our sales from software segment.

The increase in cost of sales in the software segment was mainly due to the increase in the purchase of new third party retail software licenses from our third party software developer for new customers secured as compared to the previous year.

The cost of sales for maintenance and technical support services had also increased due to higher cost of replacement of spare parts following the increase in customers and revenue for this segment.

**11. FINANCIAL INFORMATION (Cont'd)****(ii) Other Income**

Our Group's other income consisted of the following:-

Other income	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Interest income	53	31.36	155	13.30	89	9.20
Administration income	96	56.80	99	8.50	-	-
Writeback of impairment losses on trade receivables	18	10.65	-	-	507	52.43
Gain on foreign exchange						
- realised	-	-	*	-	-	-
- unrealised	-	-	720	61.81	-	-
Gain on disposal of investment	-	-	-	-	8	0.83
Others	2	1.19	191	16.39	363	37.54
<b>Total</b>	<b>169</b>	<b>100.00</b>	<b>1,165</b>	<b>100.00</b>	<b>967</b>	<b>100.00</b>

**Note:-**

\* Amount below RM1,000.

For 31 December 2016, there was an increase of RM0.996 million as compared to the FYE 31 December 2015, which was mainly due to unrealised gain on foreign exchange and income derived from providing training to one of our customers during the FYE 31 December 2016.

For the FYE 31 December 2017, there was a decrease of RM0.198 million as compared to the FYE 31 December 2016, which was mainly due to the net effect of decrease of unrealised gain on foreign exchange and increase in the writeback of impairment losses on trade receivables. The increase of writeback of impairment losses on trade receivables was mainly due to our Group's constant follow-up with debtors which had resulted in the recovery of impairment losses on trade receivables amounting to RM0.507 million.

**11. FINANCIAL INFORMATION (Cont'd)****(iii) Selling and Distribution Expenses**

Our Group's selling and distribution expenses consisted of the following:-

Selling and Distribution Expenses	----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Advertisement, promotion, exhibition expenses and others	36	4.06	29	3.18	69	5.75
Commission	851	95.94	883	96.82	1,132	94.25
<b>Total</b>	<b>887</b>	<b>100.00</b>	<b>912</b>	<b>100.00</b>	<b>1,201</b>	<b>100.00</b>

Our Group's selling and distribution expenses increased marginally by 2.82% from RM0.887 million in the FYE 31 December 2015 to RM0.912 million in the FYE December 2016.

Our Group's selling and distribution expenses increased by 31.69% from RM0.912 million in the FYE 31 December 2016 to RM1.201 million in the FYE December 2017. The increase of RM0.289 million was mainly due to the commission paid to third party referrals.

Our Group's advertisement, promotion, exhibition expenses and others for the FYE 31 December 2015 and the FYE 31 December 2016 was mainly contributed by the expenses incurred in our "Partner and Resellers Get Together" as disclosed in Section 5.7.9(ii) of this Prospectus. For the FYE 31 December 2017, our Group's advertisement, promotion, exhibition expenses and others were mainly contributed by the expenses incurred in our participation at the Asia-Pacific Retailers Convention and Exhibition (APRCE).

Commission was paid to third party referrals and our sales team, which is determined on a case to case basis, subject to the approval of our Executive Directors. The third party referral is mostly our business associates.

**11. FINANCIAL INFORMATION (Cont'd)****(iv) Administrative Expenses**

Our Group's administrative expenses consisted of the following:-

Administrative Expenses	-----Audited----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Upkeep/maintenance expenses	231	7.90	469	12.21	349	7.62
Staff amenities	235	8.04	327	8.51	295	6.44
Professional fees	138	4.72	216	5.62	408	8.91
Office expenses	1,025	35.05	1,190	30.98	1,658	36.22
Transportation	169	5.78	229	5.96	151	3.30
Entertainment and travelling	1,045	35.74	1,326	34.53	1,489	32.53
Miscellaneous expenses	81	2.77	84	2.19	228	4.98
<b>Total</b>	<b>2,924</b>	<b>100.00</b>	<b>3,841</b>	<b>100.00</b>	<b>4,578</b>	<b>100.00</b>

The increase in administrative expenses across the past three (3) FYE 31 December 2015 to FYE 31 December 2017 were mainly due to increase in office related expenses which was in line with the increase of our employee headcount. The number of employees was at 160, 212 and 247 as at 31 December 2015 to 2017 respectively.

In addition, our Group's administrative expenses for the FYE 31 December 2016 increased by 31.36% as compared to the FYE 31 December 2015. This was mainly attributed to the increase in upkeep / maintenance expenses by 103.03% due to setting up of our head office at Vertical Business Suite 03-06 and Vertical Business Suite 03-07; and support centre for IT outsourcing services in Mont Kiara, Kuala Lumpur.

Our administrative expenses for the FYE 31 December 2017 increased by RM0.737 million or 19.19% from the FYE 31 December 2016. This increase was mainly caused by the office expenses of RM1.658 million. Our office expenses increased by RM0.468 million or 39.33% mainly due to increase in rental for our customer support service offices and newly rented sales office in Ho Chi Minh City, Vietnam; and insurance for our business operations in Malaysia.

**11. FINANCIAL INFORMATION (Cont'd)****(v) Staff Costs**

Our Group's staff costs consisted of the following:-

Staff Costs	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Directors' remuneration	2,014	19.20	2,288	16.60	3,494	20.80
Staff remuneration	8,473	80.80	11,495	83.40	13,306	79.20
<b>Total</b>	<b>10,487</b>	<b>100.00</b>	<b>13,783</b>	<b>100.00</b>	<b>16,800</b>	<b>100.00</b>

Our Group's staff costs have been increasing year-on-year. This was in line with the increase in our employee headcount and annual salary increment. The number of employees was at 160, 212 and 247 as at 31 December 2015 to 2017 respectively.

**(vi) Other Expenses**

Our Group's other expenses consisted of the following:-

Other expenses	<----- Audited ----->					
	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Depreciation of property, plant and equipment	322	23.68	357	22.15	606	28.33
Equipment written off	4	0.29	186	11.54	-	-
Impairment loss on trade receivables	197	14.49	811	50.31	38	1.78
Loss on foreign exchange						
- realised	711	52.28	258	16.00	458	21.41
- unrealised	126	9.26	-	-	39	1.82
IPO expenses	-	-	-	-	957	44.74
Others	*	-	-	-	41	1.92
<b>Total</b>	<b>1,360</b>	<b>100.00</b>	<b>1,612</b>	<b>100.00</b>	<b>2,139</b>	<b>100.00</b>

**Note:-**

\* Amount below RM1,000.

For the FYE 31 December 2015, our Group's other expenses were RM1.360 million, representing an increase of RM0.623 million or 84.53% as compared to RM0.737 million in the FYE 31 December 2014. The substantial increase was mainly due to increase in the loss on foreign exchange by RM0.353 million.

**11. FINANCIAL INFORMATION (Cont'd)**

For the FYE 31 December 2016, our Group's other expenses were RM1.612 million, representing an increase of RM0.252 million or 18.53% as compared to RM1.360 million in the FYE 31 December 2015. The increase was due to impairment loss on trade receivables and equipment written off.

For the FYE 31 December 2017, our Group's other expenses were RM2.139 million, representing an increase of RM0.527 million or 32.69% as compared to RM1.612 million in the FYE 31 December 2016. The increase was mainly due to depreciation and IPO expenses. Our IPO expenses are one-off and incidental to the payment of professional and advisory fees for the Listing.

**(vii) Finance Costs**

The breakdown of finance costs for the financial years under review is as follows:-

Finance Costs	----- Audited ----->					
	-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	%	RM'000	%	RM'000	%
Bankers' acceptances interest	43	24.71	43	12.05	36	5.83
Bank overdraft interest	3	1.72	7	1.96	*	-
Hire purchase interest	18	10.35	37	10.36	38	6.16
Term loans interest	110	63.22	270	75.63	543	88.01
<b>Total</b>	<b>174</b>	<b>100.00</b>	<b>357</b>	<b>100.00</b>	<b>617</b>	<b>100.00</b>

**Note:-**

\* *Less than RM1,000*

For the FYE 31 December 2016, our Group's finance cost increased by approximately RM0.183 million mainly due to the following:-

- increase in term loans interest as a result of purchase of new offices, i.e. Vertical Business Suite 03-06, Vertical Business Suite 03-07 and Vertical Business Suite 03-08; and
- increase in hire purchase interest due to acquisition of one (1) new car for our director in end of the FYE 31 December 2015.

For the FYE 31 December 2017, our Group's finance cost increased by approximately RM0.260 million mainly due to the following:-

- increase in term loans interest as a result of purchase of new office in the previous financial year, i.e. Vertical Business Suite 03-08; and
- increase in term loans interest due to additional term loan secured in December 2016 for working capital purposes.

## 11. FINANCIAL INFORMATION (Cont'd)

## (viii) Income Tax Expense

Income Tax Expense	<-----Audited----->		
	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Income tax expenses	1,690	2,377	1,893
<b><u>Tax rate (%)</u></b>			
Effective tax rate	21.03	20.06	21.03
Malaysia statutory tax rate	25.00	24.00	24.00

For the past three (3) FYE 31 December 2015 to 2017, our income tax expense was in line with the movement of the PBT achieved by our Group. Our effective tax rate was lower than Malaysia's statutory tax rate i.e. 25.00% in year of assessment 2015 and 24.00% in year of assessment 2016 and 2017, respectively, due to tax exemption for qualifying activities enjoyed by Radiant Globaltech arising from the Pioneer Status granted in December 2014. The Pioneer Status will expire in December 2019 and if such Pioneer Status is not renewed, our Group will revert to the applicable statutory tax rates and may impact our financial performance.

The qualifying activities provided in the Pioneer Certificate are as follows:-

- a) research, development and commercialisation of the following solution:
  - AX Retail B2B Portal Version 3.0 and above
  - AX Retail Consignment Portal Version 2.0 and above
  - AX Mobile System Version 2.0 and above
- b) Provision of implementation, maintenance and technical services related to the abovementioned solution.

Our Group's withholding tax expenses for FYE 31 December 2015 to 2017 were RM0.044 million, RM0.181 million and RM0.147 million respectively, due to our business operations in Cambodia and Vietnam. The responsibility for the payment of withholding tax lies with RG Cambodia and RG Vietnam to deal directly with their local tax authorities, namely, General Department of Taxation Cambodia and Tax Department of Ho Chi Minh City.

**11. FINANCIAL INFORMATION (Cont'd)****(d) Significant factors materially affecting our operations and financial results**

In addition to the factors and trends set out in Section 11.2.7 of this Prospectus, some of the following factors that may have an impact to our operations and financial results are as follows:-

**(i) Impact of Foreign Exchange**

The financial statements of our subsidiaries in Cambodia and Vietnam are denominated in USD and VND respectively. As such, any future significant depreciation in USD and/or VND against RM may have a material negative impact on our Group's consolidated financial statements which is reported in RM, as we are based in Malaysia.

Our export sales are predominantly in USD. As a result, we are exposed to fluctuations in foreign currency exchange rates and any adverse movements in the foreign exchange currency markets may have a negative impact on our business performance, financial position and operating results. Our Group's purchases and sales have been affected by the fluctuation of the foreign currency exchange rates in the past three (3) FYE 31 December 2015 to 2017.

We do not consider export sales to also be predominantly in VND as our Group's revenue in VND was billed by its foreign subsidiary, namely RG Vietnam, to its local Vietnam customers. The revenue billed in VND did not have any foreign currency exposure risk as RG Vietnam's functional currency is VND.

The exposure of our purchases and sales in RM value equivalent for the past three (3) FYE 31 December 2015 to 2017 are as follows:-

**Exposure of purchases in RM value equivalent**

Transaction currency	<-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	% of Net Purchases*	RM'000	% of Net Purchases*	RM'000	% of Net Purchases*
USD	17,755	41.41	19,172	43.58	22,529	46.76
Euro	280	0.65	426	0.97	526	1.09
Indonesian Rupiah	183	0.43	175	0.40	-	-
Singapore Dollar	4	0.01	31	0.07	27	0.06
Japanese Yen	170	0.40	391	0.89	69	0.14
Filipino Peso	109	0.25	215	0.49	88	0.18
VND	2,300	5.36	1,851	4.21	5,008	10.40
Australian Dollar	-	-	-	-	77	0.16
Hong Kong Dollar	-	-	-	-	19	0.04

**11. FINANCIAL INFORMATION (Cont'd)****Note: -**

\* Net purchases for the FYE 31 December 2015 to the FYE 31 December 2017 were RM42.878 million, RM43.994 and RM48.175 million respectively.

**Exposure of revenue in RM value equivalent**

Transaction currency	←-----FYE 31 December-----→					
	2015		2016		2017	
	RM'000	% of Total Revenue*	RM'000	% of Total Revenue*	RM'000	% of Total Revenue*
USD	4,649	7.00	9,014	11.73	6,067	7.51
Brunei Dollar	27	0.04	22	0.03	44	0.05
Singapore Dollar	214	0.32	495	0.64	1,120	1.39
Australian Dollar	-	-	7	0.01	7	0.01
VND	2,740	4.13	3,391	4.41	7,961	9.85
Japanese Yen	-	-	-	-	92	0.11

**Note:-**

\* Total revenue for the FYE 31 December 2015 to 2017 were RM66.402 million, RM76.847 million and RM80.783 million respectively.

Currently, we maintain foreign currencies accounts (i.e. USD) for payments of our foreign purchases and / or receipts of export sales. Our management does not actively hedge our Group's foreign currency exposure and as at the LPD, we do not utilise any financial instruments for hedging purposes. We constantly monitor and review our Group's need to hedge. Should this exposure become substantial, we will consider hedging our position.

Our net gain or loss on foreign currency exchange rates for the past three (3) FYE 31 December 2015 to 2017 are as follows:-

Net (loss)/gain	←-----FYE 31 December-----→		
	2015 RM'000	2016 RM'000	2017 RM'000
- Realised	(711)	(258)	(458)
- Unrealised	(126)	720	(39)

For the FYE 31 December 2015 to 2017, the net gain or loss on foreign exchange transactions are mainly due to the fluctuation in foreign currencies relative to RM in respect of our purchases denominated in USD.

**(ii) Impact of Interest Rates**

As at 31 December 2017, our Group's total borrowings which stood at RM10.199 million comprise of hire purchase payables and term loans at the average effective interest rate of 4.75% and 5.48% per annum respectively.

**11. FINANCIAL INFORMATION (Cont'd)**

Our Group's objective in managing our interest rate expenses is to ensure an acceptable level of exposure to interest rate fluctuations.

As at the LPD, our borrowings have fixed and determinable payments. Save for the hire purchase payables which are charged on a fixed rate, the interest rates for our term loans and bankers' acceptances are based on the prevailing bank's base lending rate or cost of financing, plus or minus a margin agreed upon by our bankers when the respective loans and financings were granted.

There is no material impact from the fluctuations of interest rate on our Group's financial results for the past three (3) FYE 31 December 2015 to 2017.

**(iii) Impact of Inflation**

There was no material impact of inflation on our Group's financial results for the past three (3) FYE 31 December 2015 to 2017.

**(iv) Exceptional and Extraordinary Items**

There were no exceptional and extraordinary items for the past three (3) FYE 31 December 2015 to 2017.

**(v) Impact of Government/Economic/Fiscal/Monetary Policies**

Our Group's retail technology solutions are products and services used by businesses in the retail sector to automate their operations, in order to increase efficiency and reduce costs. The wholesale and retail sub-sector is a major contributor to Malaysia's gross national income ("GNI") and has been identified as one of the 12 key economic focus areas under the Economic Transformation Programme ("ETP"). The Government of Malaysia intends to drive retail spending in achieving the targets under the ETP. In achieving the GNI targets for the retail sector, the Government intends to liberalise the retail sector through streamlining set-up and expansion requirements, upgrading transport infrastructure and growing human capital (*Source: Industry Overview*).

The above Government initiatives under the ETP has augured well for our Group and our revenue grew year-on-year from RM66.40 million in FYE 31 December 2015 to RM80.78 million in FYE 31 December 2017. Moving forward, our management takes cognisance of the impending introduction of the new Sales and Service Tax ("SST"). As the new SST Bill has yet to be proposed and the actual implementation of new SST has not been announced, our management has referred to the previous Sales Tax Act 1972 and Service Tax Act 1975 as a prudent benchmark. Based on the previous Sales Tax Act 1972 and Service Tax Act 1975, our management expects no material impact to our Group from the introduction of the new SST, other than the payment of SST on purchase of retail hardware and equipment from our overseas product principals. The actual impact can only be determined later upon official implementation of the new SST Act.

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 4 of this Prospectus. Save as disclosed in Sections 4 and 6 of this Prospectus, there is no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits for the past three (3) FYE 31 December 2015 to 2017.

**(vi) Significant Changes**

There is no significant changes that have occurred which may have a material effect on the financial position and results of our Group subsequent to the FYE 31 December 2017 up to the LPD.

**11. FINANCIAL INFORMATION (Cont'd)****11.2.2 Liquidity and capital resources**

Our operations are funded by a combination of internal and external sources of funds. Our Group's internal sources of funds comprise of share capital, cash generated from our operating activities and cash and bank balances, while our external funds are mainly from bank borrowings.

The interest rate of the bank borrowings is based on prevailing market rates. Currently, the principal use of the bank borrowings is for our Group's business growth and operations, for the acquisition of PPE and working capital purposes.

The decision to utilise either internally generated funds or bank borrowings for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and the interest rate of bank borrowings.

There are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet the obligations of our Company.

The table below sets out the summary of our Group's historical audited combined and consolidated statements of cash flows for the past three (3) FYE 31 December 2015 to 2017:-

	<-----Audited----->		
	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Net cash from operating activities	8,746	1,810	6,048
Net cash (for)/from investing activities	(3,792)	(3,898)	608
Net cash from/(for) financing activities	4,360	1,173	(9,716)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,314</b>	<b>(915)</b>	<b>(3,060)</b>
Effect of foreign exchange translation	(100)	166	(340)
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>5,796</b>	<b>15,010</b>	<b>14,261</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>15,010</b>	<b>14,261</b>	<b>10,861</b>

**Net cash from operating activities*****FYE 31 December 2015***

For the FYE 31 December 2015, our Group generated operating cash flows before working capital changes of approximately RM8.787 million. After accounting for key items as set out below, our Group's net cash from operating activities was approximately RM8.746 million:-

- Increase in trade and other receivables of approximately RM1.766 million mainly due to increase in sales generated near to year-end by RG Malaysia;
- Increase in inventories of approximately RM2.039 million mainly due to increase in stock level to accommodate for anticipated higher sales;

**11. FINANCIAL INFORMATION (Cont'd)**

- Increase in trade and other payables of approximately RM5.932 million mainly due to increase in trade payables for purchases made to fulfil project order amounting to approximately RM3.959 million, provision of incentives to staff amounting to approximately RM1.500 million and increase in deferred revenue; and
- Net income tax paid amounting to RM1.792 million.

***FYE 31 December 2016***

For the FYE 31 December 2016, our Group generated operating cash flows before working capital changes of approximately RM14.218 million. After accounting for key items as set out below, our Group's net cash from operating activities was approximately RM1.810 million:-

- Increase in trade and other receivables of approximately RM2.076 million mainly due to slower collection of outstanding receivables by RG Malaysia at year-end;
- Decrease in inventories of approximately RM0.518 million mainly due to writing off of slow moving and obsolete inventories;
- Decrease in trade and other payables of approximately RM5.693 million. This was mainly due to prompt repayment to our principals in line with adoption of prompt payment practice.
- Repayment by related parties of approximately RM1.485 million and repayment to related parties of approximately RM3.817 million. This was mainly due to decrease in sales to and/or purchase from related parties mostly from Radiant Global ADC (Thailand) Co, Ltd, Spectrum Highlights Sdn Bhd and SPEM, as well as payment made to related parties mostly to Radiant Global HD Inc, SPEM, Ever Praise Resources Ltd and Global Vision Co. Ltd.. The related parties along with the details of sales and purchases are as disclosed in Sections 10.1(b) and 10.2 of this Prospectus; and
- Net income tax paid amounting to RM2.467 million.

***FYE 31 December 2017***

For the FYE 31 December 2017, our Group generated operating cash flows before working capital changes of approximately RM10.702 million. After accounting for key items as set out below, our Group's net cash from operating activities was approximately RM6.048 million:-

- Decrease in trade and other receivables of approximately RM0.433 million mainly due to collection received from long outstanding receivables;
- Increase in inventories of approximately RM1.800 million mainly due to increase in inventories for POS equipment/peripherals in a refreshment exercise of a Japanese based hypermarkets at the end of the financial year;
- Increase in trade and other payables of approximately RM1.252 million. This was mainly due to the year-end purchases of POS equipment/peripherals mentioned earlier;
- Repayment by related parties of approximately RM2.259 million and repayment to related parties of approximately RM2.767 million. This was mainly due to decrease in sales to and/or purchase from related parties mostly Radiant Global ADC (Thailand) Co, Ltd and SPEM respectively, as well as payment made to related parties mostly to Radiant Global HD Inc, SPEM and Global Vision Co. Ltd. The related parties along with the details of sales and purchases are as disclosed in Sections 10.1(b) and 10.2 of this Prospectus; and
- Net income tax paid amounting to RM3.414 million.

**11. FINANCIAL INFORMATION (Cont'd)****Net cash (for)/from investing activities*****FYE 31 December 2015***

For the FYE 31 December 2015, our Group recorded net cash for investing activities of approximately RM3.792 million which was primarily attributed to the purchase of two (2) office buildings which are Vertical Business Suite 03-06 and Vertical Business Suite 03-07 amounting to RM3.458 million. Besides, there was an increase in pledged fixed deposits with licensed banks amounting to RM0.100 million.

***FYE 31 December 2016***

For the FYE 31 December 2016, our Group recorded net cash for investing activities of approximately RM3.898 million which was mainly primarily attributed to the purchase of one (1) office building which is Vertical Business Suite 03-08 amounting to RM2.894 million. Besides, there was an increase in pledged fixed deposits with licensed banks amounting to RM0.577 million.

***FYE 31 December 2017***

For the FYE 31 December 2017, our Group recorded net cash from investing activities of approximately RM0.608 million which was mainly attributed to the decrease in fixed deposits pledged with licensed banks of RM0.434 million and the repayment from related parties Radiant Global (Thailand) Co Ltd, Spectrum Highlights Sdn Bhd, Radiant Global Holdings Sdn Bhd and Ideasoft Solutions Sdn Bhd of RM0.855 million mainly for administrative fees charged and accumulated advances from the previous years which were settled in the FYE 31 December 2017. This was mainly offset by the investment in an associate company of RM0.500 million and net cash purchases of capital expenditure which amounted to RM0.281 million, including purchase of a motor vehicle in RG Vietnam.

**Net cash from/(for) financing activities*****FYE 31 December 2015***

For the FYE 31 December 2015, our Group recorded net cash from financing activities of approximately RM4.360 million which was mainly due to:-

- Repayment of bankers' acceptance amounting to RM0.496 million for the purchase from principals;
- Net drawdown of term loan amounting to RM2.693 million for the purchase of Vertical Business Suite 03-06 and Vertical Business Suite 03-07; and
- Advances from directors amounting to RM2.073 million for working capital purposes.

***FYE 31 December 2016***

For the FYE 31 December 2016, our Group recorded net cash from financing activities of approximately RM1.173 million which was mainly due to:-

- Proceeds from issuance of shares amounting to RM0.350 million for working capital purposes;
- Net drawdown of term loans amounting to RM5.121 million for the purchase of Vertical Business Suite 03-08 and working capital purposes;
- Advances from Directors amounting to RM0.666 million for working capital purpose; and
- Payment of dividend in respect of the dividends declared for the FYE 31 December 2016 amounting to RM5.000 million.

**11. FINANCIAL INFORMATION (Cont'd)****FYE 31 December 2017**

For the FYE 31 December 2017, our Group recorded net cash for financing activities of approximately RM9.716 million which was mainly due to:-

- Payment of listing expenses, which is incidental to our IPO exercise, of RM1.266 million;
- Repayment to directors in full amounting to RM3.930 million;
- Payment of dividend in respect of the dividends declared for the FYE 31 December 2017 amounting to RM3.000 million;
- Repayment of RM0.778 million mainly for term loans taken for purchase of Vertical Business Suite 03-06, Vertical Business Suite 03-07 and Vertical Business Suite 03-08; and
- Repayment of bankers' acceptances of RM0.397 million.

Our Board is of the opinion that after taking into consideration the existing level of cash and cash equivalent and the gross proceeds from the Public Issue, our Group would have adequate working capital for a period of 12 months from the date of this Prospectus.

**11.2.3 Borrowings and financial instruments**

As at 31 December 2017, our total outstanding borrowings amounted to RM10.199 million, comprising hire purchase payables and term loans, all of which are interest-bearing and secured, can be analysed further as follows:-

	<b>Payable within 12 months</b>	<b>Payable after 12 months</b>	<b>Total</b>
<b>Bank Borrowings</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Hire purchase payables	161	667	828
Term loans	1,113	8,258	9,371
<b>Total</b>	<b>1,274</b>	<b>8,925</b>	<b>10,199</b>
Gearing ratio as at 31 December 2017 (times)*			0.17

**Note:-**

- \* Computed based on total borrowings over our pro forma shareholders' equity (after the Public Issue and Offer for Sale but before utilisation of listing proceeds) as at 31 December 2017 of RM59.380 million.

Our Directors shall evaluate and closely monitor the financial position of our Group prior to entering into any financing facilities in order to meet repayment obligations. As at 31 December 2017, a total of RM1.274 million of our borrowings are payable within 12 months whilst the remaining RM8.925 million are payable after 12 months.

As at the LPD, we do not have any foreign currency borrowings. Our Group has not defaulted on payments of either interest and/or principal sum in respect of any bank borrowings throughout the past three (3) FYE 31 December 2015 to 2017 and up to the LPD. We do not encounter seasonality in our borrowings trend and there are no restriction on our committed borrowing facilities, i.e. term loans and hire purchase.

As at the LPD, we have banking facilities available to our Group amounting to RM27.526 million, out of which RM9.919 million has been utilised.

**11. FINANCIAL INFORMATION (Cont'd)**

The types of financial instruments utilised by our Group and the outstanding amount as at the LPD are set out below:-

<b>Types</b>	<b>Tenure</b>	<b>Average effective interest rate (%)</b>	<b>Balance as at the LPD (RM'000)</b>
<b>Hire purchase payables</b>	<b>5 to 9 years</b>	<b>4.75</b>	<b>762</b>
<u>Current</u>			
- not later than one (1) year			165
<u>Non- current</u>			
- later than one (1) year and not later than five (5) years			597
- later than five (5) years			-
<b>Term loans</b>	<b>5 to 10 years</b>	<b>5.43</b>	<b>8,898</b>
<u>Current</u>			
- repayable within one (1) year			1,149
<u>Non- current</u>			
- repayable between one (1) and two (2) years			1,236
- repayable between two (2) and five (5) years			3,734
- repayable after five (5) years			2,779
<b>Bankers' Acceptance</b>		<b>5.21</b>	<b>259</b>
<b>Total</b>			<b>9,919</b>

**11.2.4 Breach of terms and conditions or covenants associated with credit arrangements or bank loans**

As at the LPD, neither us nor our subsidiaries are in breach of any terms and conditions and covenants associated with credit arrangements or bank loans, which can materially affect our financial results, financial position or business operations, or the investments by holders of securities in our Company.

**11.2.5 Material Commitment**

As at the LPD, our Group has not incurred any material commitment for capital expenditure that may have a material and adverse impact on our financial position.

**11.2.6 Contingent Liabilities**

As at the LPD, there is no indirect and/or material contingent liabilities incurred by our Group, which may have a substantial impact on the financial position of our Group.

## 11. FINANCIAL INFORMATION (Cont'd)

### 11.2.7 Trend Information

#### (a) Business and financial prospects

Our Board observed that based on the revenue and operations of our Group for the past financial years under review, the following trends may continue to affect our business:-

(i) Going forward, we believe that we are in the position to sustain and grow our revenue in view of, inter-alia, the following:-

- Favourable prospects for retail technology industry as set out in Section 6 of this Prospectus. According to the Industry Overview, SMITH ZANDER forecasts the retail technology solutions industry size to grow from an estimated RM404.19 million in 2017 to reach RM456.35 million in 2019, at a CAGR of 6.26%. The growth of the industry is expected to be driven by the growth of the retail industry, the need to automate as well as continuous technological advancements.

Growth of the retail industry signifies growth potential for the retail technology solutions industry. The retail industry in Malaysia, measured by the value of retail sales, grew from RM371.50 billion in 2015 to RM450.31 billion in 2017 at a CAGR of 10.10%. The growth in the number of retail outlets in Malaysia has been increasing, with convenience stores and hypermarkets among the segments demonstrating the highest growth. Convenience stores and hypermarkets grew at CAGRs of 13.97% and 2.81% respectively between 2012 and 2014.

Further, due to the competitive nature of the retail sector, there is a growing need for greater operating efficiency leading to more automation in the industry. The continuous technological advancement of retail technology solutions leads to the development and introduction of new products and services to comply with current technology and requirements. Hence, this will contribute to the growth of the retail technology solutions industry, which will eventually benefit our Group.

Therefore, the industry outlook is positive, with the growth from the retail industry; and

- Our continuous sales and marketing efforts to secure sales in line with our Group's business strategies to expand our business to existing and new geographical markets.

Please refer to Section 5.10 of this Prospectus for further details on our Group's business strategies.

(ii) We have been operating in the retail technology industry for more than 23 years since 1994. We have since established ourselves in the retail industry with direct presence in Malaysia, Vietnam and Cambodia, and outsourced overseas customer support service offices in Jakarta, Indonesia; Quezon City, Philippines; and Singapore. In 2017, the retail technology solutions industry size in Malaysia was estimated at RM404.19 million. Based on our revenue of RM80.78 million in the FYE 31 December 2017, we captured an industry revenue share of 19.99% for 2017 in Malaysia (*Source: Industry Overview*).

## 11. FINANCIAL INFORMATION (Cont'd)

From our track record, our Board believes that we would be able to maintain our competitiveness through our established presence across the markets and our ability to offer a full range of retail technology solutions as well as efficient and reliable after-sales service to our customers. We believe we are well-positioned to capitalise on the growth in the retail technology solutions industry.

- (iii) Our main components of expenses include staff costs, administrative expenses, selling and distribution expenses and finance costs. Such expenses are generally expected to move in line with the growth of our business as we increase our expenditure on recruitment of staff, increasing sales and marketing activities and penetrating new markets.

Moving forward, our management takes cognisance of the impending introduction of the new SST. Nonetheless, as the new SST Bill has yet to be proposed and the actual implementation of new SST has not been announced, the actual impact can only be determined later upon official implementation of the new SST Act.

- (iv) We expect to continue to enjoy the tax incentives pursuant to our MSC-Malaysia status granted by MDeC in 2014.

### (b) Order book

Due to the nature of our business, we do not maintain an order book. We generate our revenues as and when we deliver our products based on purchase orders received, which could result in an uncertain trend in our revenue.

As at the LPD, the financial performance, position and operations of our Group are not affected by any one of the following:-

- (i) Known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group other than those disclosed in this section, Section 4 and Section 5 of this Prospectus;
- (ii) Material commitments for capital expenditure;
- (iii) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as disclosed in this section and Section 4 of this Prospectus; and
- (iv) Known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and Section 4 of this Prospectus.

Information on our Group's business and financial prospects, risk factors, significant trends in sales and costs are set out in this Sections 11, 4 and 5 of this Prospectus. Given the outlook of the industry as set out in Section 6 of this Prospectus, our Group's competitive strengths as set out in Section 5.1.2 of this Prospectus and our Group's dedication to implement the business strategies as set out in Section 5.10 of this Prospectus, our Board is optimistic about the future prospects of our Group.

**11. FINANCIAL INFORMATION (Cont'd)****11.2.8 Other key financial ratios**

The key financial ratios of our Group are as follows:-

	-----Audited----->		
	-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
<b>Trade receivables</b>			
Revenue	66,402	76,847	80,783
Trade receivables	20,532	22,725	22,903
Trade receivables turnover period (days) <sup>(a)</sup>	113	108	103
<b>Trade payables</b>			
Cost of sales	42,704	45,660	47,254
Trade payables	15,724	7,403	12,084
Trade payables turnover period (days) <sup>(b)</sup>	134	59	93
<b>Inventory</b>			
Cost of sales	42,704	45,660	47,254
Inventory	9,835	7,782	9,698
Inventory turnover period (days) <sup>(c)</sup>	84	62	75
<b>Current ratio (times)<sup>(d)</sup></b>	1.43	1.78	2.10
<b>Gearing ratio (times)<sup>(e)</sup></b>	0.33	0.48	0.37

**Notes:-**

- (a) Trade receivables turnover period for the FYE 31 December 2015 and FYE 31 December 2017 is computed based on the trade receivables of the respective financial years over the revenue for the respective financial years, multiplied by 365 days.

Trade receivables turnover period for the FYE 31 December 2016 is computed based on the trade receivables over the revenue for the financial year under review, multiplied by 366 days.

- (b) Trade payables turnover period for the FYE 31 December 2015 and FYE 31 December 2017 is computed based on the trade payables of the respective financial years over the cost of sales for the respective financial years, multiplied by 365 days.

Trade payables turnover period for the FYE 31 December 2016 is computed based on the trade payables over the cost of sales for the financial year under review, multiplied by 366 days.

- (c) Inventory turnover period for the FYE 31 December 2015 and FYE 31 December 2017 is computed based on the inventory of the respective financial years over the cost of sales for the respective financial years, multiplied by 365 days.

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**11. FINANCIAL INFORMATION (Cont'd)**

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*Inventory turnover period for the FYE 31 December 2016 is computed based on the inventories over the cost of sales for the financial year under review, multiplied by 366 days.*

- (d) Current ratio is computed based on the combined/consolidated current assets of the respective financial years over the combined/consolidated current liabilities of the respective financial years.*
- (e) Gearing ratio is computed based on the total interest-bearing bank borrowings of the respective financial years over the combined/consolidated shareholders' equity of the respective financial years.*

**11. FINANCIAL INFORMATION (Cont'd)****(a) Trade receivables**

As at 31 December 2017, the net trade receivables of our Group amounted to RM22.903 million, the ageing of which are analysed as follows:-

	<--Within credit period-->	<-----Exceed credit period by----->					Total
		1 - 60 days	61 – 120 days	121 – 180 days	181 – 360 days	> 360 days	
Trade receivables (RM'000)	12,524	7,106	1,515	332	471	1,217	23,165
Add: Unbilled receivables (RM'000)	420	-	-	-	-	-	420
Total trade receivables (RM'000)	12,944	7,106	1,515	332	471	1,217	23,585
Less: Impairment losses (RM'000)	-	-	-	-	-	(682)	(682)
Net trade receivables (RM'000)	12,944	7,106	1,515	332	471	535	22,903
% of net trade receivables to total net trade receivables	56.52	31.03	6.61	1.45	2.06	2.33	100.00
Subsequent collection as at the LPD (RM'000)	(12,281)	(6,528)	(665)	(141)	(377)	(526)	(20,518)
Trade receivables net of subsequent collections (RM'000)	663	578	850	191	94	9	2,385
% of trade receivables net of subsequent collection to total trade receivables net of subsequent collections	27.80	24.23	35.64	8.01	3.94	0.38	100.00
% of trade receivables net of subsequent collection to net trade receivables	5.12	8.13	56.11	57.53	19.96	1.68	10.41

Trade receivables are non-interest bearing and the normal credit term granted to regular customers who have obtained credit term approval from us may range from 30 to 60 days. For new customers, non-regular customers and regular customers who have yet to obtain credit term approval from us, the normal credit term granted to them are generally 7 days.

**11. FINANCIAL INFORMATION (Cont'd)**

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Our credit terms to customers are assessed and approved on a case-by-case basis taking into consideration various factors such as relationship with customers, customers' payment history and credit worthiness while new customers are subject to our credit verification process. For our foreign customers, we usually ensure that we obtain letter of credit and/or full payment prior to delivery of our products.

Our Group's trade receivables turnover period for the FYE 31 December 2015 to FYE 31 December 2017 are 113 days, 108 days and 103 days, respectively, which is higher than the normal credit terms granted. Many of our customers are in the retail industry, whereby they usually take longer time for invoice verification before payment processing.

It is our Group's current policy to perform annual review and make provision for trade receivables which our management considered to be doubtful in respect of trade receivables which have been outstanding for more than twelve (12) months and expected to be irrecoverable.

For the FYEs 31 December 2015 and 2016, we have not written off any bad debts, which are receivables that have been clearly identified as uncollectible. In the FYE 31 December 2017, we have written off bad debts amounting to RM0.077 million.

We had a writeback of impairment losses on trade receivables amounting to RM0.507 million and an amount provided for the impairment loss on trade receivables of RM0.038 million in the FYE 31 December 2017. Impairment loss on trade receivables is the amount by which the carrying amount of trade receivables exceeds its recoverable amount and is provided when there is indication that trade receivables might not be collectible. As at the LPD, there was no additional impairment loss on trade receivables made by our Group.

As at the LPD, we have collected RM20.518 million or 89.59% of the trade receivables outstanding as at 31 December 2017. For those amounts which have exceeded the normal credit period, we have collected RM8.237 million or 82.71% of the said amount as at the LPD. We are currently in the midst of negotiating with the relevant customers to recover the remaining balances.

Our Directors believe that the balance of RM1.722 million representing 17.29% of the amount exceeding the credit periods of RM9.959 million are recoverable after taking into consideration our relationship with most of these customers and the various credit control measures implemented by us to minimise the incidence of customer default.

**11. FINANCIAL INFORMATION (Cont'd)****(b) Trade payables**

As at 31 December 2017, the trade payables of our Group amounted to RM12.084 million, the ageing of which are analysed as follows:-

	Within credit period	<-----Exceed credit period by----->					Total	Subsequent payment as at the LPD
		1 – 60 days	61 – 120 days	121 – 180 days	181 – 360 days	> 360 days		
Trade payables (RM'000)	11,236	697	103	5	-	43	12,084	11,964
% of total trade payables	92.98	5.77	0.85	0.04	-	0.36	100.00	99.01

The normal credit period granted to our Group by our suppliers ranges from 7 to 60 days. For the FYE 31 December 2015 to FYE 31 December 2017, our trade payables turnover period were 134 days, 59 days and 93 days respectively. Our Group adopts a prompt payment practice in the FYE 31 December 2016 in order to secure timely and consistent supply of goods as well as maintaining good relationships with our suppliers. As at the LPD, RM11.964 million or 99.01% of the trade payable balance exceeding credit period have been paid.

For the FYE 31 December 2015, our Group registered a high trade payable turnover period due to increase in trade payables for purchases made at year end to fulfil our customers' orders. For the FYE 31 December 2016, our Group saw an improvement of trade payables turnover period due to lesser purchases towards the year-end and the adoption of prompt payment practice. Although our Group does not receive any incentives such as prompt payment discounts, we believe that our prompt payment practice will maintain a strong and longstanding business relationship with our product principals.

Our trade payables turnover period increased to 93 days in the FYE 31 December 2017 due to large purchases made nearer to the end of the financial year under review for refreshment exercise of a Japanese based hypermarkets.

**(c) Inventories**

Our inventories mainly comprise of barcode scanners, barcode printers, POS/receipt printers, handheld terminals and hardware consumables. Our Group has adopted an inventory impairment policy since year 2016 where slow moving inventories with no movement for 2 years or more will be impaired accordingly.

Our Group's inventory turnover period for the past three (3) FYE 31 December 2015 to FYE 31 December 2017 are 84 days, 62 days and 75 days, respectively. For the FYE 31 December 2015, our Group did not provide for any impairment of inventories. The decrease in inventories in the FYE 31 December 2016 was mainly due to completion of orders and also the writing off of slow moving and obsolete inventories in accordance to the adoption of inventory impairment policy amounting to RM1.535 million, which mostly comprised replacement parts, scanners and weighing scales.

For the FYE 31 December 2017, the increase in inventory turnover period to 75 days was mainly contributed by increase in inventories for POS equipment/peripherals in a refreshment exercise of a Japanese based hypermarkets.

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**11. FINANCIAL INFORMATION (Cont'd)**

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**(d) Current ratio**

Our current ratio for the past three (3) FYE 31 December 2015 to 31 December 2017 was 1.43 times, 1.78 times and 2.10 times, respectively.

The increase in current ratio across the three (3) financial years are in line with our increase in current assets in the respective years. Further commentaries on our current assets are as explained in Section 11.1(ii) of this Prospectus.

**(e) Gearing ratio**

Our gearing ratio increased to 0.48 times in the FYE 31 December 2016 from 0.33 times in the FYE 31 December 2015. The increase was mainly due to facilities granted to finance our purchase of Vertical Business Suite 03-08.

Our gearing ratio decreased to 0.37 times in the FYE 31 December 2017 from 0.48 times in the FYE 31 December 2016. The decrease was mainly due to repayment of term loans on instalment basis by our Group in FYE 31 December 2017 and there was no outstanding bankers' acceptance as at 31 December 2017.

**11. FINANCIAL INFORMATION (Cont'd)**

**11.3 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

*(Prepared for inclusion in this Prospectus)*



Date: **06 JUN 2018**

**The Board of Directors**

**Radiant Globaltech Berhad**

Unit 03-06 & 03-07, Level 3, Tower B,  
Vertical Business Suite, Avenue 3,  
Bangsar South, No.8, Jalan Kerinchi,  
59200, Kuala Lumpur.

**Crowe Malaysia** AF1018

(FKA Crowe Horwath)

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12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Malaysia

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Dear Sirs/Madam

**RADIANT GLOBALTECH BERHAD ("RADIANT GLOBALTECH" OR THE "COMPANY")  
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION AS AT 31 DECEMBER 2017**

**Initial public offering and the listing of and quotation for 525,200,000 ordinary shares in  
Radiant Globaltech ("Radiant Globaltech Shares") on the ACE Market of Bursa Malaysia  
Securities Berhad ("Bursa Securities")**

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of Radiant Globaltech and its subsidiaries (collectively known as "the Group" or "Radiant Globaltech Group") as at 31 December 2017 and the related notes (as set out in the Pro Forma Consolidated Statements of Financial Position which we have stamped for the purpose of identification) prepared by the Board of Directors for inclusion in the Prospectus of Radiant Globaltech in connection with the listing of and quotation for the entire issued share capital of Radiant Globaltech on the ACE Market of Bursa Securities ("the Proposal").

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Consolidated Statements of Financial Position are described in Note 2 of the Pro Forma Consolidated Statements of Financial Position, and are specified in the Prospectus Guidelines issued on 30 November 2017 by the Securities Commission Malaysia ("Prospectus Guidelines").

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors to illustrate the effects of the events or transactions set out in Note 3 of the Pro Forma Consolidated Statements of Financial Position had it been implemented and completed on 31 December 2017 on the Group's financial position as at that date.

As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the audited financial statements of the Group for the financial year ended 31 December 2017.

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**11. FINANCIAL INFORMATION (Cont'd)**

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**THE BOARD OF DIRECTORS' RESPONSIBILITIES**

The Board of Directors of the Company is solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as set out in Note 2 of the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

**REPORTING ACCOUNTANTS' RESPONSIBILITIES**

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Board of Directors on the basis as set out in Note 2 of the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis as set out in Note 2 of the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**11. FINANCIAL INFORMATION (Cont'd)****REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)**

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial position used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2017 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis as set out in Note 2 of the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirement of the Prospectus Guidelines involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**11. FINANCIAL INFORMATION (Cont'd)**

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**OPINION**

In our opinion, Pro Forma Consolidated Statements of Financial Position of the Group have been compiled, in all material respects, on the basis as set out in Note 2 of the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**OTHER MATTERS**

Our report on the Pro Forma Consolidated Statements of Financial Position has been prepared for inclusion in the Prospectus of Radiant Globaltech in connection with the Proposal. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in black ink, appearing to be "C. M.", written over a horizontal line.

**Crowe Malaysia**  
Firm No : AF 1018  
Chartered Accountants

A handwritten signature in black ink, appearing to be "Elvina Tay Choon Choon", written over a horizontal line.

**Elvina Tay Choon Choon**  
Approval No : 03329/10/2019 J  
Chartered Accountant

Kuala Lumpur

**11. FINANCIAL INFORMATION (Cont'd)**

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**RADIANT GLOBALTECH GROUP****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****1. ABBREVIATION**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:-

Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CMSA	:	Capital Markets and Services Act, 2007
Director(s)	:	Director(s) of the Company and shall have the meaning given in Section 2 of the CMSA
FYE	:	Financial year(s) ended/ending
Global Merits	:	Global Merits Sdn Bhd (1210287-X)
IPO	:	Initial public offering comprising the Public Issue and the Offer for Sale, collectively
IPO Price	:	The price of RM0.23 per IPO Share
IPO Share(s)	:	The Issue Share(s) and Offer Share(s), collectively
Issue Share(s)	:	128,080,000 new Radiant Globaltech Shares, representing approximately 24.39% of the enlarged issued share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of the Prospectus
Listing	:	The admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued share capital of RM49,314,400 comprising 525,200,000 Radiant Globaltech Shares on the ACE Market of Bursa Securities
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
NA	:	Net assets
Offer for Sale	:	Offer for sale by the Offerors of 12,000,000 Offer Shares at the IPO Price by way of placement to selected investors

**11. FINANCIAL INFORMATION (Cont'd)**

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**RADIANT GLOBALTECH GROUP****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****1. ABBREVIATION (CONT'D)**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

Offer Share(s)	:	12,000,000 existing Radiant Globaltech Shares, representing approximately 2.28% of the enlarged issued share capital, which are to be offered for sale pursuant to the Offer for Sale and subject to the terms and conditions of the Prospectus
Offerors	:	Global Merits and Practical Resources, collectively
Official List	:	Official list of the ACE Market of Bursa Securities
Practical Resources	:	Practical Resources Sdn. Bhd. (1210525-A)
Prospectus	:	The Prospectus dated 28 June 2018 in relation to the IPO
Public Issue	:	Public issue of 128,080,000 new Radiant Globaltech Shares at the IPO Price comprising:- <ul style="list-style-type: none"> <li>(a) 11,000,000 new Radiant Globaltech Shares made available for application by the Malaysian Public;</li> <li>(b) 21,100,000 new Radiant Globaltech Shares made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group; and</li> <li>(c) 95,980,000 new Radiant Globaltech Shares made available by way of placement to selected investors</li> </ul>
Radiant Globaltech or Company	:	Radiant Globaltech Berhad (621297-A)
Radiant Globaltech Group or Group	:	Radiant Globaltech, RG Malaysia, RG Solutions, RG Cambodia and RG Vietnam, collectively
Radiant Globaltech Share(s) or Share(s)	:	Ordinary shares in Radiant Globaltech
RG Cambodia	:	Radiant Global ADC Cambo Pte., Ltd. (00004647)
RG Malaysia	:	Radiant Global ADC Sdn. Bhd. (305424-W)

**11. FINANCIAL INFORMATION (Cont'd)**

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Crowe Malaysia AF1018  
(FKA Crowe Horwath)**RADIANT GLOBALTECH GROUP****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****1. ABBREVIATION (CONT'D)**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

RG Malaysia Group	:	RG Malaysia and RG Vietnam, collectively
RG Solutions	:	Radiant Global Solutions Sdn. Bhd. (1029093-W) (formerly known as <i>Axiome Technologies (M) Sdn. Bhd.</i> )
RG Vietnam	:	Radiant Global ADC Vietnam Co., Ltd. (Enterprise Code No./Tax Code No. 0304765787)
RM and sen	:	Ringgit Malaysia and sen respectively

**11. FINANCIAL INFORMATION (Cont'd)**

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**RADIANT GLOBALTECH GROUP****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)****2. PRO FORMA GROUP AND BASIS OF PREPARATION****2.1 Basis of Preparation**

The Pro Forma Consolidated Statements of Financial Position of Radiant Globaltech Group have been prepared based on the audited financial statements of Radiant Globaltech Group for the FYE 31 December 2017 in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), and in a manner consistent with the format of the audited financial statements and accounting policies of the Group. The Pro Forma Consolidated Statements of Financial Position have been prepared solely for illustrative purposes, to show the effects of the transactions as disclosed in Section 2.2.

**2.2 The Listing Scheme****2.2.1 Listing Exercise**

The Group seeks a listing on the ACE Market of Bursa Securities. The details of the listing scheme are as follows:-

**(i) Public Issue**

The Public Issue of 128,080,000 new Radiant Globaltech Shares at the IPO Price, payable in full on application, upon such terms and conditions as set out in the Prospectus, and will be allocated and allotted in the following manner:-

- (a) 11,000,000 new Radiant Globaltech Shares made available for application by the Malaysian Public;
- (b) 21,100,000 new Radiant Globaltech Shares made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group; and
- (c) 95,980,000 new Radiant Globaltech Shares made available by way of placement to selected investors.

**(ii) Offer for Sale**

The Offer for Sale of 12,000,000 Offer Shares at the IPO Price, payable in full application, upon such terms and conditions as set out in the Prospectus, are offered by the Offerors by way of placement to selected investors.

**(iii) Listing on Bursa Securities**

The admission of Radiant Globaltech to the Official List of Bursa Securities, and the entire enlarged issued share capital of RM49,314,400 comprising 525,200,000 Radiant Globaltech Shares shall be listed and quoted on the ACE Market of Bursa Securities upon completion of the Public Issue and Offer for Sale.

## 11. FINANCIAL INFORMATION (Cont'd)

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## RADIANT GLOBALTECH GROUP

## PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RADIANT GLOBALTECH GROUP AS AT 31 DECEMBER 2017

	Audited as at 31 December 2017 RM'000	Public Issue and Offer for Sale RM'000	Pro Forma I		Use of Proceeds RM'000	Pro Forma II	
			Public Issue and Offer for Sale RM'000	After Pro Forma I and Use of Proceeds RM'000		Public Issue and Offer for Sale RM'000	After Pro Forma I and Use of Proceeds RM'000
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	11,107		11,107		10,500	21,607	
Investment in an associate	342		342			342	
Deferred tax asset	490		490			490	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,939</b>		<b>11,939</b>			<b>22,439</b>	
<b>CURRENT ASSETS</b>							
Inventories	9,698		9,698			9,698	
Trade receivables	22,903		22,903			22,903	
Other receivables, deposits and prepayments	2,102		2,102		(309)	1,793	
Amount owing by related parties	53		53			53	
Current tax assets	904		904			904	
Fixed deposits with licensed banks	1,524		1,524			1,524	
Cash and bank balances	10,285	29,458	39,743		(19,336)	20,407	
<b>TOTAL CURRENT ASSETS</b>	<b>47,469</b>		<b>76,927</b>			<b>57,282</b>	
<b>TOTAL ASSETS</b>	<b>59,408</b>		<b>88,866</b>			<b>79,721</b>	

## 11. FINANCIAL INFORMATION (Cont'd)

## RADIANT GLOBALTECH GROUP

## PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RADIANT GLOBALTECH GROUP AS AT 31 DECEMBER 2017

Initiated For Identification Purposes Only

Crowe Malaysia AF1018  
(FKA Crowe Horwath)

	Audited as at 31 December 2017 RM'000	Public Issue and Offer for Sale RM'000	Pro Forma I		Pro Forma II	
			Public Issue and Offer for Sale RM'000	Use of Proceeds RM'000	After Pro Forma I and Use of Proceeds RM'000	
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Share capital	19,856	29,458	49,314	(1,276)	48,038	
Foreign exchange reserve	(241)		(241)		(241)	
Merger deficit	(13,681)		(13,681)		(13,681)	
Retained profits	21,426		21,426	(1,267)	20,159	
<b>TOTAL EQUITY</b>	<b>27,360</b>		<b>56,818</b>		<b>54,275</b>	
<b>NON-CURRENT LIABILITIES</b>						
Hire purchase payables	667		667		667	
Term loans	8,258		8,258		2,216	
Deferred revenue	542		542	(6,042)	542	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9,467</b>		<b>9,467</b>		<b>3,425</b>	

## 11. FINANCIAL INFORMATION (Cont'd)

## RADIANT GLOBALTECH GROUP

## PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RADIANT GLOBALTECH GROUP AS AT 31 DECEMBER 2017

Initiated For Identification Purposes Only

Crowe Malaysia AF1018  
(FKA Crowe Horwath)

	Audited as at 31 December 2017 RM'000	Public Issue and Offer for Sale RM'000	Pro Forma I		Use of Proceeds RM'000	Pro Forma II	
			Public Issue and Offer for Sale RM'000	Public Issue and Offer for Sale RM'000		After Pro Forma I and Use of Proceeds RM'000	After Pro Forma I and Use of Proceeds RM'000
<b>CURRENT LIABILITIES</b>							
Trade payables	12,084		12,084		12,084		12,084
Other payables and accruals	9,006		9,006		9,006		9,006
Amount owing to related parties	49		49		49		49
Hire purchase payables	161		161		161		161
Term loans	1,113		1,113		1,113	(560)	553
Current tax liabilities	168		168		168		168
<b>TOTAL CURRENT LIABILITIES</b>	<b>22,581</b>		<b>22,581</b>				<b>22,021</b>
<b>TOTAL LIABILITIES</b>	<b>32,048</b>		<b>32,048</b>				<b>25,446</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>59,408</b>		<b>88,866</b>				<b>79,721</b>
No. of ordinary shares in issue ('000)	397,120		525,200				525,200
NA (RM'000)	27,360		56,818				54,275
NA per share (RM)	0.07		0.11				0.10

## 11. FINANCIAL INFORMATION (Cont'd)

## RADIANT GLOBALTECH GROUP

## PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

## 3.1 Pro Forma I

Pro Forma I incorporates the effects of the Public Issue and Offer for Sale as set out in Section 2.2.1(i) and Section 2.2.1(ii) above.

## 3.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the use of proceeds from the Public Issue.

The proceeds from the Public Issue will be utilised as follows:-

	RM'000	%	Estimated time frame (from the listing date)
Business and capital expansion:			
- <i>Malaysia operations:</i>			
- Acquisition and renovation of new office units <sup>^</sup>	7,500	25.46	Within 24 months
- Rental of warehouse	500	1.70	Within 24 months
- Purchase of computer equipment and ERP solution <sup>^</sup>	2,000	6.79	Within 24 months
	<u>10,000</u>	<u>33.95</u>	
- <i>RG Vietnam's operations:</i>			
- Rental of a new office unit	600	2.04	Within 24 months
- Renovation of a new office unit <sup>^</sup>	400	1.35	Within 24 months
- Acquisition of new motor vehicles <sup>^</sup>	300	1.02	Within 24 months
- Purchase of computer equipment <sup>^</sup>	300	1.02	Within 24 months
	<u>1,600</u>	<u>5.43</u>	
Working capital	4,756	16.15	Within 24 months
Expansion of retail software business	3,000	10.18	Within 24 months
Repayment of bank borrowings	6,602	22.41	Within 6 months
Estimated listing expenses <sup>*</sup>	3,500	11.88	Within 3 months
	<u>29,458</u>	<u>100.00</u>	

## Notes:

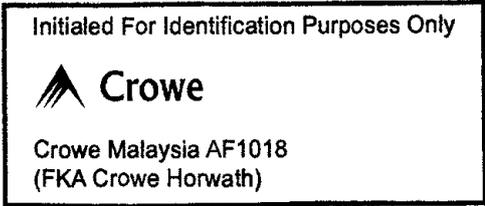
- <sup>^</sup> - Acquisition of property, plant and equipment amounting to RM10,500,000 as per Pro Forma II.
- <sup>\*</sup> - The estimated listing expenses arising from the issuance of new Radiant Globaltech Shares pursuant to the IPO amounting to approximately RM1,276,000 (including RM309,000 was recognised in prepayments as at 31 December 2017) is to be offset against the share capital and the remaining estimated listing expenses of approximately RM2,224,000 (including RM957,000 which was recognised in the FYE 31 December 2017) will be expensed off to profit or loss and this represents a one-off expenditure in conjunction with the IPO.

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11. FINANCIAL INFORMATION (Cont'd)



**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors in accordance with a resolution dated **06 JUN 2018**

On behalf of the Board of Directors,

Yap Ban Foo

Yap Sin Sang

**11. FINANCIAL INFORMATION (Cont'd)****11.4 CAPITALISATION AND INDEBTEDNESS**

The following table sets out our Group's capitalisation and indebtedness:-

- (i) as at 30 April 2018 before Public Issue and utilisation of proceeds; and
- (ii) as adjusted for the proceeds arising from our Public Issue and utilisation of proceeds from Public Issue.

	<b>(Unaudited) As at 30 April 2018 RM'000</b>	<b>After Public Issue and utilisation of proceeds RM'000</b>
<b>Indebtedness:-</b>		
<b><u>Current</u></b>		
<i>Secured and guaranteed</i>		
Hire purchase payables	164	161
Term loans	1,142	553
	<b>1,306</b>	<b>714</b>
<b><u>Non-current</u></b>		
<i>Secured and guaranteed</i>		
Hire purchase payables	611	667
Term loans	7,875	2,216
	<b>8,486</b>	<b>2,883</b>
<b>Total Indebtedness</b>	<b>9,792</b>	<b>3,597</b>
Shareholders' equity	28,116	54,275
<b>Total capitalisation and indebtedness</b>	<b>37,908</b>	<b>57,872</b>
Gearing ratio (times)*	0.35	0.07

**Note:-**

\* Computed based on total indebtedness over our shareholders' equity.

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**11. FINANCIAL INFORMATION (Cont'd)**

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**11.5 DIVIDEND POLICY**

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group.

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business. Our Directors will take into consideration, amongst others, the following factors when recommending dividends for approval by our shareholders or when declaring any dividends:-

- (i) The availability of adequate reserves and cash flows;
- (ii) Our operating cash flow requirements and financing commitments;
- (iii) Our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- (iv) Any material impact of tax laws and other regulatory requirements.

However, investors should note that the intention to recommend dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy.

There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value. There is no dividend restriction being imposed on our Group currently.

12. ACCOUNTANTS' REPORT



Date : 06 JUN 2018

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(FKA Crowe Horwath)

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The Board of Directors  
**Radiant Globaltech Berhad**  
Unit 03-06 & 03-07, Level 3, Tower B,  
Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200, Kuala Lumpur.

Dear Sirs/Madam

**ACCOUNTANTS' REPORT  
RADIANT GLOBALTECH BERHAD**

**REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED  
IN THE ACCOUNTANTS' REPORT OF RADIANT GLOBALTECH BERHAD (THE  
"COMPANY" OR "RADIANT GLOBALTECH")**

**OPINION**

We have audited the financial information of the Company and its subsidiaries (collectively known as "the Group") which comprises the combined statements of financial position as at 31 December 2015 and 2016 and the consolidated statements of financial position as at 31 December 2017 and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the financial years ended 31 December 2015 and 2016 and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the financial year ended 31 December 2017, and notes to the combined and consolidated financial statements, including a summary of significant accounting policies as set out in pages 4 to 87.

This historical financial information has been prepared for inclusion in the prospectus of Radiant Globaltech in connection with the listing of and quotation for the entire issued share capital of Radiant Globaltech on the ACE Market of Bursa Malaysia Securities Berhad (the "Prospectus"). This report is required by the *Prospectus Guidelines* issued by the Securities Commission Malaysia ("Prospectus Guidelines") and is given for the purpose of complying with Chapter 10.03 of the Prospectus Guidelines and for no other purpose.

In our opinion, the financial information gives a true and fair view of the financial position of the Group as at 31 December 2015, 2016 and 2017 and of their financial performance and their cash flows for each of the financial years ended 31 December 2015, 2016 and 2017 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines.

**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 *Reporting Accountants' Responsibilities for the Audit of the Financial Information* section of our report.

**12. ACCOUNTANTS' REPORT (Cont'd)****INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES**

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *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.

**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL INFORMATION**

The Directors of the Group are responsible for the preparation of the financial information of the Group that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

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

**REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL INFORMATION**

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 information.

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 skepticism throughout the audit. We also:-

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

## 12. ACCOUNTANTS' REPORT (Cont'd)


**REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL INFORMATION (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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represents 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.

**RESTRICTION ON DISTRIBUTION AND USE**

Our report has been prepared for inclusion in the prospectus of Radiant Globaltech in connection with the listing of and quotation for the entire issued share capital of Radiant Globaltech on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

**Crowe Malaysia**  
Firm No: AF 1018  
Chartered Accountants

**Elvina Tay Choon Choon**  
Approval No: 03329/10/2019 J  
Chartered Accountant

Kuala Lumpur

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

&lt;-----FYE 31 December-----&gt;

	Note	2015 RM'000	2016 RM'000	2017 RM'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	4	8,295	11,156	11,107
Investment in an associate	5	-	-	342
Deferred tax asset	6	-	-	490
		8,295	11,156	11,939
<b>CURRENT ASSETS</b>				
Inventories	7	9,835	7,782	9,698
Trade receivables	8	20,532	22,725	22,903
Other receivables, deposits and prepayments	9	1,370	1,960	2,102
Amount owing by related parties	10	4,768	3,167	53
Current tax assets		233	513	904
Fixed deposits with licensed banks	11	1,139	1,727	1,524
Cash and bank balances		14,676	13,916	10,285
		52,553	51,790	47,469
<b>TOTAL ASSETS</b>		60,848	62,946	59,408

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

←-----FYE 31 December-----→

	Note	2015 RM'000	2016 RM'000	2017 RM'000
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	12	1,025	1,675	19,856
Foreign exchange translation reserve	13	(173)	(147)	(241)
Merger deficit	14	-	-	(13,681)
Retained profits		17,646	21,816	21,426
<b>TOTAL EQUITY</b>		<b>18,498</b>	<b>23,344</b>	<b>27,360</b>
<b>NON-CURRENT LIABILITIES</b>				
Hire purchase payables	15	702	591	667
Term loans	16	4,564	9,046	8,258
Deferred revenue	17	222	788	542
		5,488	10,425	9,467
<b>CURRENT LIABILITIES</b>				
Trade payables	18	15,724	7,403	12,084
Other payables and accruals	19	9,595	12,409	9,006
Amount owing to related parties	10	6,863	3,027	49
Amount owing to directors	20	3,264	3,930	-
Bankers' acceptances	21	230	397	-
Hire purchase payables	15	108	105	161
Term loans	16	464	1,103	1,113
Current tax liabilities		614	803	168
		36,862	29,177	22,581
<b>TOTAL LIABILITIES</b>		<b>42,350</b>	<b>39,602</b>	<b>32,048</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,848</b>	<b>62,946</b>	<b>59,408</b>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## COMBINED AND CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<-----FYE 31 December----->				
	Note	2015 RM'000	2016 RM'000	2017 RM'000
Revenue	22	66,402	76,847	80,783
Cost of sales		(42,704)	(45,660)	(47,254)
Gross profit ("GP")		23,698	31,187	33,529
Other income	23	169	1,165	967
		23,867	32,352	34,496
Selling and distribution expenses	24	(887)	(912)	(1,201)
Administrative expenses	25	(2,924)	(3,841)	(4,578)
Staff costs	26	(10,487)	(13,783)	(16,800)
Other expenses	27	(1,360)	(1,612)	(2,139)
Finance costs	28	(174)	(357)	(617)
Share of net losses of equity accounted in an associate		-	-	(158)
Profit before taxation ("PBT")		8,035	11,847	9,003
Income tax expense	29	(1,690)	(2,377)	(1,893)
Profit after taxation ("PAT")		6,345	9,470	7,110
Other comprehensive (expenses)/income, net of tax				
<u>Item that May be Reclassified</u> <u>Subsequently to Profit or Loss</u>				
Foreign currency translation differences		(41)	26	(94)
Total comprehensive income for the financial year		6,304	9,496	7,016

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## COMBINED AND CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

		<-----FYE 31 December----->		
	Note	2015 RM'000	2016 RM'000	2017 RM'000
PAT attributable to owners of the Company		6,345	9,470	7,110
Total comprehensive income attributable to owners of the Company		<u>6,304</u>	<u>9,496</u>	<u>7,016</u>
Earnings per share (sen) - Basic/Diluted	30	<u>1.60</u>	<u>2.38</u>	<u>1.79</u>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	←Non-distributable→			Distributable	
		Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Merger Deficit RM'000	Retained Profits RM'000	Total Equity RM'000
<b>Audited</b>						
Balance at 1 January 2015		925	(132)	-	11,301	12,094
PAT for the financial year		-	-	-	6,345	6,345
Other comprehensive expenses for the financial year:						
- Foreign currency translation differences		-	(41)	-	-	(41)
Total comprehensive (expenses)/income for the financial year		-	(41)	-	6,345	6,304
Contributions by owners of the Company:						
- Issuance of shares	12	100	-	-	-	100
Balance at 31 December 2015/1 January 2016		1,025	(173)	-	17,646	18,498
PAT for the financial year		-	-	-	9,470	9,470
Other comprehensive income for the financial year:						
- Foreign currency translation differences		-	26	-	-	26
Total comprehensive income for the financial year		-	26	-	9,470	9,496
Contributions by and distribution to owners of the Company:						
- Issuance of shares	12	350	-	-	-	350
- Bonus issues	12	300	-	-	(300)	-
- Dividends	31	-	-	-	(5,000)	(5,000)
Total transactions with owners		650	-	-	(5,300)	(4,650)
Balance at 31 December 2016		1,675	(147)	-	21,816	23,344

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	<-----Non-distributable----->			Distributable	
		Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Merger Deficit RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1 January 2017		1,675	(147)	-	21,816	23,344
PAT for the financial year		-	-	-	7,110	7,110
Other comprehensive income for the financial year:						
- Foreign currency translation differences		-	(94)	-	-	(94)
Total comprehensive (expenses)/income for the financial year		-	(94)	-	7,110	7,016
Contributions by and distribution to owners of the Company:						
- Bonus issues	12	4,500	-	-	(4,500)	-
- Issuance of shares	12	15,206	-	-	-	15,206
- Dividends	31	-	-	-	(3,000)	(3,000)
- Adjustment on the acquisition of RG Malaysia, RG Solutions and RG Cambodia		(1,525)	-	(13,681)	-	(15,206)
Total transactions with owners		18,181	-	(13,681)	(7,500)	(3,000)
Balance at 31 December 2017		19,856	(241)	(13,681)	21,426	27,360

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
PBT	8,035	11,847	9,003
Adjustments for:-			
Depreciation of property, plant and equipment	322	357	606
Share of net losses of equity accounted in an associate	-	-	158
Interest income	(53)	(155)	(89)
Interest expenses	174	357	617
Listing expenses	-	-	957
Equipment written off	4	186	-
Unrealised loss/(gain) on foreign exchange	126	(720)	43
Writeback of impairment losses on trade receivables	(18)	-	(507)
Gain on disposal of a subsidiary	-	-	(8)
Writeback of impairment on inventories	-	-	(261)
Inventories written down	-	1,535	145
Impairment losses on trade receivables	197	811	38
Operating profit before working capital changes	8,787	14,218	10,702
(Increase)/Decrease in inventories	(2,039)	518	(1,800)
(Increase)/Decrease in trade and other receivables	(1,766)	(2,076)	433
Increase/(Decrease) in trade and other payables	5,932	(5,693)	1,251
Decrease in amount owing by related parties	427	1,485	2,259
Decrease in amount owing to related parties	(629)	(3,817)	(2,766)
CASH FROM OPERATIONS	10,712	4,635	10,079
Interest paid	(174)	(357)	(617)
Income tax refunded	12	27	163
Income tax paid	(1,804)	(2,495)	(3,577)
NET CASH FROM OPERATING ACTIVITIES	8,746	1,810	6,048

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

<-----FYE 31 December----->			
Note	2015 RM'000	2016 RM'000	2017 RM'000
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(3,669)	(3,404)	(281)
Interest received	53	155	89
Investment in an associate	-	-	(500)
Disposal of a subsidiary, net of cash	-	-	11
(Increase)/Decrease in pledged fixed deposits with licensed banks	(100)	(577)	434
(Repayment to)/Advances from related parties	(76)	(72)	855
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>	<b>(3,792)</b>	<b>(3,898)</b>	<b>608</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>			
Dividends paid	-	(5,000)	(3,000)
Advances from/(Repayment to) directors	2,073	666	(3,930)
(Repayment)/Drawdown of bankers' acceptances, net	(496)	167	(397)
Payment of listing expenses	-	-	(1,266)
Drawdown of term loans	2,912	5,600	-
Repayment of term loans	(219)	(479)	(778)
Advances from/(Repayment to) related parties	45	(16)	(201)
Proceeds from issuance of shares	100	350	-
Repayment of hire purchase obligations	(55)	(115)	(144)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>4,360</b>	<b>1,173</b>	<b>(9,716)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,314</b>	<b>(915)</b>	<b>(3,060)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>(100)</b>	<b>166</b>	<b>(340)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>5,796</b>	<b>15,010</b>	<b>14,261</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>15,010</b>	<b>14,261</b>	<b>10,861</b>

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

- (a) The Company was incorporated in Malaysia on 10 July 2003, as a private limited company under the name of Spartan Systems Integration Sdn. Bhd.. On 21 October 2013, the Company changed its name to Axiome Portal Sdn. Bhd.. On 18 April 2017, the Company changed its name to Radiant Globaltech Sdn. Bhd.. On 3 August 2017, the Company was converted to a public limited liability company, and carried the legal name, Radiant Globaltech Berhad. The Company is principally engaged in the provision of retail software solutions and investment holding.

On 15 March 2017, the Company invested RM500,000 representing an equity interest of 20% into Symple Apps Sdn. Bhd. which is principally engaged in the provision of mobile application software.

On 29 June 2017, the Company entered into conditional Share Sale and Purchase Agreements with the Vendors of RG Malaysia, RG Solutions and RG Cambodia respectively:-

- (i) to acquire the entire issued share capital of RG Malaysia of RM1,500,000 comprising 1,500,000 ordinary shares for a purchase consideration of RM14,133,000 which was satisfied by the issuance of 282,660,000 new shares at an issue price of RM0.05 per share;
- (ii) to acquire the entire issued share capital of RG Solutions of RM10,000 comprising 10,000 ordinary shares for a purchase consideration of RM1,073,000 which was satisfied by the issuance of 21,460,000 new shares at an issue price of RM0.05 per share; and
- (iii) to acquire the entire issued and paid-up share capital of RG Cambodia of USD5,000 comprising 1,000 ordinary shares of USD5.00 each for a purchase consideration of RM1 which was satisfied by cash.

The purchase considerations of RG Malaysia, RG Solutions and RG Cambodia were arrived at on a willing-buyer willing-seller basis. The acquisitions of RG Malaysia and RG Solutions were completed on 30 June 2017 and RG Cambodia was completed on 25 August 2017. RG Malaysia, RG Solutions and RG Cambodia became wholly-owned subsidiaries of the Company.

- (b) RG Malaysia was incorporated in Malaysia on 24 June 1994, as a private limited company and is principally engaged in trading in retail technology hardware, provision of maintenance and technical support services, and investment holding.
- (c) RG Solutions was incorporated in Malaysia on 24 December 2012, as a private limited company and is principally engaged in the provision of retail technology software solutions.
- (d) RG Cambodia was incorporated in Cambodia on 25 January 2013 under the Regulations of Commercial Rules and Register Law, Commercial Enterprises Law, Civil Code and Penal Code of the Kingdom of Cambodia, as a private limited company and is principally engaged in the trading of retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.

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**12. ACCOUNTANTS' REPORT (Cont'd)**


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**RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****1. GENERAL INFORMATION (CONT'D)**

- (e) RG Vietnam was incorporated in Vietnam pursuant to the Law on Investment No.59/2005/QH11 of the National Assembly of Vietnam and the Law on Enterprises No.60/2005/QH11 of the National Assembly of Vietnam on 21 December 2006 as a sole member limited company under the name of Spartan Vietnam Limited Company. It subsequently changed its name to Radiant Global ADC Vietnam Co., Ltd. on 15 January 2016 and has assumed this name since then. The Company is principally engaged in the trading of retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.
- (f) Accurate Computer Solutions is incorporated in Malaysia on 7 September 1990, as a private limited company and is principally engaged in the trading of retail technology hardware. During the current financial year, RG Malaysia disposed of its entire equity interest in Accurate Computer Solutions for a total cash consideration of RM50,000.

*Notes:-*

<i>Radiant Globaltech</i>	-	<i>Radiant Globaltech Berhad</i>
<i>RG Malaysia</i>	-	<i>Radiant Global ADC Sdn. Bhd.</i>
<i>RG Solutions</i>	-	<i>Radiant Global Solutions Sdn. Bhd. (formerly known as Axiome Technologies (M) Sdn. Bhd.)</i>
<i>RG Cambodia</i>	-	<i>Radiant Global ADC Cambo Pte., Ltd.</i>
<i>RG Vietnam</i>	-	<i>Radiant Global ADC Vietnam Co., Ltd.</i>
<i>Accurate Computer Solutions</i>	-	<i>Accurate Computer Solutions Sdn. Bhd.</i>

(Collectively defined as "the Group" or "Radiant Globaltech Group")

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION****FYE 31 December 2015 and 2016**

Radiant Globaltech Group has not been established as at the end of the financial year ended ("FYE") 31 December 2016 and hence, there are no consolidated financial statements of the Group for FYE 31 December 2015 and 2016. The combined financial statements for the FYE 31 December 2015 and 2016 are prepared based on the financial statements of Radiant Globaltech, RG Malaysia, RG Solutions, RG Cambodia, RG Vietnam and Accurate Computer Solutions.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of common controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The combined financial statements of Radiant Globaltech Group for the FYE 31 December 2015 and 2016 were prepared in a manner similar to the "pooling-of-interest" method, as if the entities within Radiant Globaltech Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period.

The identifiable assets and liabilities of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by Radiant Globaltech Group.

All material intra-group transactions and balances have been eliminated on combination.

The financial information of RG Malaysia and its subsidiaries, RG Vietnam and Accurate Computer Solutions, are prepared in accordance with the basis of consolidation as disclosed in Note 3.3 to the financial statements.

**FYE 31 December 2017**

During the FYE 31 December 2017, Radiant Globaltech Group was established upon the acquisition of RG Malaysia and its subsidiary, RG Solutions and RG Cambodia and hence, the consolidated financial statements of the Group are prepared for the FYE 31 December 2017.

The basis of consolidation is disclosed in Note 3.3 to the financial statements.

The combined and consolidated financial statements of Radiant Globaltech Group are prepared under the historical cost convention and modified to include other basis 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 Prospectus Guidelines.

## 12. ACCOUNTANTS' REPORT (Cont'd)

### RADIANT GLOBALTECH BERHAD

### NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

#### 2. BASIS OF PREPARATION (CONT'D)

- 2.1 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)**

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 - 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- 2.2 The Group has not applied in advance the following accounting standards and 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 FYE 31 December 2017:-

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

	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 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 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION (CONT'D)**

2.2 The Group has not applied in advance the following accounting standards and 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 FYE 31 December 2017 (Cont'd):-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
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	1 January 2018
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 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

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**12. ACCOUNTANTS' REPORT (Cont'd)**

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**RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS***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 other than as disclosed below:-

**(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 4 to the financial statements.

**(b) Write-down of Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 7 to the financial statements.

**(c) Impairment of Trade and Other Receivables**

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its receivables and analyses their ageing profiles, historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables. The carrying amount of trade and other receivables as at the reporting date is disclosed in Notes 8 and 9 to the financial statements.

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**12. ACCOUNTANTS' REPORT (Cont'd)**


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**RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(d) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the Group's current tax assets/(liabilities) as at the reporting date is approximately of RM904,000 and (RM168,000) (2016 - RM513,000 and (RM803,000) and 2015 - RM233,000 and (RM614,000)).

**(e) Deferred Tax Assets**

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 6 to the financial statements.

*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 other than as disclosed below:-

## Classification of leasehold land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

**3.2 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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.2 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)****(a) Functional and Presentation Currency (Cont'd)**

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

**(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.

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 that 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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.2 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.

**3.3 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 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.

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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 BASIS OF CONSOLIDATION (CONT'D)****(b) Merger Accounting for Common Control Business Combinations**

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

**(c) 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.

**(d) 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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 BASIS OF CONSOLIDATION (CONT'D)****(e) 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 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

**3.4 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised in the statement 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 intend 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. 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 statement of financial position are disclosed in the individual policy statement associated with each item.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.4 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Assets**

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

**(i) Financial Assets at Fair Value Through Profit or Loss**

As at the end of the reporting period, there were no financial assets classified under this category.

**(ii) Held-to-maturity Investments**

As at the end of the reporting period, there were no financial assets classified under this category.

**(iii) Loans and Receivables Financial Assets**

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

**(iv) Available-for-sale Financial Assets**

As at the end of the reporting period, there were no financial assets classified under this category.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.4 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial Liabilities****(i) Financial Liabilities at Fair Value through Profit or Loss**

As at the end of the reporting period, there were no financial liabilities classified under this category.

**(ii) Other Financial Liabilities**

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and 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 through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an right to defer settlement of the liability for at least 12 months after the reporting date.

**(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.

**(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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.4 FINANCIAL INSTRUMENTS (CONT'D)****(d) Derecognition (Cont'd)**

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.

**3.5 INVESTMENTS IN ASSOCIATES**

An associate is an entity in which the Group have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2017. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.6 PROPERTY, PLANT AND EQUIPMENT**

All items of property, plant and 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 property, plant and 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 property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and 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:-

Leasehold land and building	75 years
Office buildings	2%
Motor vehicles	16% - 20%
Furniture and fittings	10% - 25%
Office equipment	20% - 33%
Renovation	10%
Computer	33%

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 property, plant and equipment. Any changes are accounted for as a change in estimate.

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

An item of property, plant and 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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.7 IMPAIRMENT****(a) Impairment of Financial Assets**

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

An impairment loss in respect of loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

**(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 an annual impairment assessment is compulsory or 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 the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. 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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.8 LEASED ASSETS****(a) Finance Assets**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

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

**(b) Operating Lease**

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group.

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

**3.9 INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.10 BORROWING COSTS**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**3.11 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.

**3.12 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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.12 INCOME TAXES (CONT'D)****(b) Deferred Tax (Cont'd)**

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. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

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.

**(c) Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

**3.13 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.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.14 PROVISIONS**

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

**3.15 OPERATING SEGMENTS**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**3.16 EARNINGS PER ORDINARY SHARE**

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

**3.17 DEFERRED REVENUE**

Deferred revenue represents cash received/receivable from customers for services not yet rendered at the end of the reporting period.

**3.18 REVENUE AND OTHER INCOME**

Revenue is measured at the fair value of the consideration received or receivable, net of returns GST, cash and trade discounts.

**(a) Sale of Goods**

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group does not have continuing managerial involvement and effective control over the goods sold.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.18 REVENUE AND OTHER INCOME (CONT'D)****(b) Services**

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

**(c) Interest Income**

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

**3.19 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.

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBAL TECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building RM'000	Office buildings RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Computer RM'000	Total RM'000
Net book value at 1 January 2015	3,676	-	342	85	70	275	4	4,452
Additions	-	3,458	630	7	59	-	14	4,168
Written off	-	-	(*)	(*)	(*)	-	(4)	(4)
Exchange fluctuation differences	-	-	-	*	1	-	-	1
Depreciation charge	(66)	(54)	(108)	(15)	(21)	(55)	(3)	(322)
Net book value at 31 December 2015/1 January 2016	3,610	3,404	864	77	109	220	11	8,295
Additions	-	2,894	-	193	72	245	-	3,404
Written off	-	-	(*)	(98)	(48)	(40)	-	(186)
Exchange fluctuation differences	-	-	-	*	*	-	-	*
Depreciation charge	(67)	(69)	(87)	(21)	(37)	(72)	(4)	(357)
Net book value at 31 December 2016/1 January 2017	3,543	6,229	777	151	96	353	7	11,156
Additions	-	-	478	2	71	6	-	557
Exchange fluctuation differences	-	-	*	(*)	(*)	-	-	*
Depreciation charge	(67)	(140)	(272)	(21)	(29)	(72)	(5)	(606)
Net book value at 31 December 2017	3,476	6,089	983	132	138	287	2	11,107

Note:-

\* - Amount below RM1,000

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBAL TECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and building RM'000	Office buildings RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Computer RM'000	Total RM'000
<b>At 31.12.2015</b>								
At cost	4,010	3,458	1,237	323	262	564	14	9,868
Accumulated depreciation	(400)	(54)	(373)	(246)	(153)	(344)	(3)	(1,573)
Net book value	3,610	3,404	864	77	109	220	11	8,295
<b>At 31.12.2016</b>								
At cost	4,010	6,352	1,165	209	220	728	14	12,698
Accumulated depreciation	(467)	(123)	(388)	(58)	(124)	(375)	(7)	(1,542)
Net book value	3,543	6,229	777	151	96	353	7	11,156
<b>At 31.12.2017</b>								
At cost	4,010	6,352	1,643	211	291	734	14	13,255
Accumulated depreciation	(534)	(263)	(660)	(79)	(153)	(447)	(12)	(2,148)
Net book value	3,476	6,089	983	132	138	287	2	11,107

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group made the following cash payment to purchase property, plant and equipment in the relevant financial years, as follows:-

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Cost of property, plant and equipment purchased	4,168	3,404	557
Amount financed through hire purchase	(499)	-	(276)
	<u>3,669</u>	<u>3,404</u>	<u>281</u>

Included in the property, plant and equipment of the Group are the following assets acquired under hire purchase terms:-

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Motor vehicles, at net book value	864	777	885

Included in the net book value of property, plant and equipment at the end of the reporting period were the following assets pledged to financial institutions as security for banking facilities granted to the Group:-

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Leasehold land and building	3,610	3,543	3,476
Office buildings	3,404	6,229	6,089

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Included in the net book value of property, plant and equipment at the end of the reporting period were the following assets held in trust by the director:-

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Motor vehicle	16	16	2

**5. INVESTMENT IN AN ASSOCIATE**

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Unquoted shares, at cost	-	-	500
Share of post-acquisition losses	-	-	(158)
	-	-	342

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activity
		2017 %	2016 %	
Symple Apps Sdn. Bhd.*	Malaysia	20	-	Provision of mobile application software.

Note:-

\* - This associate was audited by other firm of chartered accountants.

- (a) The Group recognised its share of results in Symple Apps Sdn. Bhd. based on the audited financial statements drawn up to the most recent reporting date, which is 31 December 2017.
- (b) Summarised financial information has not been presented as the associates are not individually material to the Group.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****6. DEFERRED TAX ASSET**

&lt;-----FYE 31 December-----&gt;

	2015 RM'000	2016 RM'000	2017 RM'000
At 1 January	-	-	-
Recognised in Profit or Loss (Note 29)	-	-	497
Exchange difference	-	-	(7)
At 31 December	<u>-</u>	<u>-</u>	<u>490</u>

The deferred tax asset on deferred revenue has been recognised on the basis of the Group's previous history of recording profits and to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

**7. INVENTORIES**

&lt;-----FYE 31 December-----&gt;

	2015 RM'000	2016 RM'000	2017 RM'000
Goods-in-transit	576	6	1,166
Finished goods	9,259	7,776	8,532
	<u>9,835</u>	<u>7,782</u>	<u>9,698</u>

&lt;-----FYE 31 December-----&gt;

	2015 RM'000	2016 RM'000	2017 RM'000
Recognised in profit or loss:-			
Inventories recognised as cost of sales	41,642	44,157	47,077
Inventories written down	-	1,535	145
Writeback of inventories previously written down	-	-	(261)

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 8. TRADE RECEIVABLES

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Trade receivables	19,683	23,644	23,165
Unbilled receivables	1,266	309	420
	<u>20,949</u>	<u>23,953</u>	<u>23,585</u>
Allowance for impairment losses	(417)	(1,228)	(682)
	<u>20,532</u>	<u>22,725</u>	<u>22,903</u>
Allowance for impairment losses:-			
At 1 January	(238)	(417)	(1,228)
Addition during the financial year	(197)	(811)	(38)
Writeback during the financial year	18	-	507
Written off during the financial year	-	-	77
At 31 December	<u>(417)</u>	<u>(1,228)</u>	<u>(682)</u>

(a) Unbilled receivables represent services rendered but not yet billed.

(b) The Group's normal trade credit terms range from 7 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<----FYE 31 December---->		
	2015 RM'000	2016 RM'000	2017 RM'000
Other receivables:-			
Third parties	125	335	118
Advances to suppliers	170	14	161
GST recoverable	22	95	147
	317	444	426
Deposits	78	228	131
Prepayments	975	1,288	1,545
	<u>1,370</u>	<u>1,960</u>	<u>2,102</u>

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

**10. AMOUNT OWING BY RELATED PARTIES**

	<----FYE 31 December---->		
	2015 RM'000	2016 RM'000	2017 RM'000
Amount owing by related parties:-			
Trade balances	3,985	2,312	53
Non-trade balances	783	855	-
	<u>4,768</u>	<u>3,167</u>	<u>53</u>
Amount owing to related parties:-			
Trade balances	(6,646)	(2,826)	(49)
Non-trade balances	(217)	(201)	-
	<u>(6,863)</u>	<u>(3,027)</u>	<u>(49)</u>

- (a) The trade balances are subject to the normal trade credit term of 30 days.
- (b) The non-trade balances were unsecured, interest-free advances and repayable on demand. The amounts owing were settled in cash.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****11. FIXED DEPOSITS WITH LICENSED BANKS**

The effective interest rates and maturity periods of the fixed deposits at the end of the relevant financial years are as follows:-

	←-----FYE 31 December----->		
	2015	2016	2017
Effective interest rates per annum (%)	3.25 - 3.45	3.10 - 3.45	2.90 - 3.15
Maturity periods (days)	183 - 365	183 - 365	183 - 365

Included in the fixed deposits with licensed banks of the Group at the end of the reporting period are amounts which have been pledged to licensed banks as security for banking facilities granted to the Group is as follows:-

	←-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Fixed deposits pledged to licensed banks	805	1,382	948

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 12. SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Company are as follows:-

	←-----FYE 31 December----->			←-----FYE 31 December----->		
	2015	2016	2017	2015	2016	2017
	←----- Numbers of Shares----->					
	←----- RM----->					
Authorised:						
Ordinary shares of RM1.00 each Radiant Globaltech						
At 1 January	100,000	100,000	N/A	100,000	100,000	N/A
Creation of new shares	-	300,000	N/A	-	300,000	N/A
At 31 December	100,000	400,000	N/A	100,000	400,000	N/A
Ordinary shares of RM1.00 each RG Malaysia						
At 1 January	1,000,000	1,000,000	N/A	1,000,000	1,000,000	N/A
Creation of new shares	-	4,000,000	N/A	-	4,000,000	N/A
At 31 December	1,000,000	5,000,000	N/A	1,000,000	5,000,000	N/A

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 12. SHARE CAPITAL (CONT'D)

The movements in the authorised and paid-up share capital of the Company are as follows (Cont'd):-

	←-----FYE 31 December-----→			←-----FYE 31 December-----→		
	2015	2016	2017	2015	2016	2017
	←----- Numbers of Shares -----→					
	←----- RM -----→					
Authorised:						
Ordinary shares of RM1.00 each						
RG Solutions						
At 1 January/31 December	100,000	100,000	N/A	100,000	100,000	N/A
Ordinary shares of USD5.00 each						
RG Cambodia						
At 1 January/31 December	1,000	1,000	1,000	15,195	15,195	15,195
At 31 December	1,201,000	5,501,000	1,000	1,215,195	5,515,195	15,195

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 12. SHARE CAPITAL (CONT'D)

The movements in the authorised and paid-up share capital of the Company are as follows (Cont'd):-

	←-----FYE 31 December-----→			←-----FYE 31 December-----→		
	2015	2016	2017	2015	2016	2017
	←-----Numbers of Shares-----→			←-----RM-----→		
Issued And Fully Paid-up:						
Radiant Globaltech						
At 1 January	500	100,000	150,000	500	100,000	150,000
Share split	-	-	2,850,000	-	-	-
Bonus issue	500	100,000	3,000,000	500	100,000	150,000
	-	-	90,000,000	-	-	4,500,000
Issuance of new shares	500	100,000	93,000,000	500	100,000	4,650,000
	99,500	50,000	304,120,000	99,500	50,000	15,206,000
At 31 December	100,000	150,000	397,120,000	100,000	150,000	19,856,000
Ordinary shares of RM1.00 each RG Malaysia						
At 1 January	900,000	900,000	1,500,000	900,000	900,000	1,500,000
Issuance of new shares	-	300,000	-	-	300,000	-
Bonus issue	-	300,000	-	-	300,000	-
Adjustment on the acquisition of RG Malaysia	-	-	(1,500,000)	-	-	(1,500,000)
At 31 December	900,000	1,500,000	-	900,000	1,500,000	-

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 12. SHARE CAPITAL (CONT'D)

The movements in the authorised and paid-up share capital of the Company are as follows (Cont'd):-

	<-----FYE 31 December----->		<-----FYE 31 December----->		<-----FYE 31 December----->	
	2015	2016	2017	2015	2016	2017
	<----- Numbers of Shares----->					
	RM----->					
Issued And Fully Paid-up: Ordinary shares of RM1.00 each RG Solutions	10,000	10,000	10,000	10,000	10,000	10,000
At 1 January						
Adjustment on the acquisition of RG Solutions	-	-	(10,000)	-	-	(10,000)
At 31 December	10,000	10,000	-	10,000	10,000	-
Ordinary shares of USD5.00 each RG Cambodia	1,000	1,000	1,000	15,195	15,195	15,195
At 1 January/31 December						
Adjustment on the acquisition of RG Cambodia	-	-	(1,000)	-	-	(15,195)
At 31 December	1,000	1,000	-	15,195	15,195	-
At 31 December	1,011,000	1,661,000	397,120,000	1,025,195	1,675,195	19,856,000

N/A - Not applicable pursuant to the Companies Act 2016 which came into operation on 31 January 2017 as disclosed in the next page.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****12. SHARE CAPITAL (CONT'D)**

For the purpose of this report, the total number of shares as at FYE 31 December 2015 and FYE 31 December 2016 represent the aggregate number of issued and fully paid-up shares of all entities within the Group.

**FYE 31 December 2015**

Radiant Globaltech increased its issued and paid-up share capital from RM500 to RM100,000 by the allotment of 99,500 new ordinary shares of RM1.00 each at par for the purpose of working capital. The new ordinary shares were issued for cash consideration. The new ordinary shares issued rank pari passu in all respects with the existing shares of Radiant Globaltech.

**FYE 31 December 2016**

Radiant Globaltech increased its authorised share capital from RM100,000 to RM400,000 by the creation of 300,000 new ordinary shares of RM1.00 each.

Radiant Globaltech increased its issued and paid-up share capital from RM100,000 to RM150,000 by the allotment of 50,000 new ordinary shares of RM1.00 each at par for the purpose of working capital. The new ordinary shares were issued for cash consideration. The new ordinary shares issued rank pari passu in all respects with the existing shares of Radiant Globaltech.

RG Malaysia increased its authorised share capital from RM1,000,000 to RM5,000,000 by the creation of 4,000,000 new ordinary shares of RM1.00 each.

RG Malaysia increased its issued and paid-up share capital from RM900,000 to RM1,500,000 by the allotment of 600,000 new ordinary shares of RM1.00 each at par. The new ordinary shares were issued for cash consideration of RM300,000 for the purpose of working capital and bonus issue of RM300,000. The new ordinary shares issued rank pari passu in all respects with the existing shares of RG Malaysia.

**FYE 31 December 2017**

On 31 January 2017, the concept of authorised share capital and par value of share capital was abolished in accordance with the Companies Act 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

Radiant Globaltech has undertaken a share split involving subdivision of every 1 existing ordinary share in the Company into 20 ordinary shares. The Company increased its issued share capital from RM150,000 to RM19,856,000 by the issuance of 90,000,000 new ordinary shares for bonus issue on the basis of 30 bonus shares for every 1 existing share and by issuance of 304,120,000 new ordinary shares for the total consideration of RM15,206,000 as full payment for the acquisition of RG Malaysia and RG Solutions.

**13. FOREIGN EXCHANGE TRANSLATION RESERVE**

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****14. MERGER DEFICIT**

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

**15. HIRE PURCHASE PAYABLES**

<-----FYE 31 December----->

	2015 RM'000	2016 RM'000	2017 RM'000
Minimum hire purchase payments:			
- not later than 1 year	145	136	198
- later than 1 year and not later than 5 years	553	544	742
- later than 5 years	251	118	8
	<u>949</u>	<u>798</u>	<u>948</u>
Less: Future finance charges	(139)	(102)	(120)
Present value of hire purchase payables	<u>810</u>	<u>696</u>	<u>828</u>
Analysed by:-			
Current liabilities	108	105	161
Non-current liabilities	702	591	667
	<u>810</u>	<u>696</u>	<u>828</u>

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles under finance leases as disclosed in Note 4 to the financial statements.

The hire purchase arrangements are expiring as follows:-

	<-----FYE 31 December----->		
	2015	2016	2017
Years	7 to 8	6 to 7	5 to 6

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****15. HIRE PURCHASE PAYABLES (CONT'D)**

- (b) The hire purchase payables of the Group at the end of the relevant financial years bore effective interest rates as follows:-

	<-----FYE 31 December----->		
	2015	2016	2017
Effective interest rates per annum (%)	4.64 - 10.55	4.64 - 10.55	4.64 - 4.97

**16. TERM LOANS (SECURED)**

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Current liabilities	464	1,103	1,113
Non-current liabilities	4,564	9,046	8,258
	<u>5,028</u>	<u>10,149</u>	<u>9,371</u>

- (a) The term loans are secured by:-
- (i) a first legal charge over the properties of the Group as disclosed in Note 4 to the financial statements;
  - (ii) a joint and several guarantee executed by two of the directors of the Company; and
  - (iii) a pledge of fixed deposits as disclosed in Note 11 to the financial statements.
- (b) The interest rate profile of the term loans are summarised as below:-

	<-----FYE 31 December----->			<-----FYE 31 December----->		
	Effective Interest Rates					
	2015 %	2016 %	2017 %	2015 RM'000	2016 RM'000	2017 RM'000
Floating rate term loans	4.89 - 5.00	4.50 - 7.67	4.50 - 7.67	5,028	10,149	9,371

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****17. DEFERRED REVENUE**

&lt;-----FYE 31 December-----&gt;

	2015 RM'000	2016 RM'000	2017 RM'000
Current liabilities (Note 19)	1,337	2,564	2,889
Non-current liabilities	222	788	542
	<u>1,559</u>	<u>3,352</u>	<u>3,431</u>

The amount of unearned income from services to be rendered in future financial years is shown as deferred revenue.

**18. TRADE PAYABLES**

The normal trade credit terms granted to the Group range from 7 to 60 days.

**19. OTHER PAYABLES AND ACCRUALS**

&lt;-----FYE 31 December-----&gt;

	2015 RM'000	2016 RM'000	2017 RM'000
Other payables:-			
Third parties	733	309	679
Advances from customers	104	1,443	483
GST payable	271	276	253
	<u>1,108</u>	<u>2,028</u>	<u>1,415</u>
Accruals	7,150	7,360	4,702
Deposits received	-	457	-
Deferred revenue (Note 17)	1,337	2,564	2,889
	<u>9,595</u>	<u>12,409</u>	<u>9,006</u>

The advances from customers are unsecured and interest-free. The amount owing will be offset against future sales from the customers.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****20. AMOUNT OWING TO DIRECTORS**

The amount owing was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was fully settled.

**21. BANKERS' ACCEPTANCES**

(a) The bankers' acceptances were secured by :-

- (i) a first legal charge over properties of the Group as disclosed in Note 4 to the financial statements;
- (ii) a joint and several guarantee executed by two of the directors of the Company; and
- (iii) a pledge of half-yearly placement of fixed deposits for RM25,000, effective from 31 December 2008.

(b) The bankers' acceptances of the Group at the end of the FYE 31 December 2015 and 2016 bore floating interest rates ranging from 4.62% and 5.79% to 5.95% per annum, respectively.

**22. REVENUE**

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Hardware	51,277	58,509	58,306
Retail software solutions	6,344	7,104	10,432
Maintenance and technical support services	8,781	11,234	12,045
	66,402	76,847	80,783

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****23. OTHER INCOME**

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Interest income	53	155	89
Administrative income	96	99	-
Gain on disposal of a subsidiary	-	-	8
Writeback of impairment losses on trade receivables	18	-	507
Gain on foreign exchange:			
- realised	-	*	-
- unrealised	-	720	-
Others	2	191	363
	<u>169</u>	<u>1,165</u>	<u>967</u>

Note:-

\* - Amount below RM1,000

**24. SELLING AND DISTRIBUTION EXPENSES**

Included in selling and distribution expenses are:-

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Commission expenses	851	883	1,132
Exhibition and events expenses	23	-	41
	<u>874</u>	<u>883</u>	<u>1,173</u>

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****25. ADMINISTRATIVE EXPENSES**

Included in administrative expenses are:-

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Auditor's remuneration:			
- audit fees:			
- current financial year			
- Crowe Horwath Malaysia	-	58	58
- Overseas affiliates of Crowe Horwath Malaysia	-	6	46
- other auditors	40	4	-
- underprovision in the previous financial year			
- other auditors	2	-	-
- non-audit fees:			
- Overseas affiliates of Crowe Horwath Malaysia	-	-	26
Petrol expenses	605	748	780
Rental expenses	165	315	358
	<u>          </u>	<u>          </u>	<u>          </u>

**26. STAFF COSTS**

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Director's fees	94	91	52
Directors' non-fee emoluments:			
- salaries, bonuses, incentive and allowances	1,810	1,960	2,721
- defined contribution benefits	110	237	721
Staff costs (including other key management personnel as disclosed in Note 33):			
- salaries, bonuses, incentive, allowances and other benefits	7,587	10,198	11,888
- defined contribution benefits	886	1,297	1,418
	<u>10,487</u>	<u>13,783</u>	<u>16,800</u>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 27. OTHER EXPENSES

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	322	357	606
Equipment written off	4	186	-
Impairment losses on trade receivables	197	811	38
Loss on foreign exchange:			
- realised	711	258	458
- unrealised	126	-	39
Listing expenses	-	-	957
Others	*	-	41
	1,360	1,612	2,139

Note:-

\* - Amount below RM1,000

## 28. FINANCE COSTS

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Interest expense on financial liabilities not at fair value through profit or loss:			
- bank overdraft	3	7	*
- term loans	110	270	543
- hire purchase	18	37	38
- bankers' acceptances	43	43	36
	174	357	617

Note:-

\* - Amount below RM1,000

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 29. INCOME TAX EXPENSE

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Current tax:			
- for the financial year	1,690	2,384	1,996
- (over)/underprovision in the previous financial year	(*)	(7)	394
	1,690	2,377	2,390
Deferred tax (Note 6):			
- origination and reversal of temporary differences	-	-	(17)
- underprovision in the previous financial year	-	-	(480)
	-	-	(497)
	1,690	2,377	1,893

Note:-

\* - Amount below RM1,000

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****29. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the PBT at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
PBT	8,035	11,847	9,003
Tax at the statutory tax rate of:-			
- 25%	2,009	-	-
- 24%	-	2,843	2,161
Tax effects of:-			
Differential in tax rates	(61)	(73)	(53)
Tax-exempt income	(575)	(886)	(427)
Non-deductible expenses	203	418	283
Non-taxable gains	-	-	(36)
Deferred tax assets not recognised during the financial year	33	83	30
Utilisation of deferred tax assets previously not recognised	-	(4)	(17)
Share of net losses of equity accounted in an associate	-	-	38
Underprovision of deferred tax asset in the previous financial year	-	-	(480)
(Over)/Underprovision of current tax in the previous financial year	(*)	(7)	394
Others	81	3	-
	1,690	2,377	1,893

Note:-

\* - Amount below RM1,000

The corporate tax rate on the first RM500,000 of the chargeable income of Radiant Globaltech, RG Malaysia and RG Solutions for the FYE 31 December 2015 was 20%. The tax rate applicable to the balance of the chargeable income was 25%.

The Company has been granted the MSC-Malaysia Status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act 1986. The Company will enjoy full exemption from income tax on its statutory income from pioneer activities for a period of 5 years, from 9 December 2014 to 8 December 2019.

The corporate tax rate on the first RM500,000 of chargeable income of RG Malaysia and RG Solutions was reduced to 19% and the balance of the chargeable income was reduced to 24% effective year of assessment 2016.

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the FYE 31 December 2017. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****29. INCOME TAX EXPENSE (CONT'D)**

The temporary differences attributable to the deferred tax (liabilities)/assets which are not recognised in the financial statements are as follows:-

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
<u>Deferred tax liabilities:-</u>			
- Accelerated capital allowances	(71)	(1,123)	(854)
- Others	-	(652)	-
	(71)	(1,775)	(854)
<u>Deferred tax assets:-</u>			
- Unutilised tax losses	18	-	95
- Inventories written down	-	1,411	1,031
- Impairment losses on trade receivables	412	1,223	682
- Others	389	219	177
	819	2,853	1,985
	748	1,078	1,131

**30. EARNINGS PER SHARE**

	<-----FYE 31 December----->		
	2015	2016	2017
PAT attributable to owners of the Company (RM'000)	6,345	9,470	7,110
Weighted average number of ordinary shares in issue ('000)	397,120 <sup>(1)</sup>	397,120 <sup>(1)</sup>	397,120
Basic/Diluted earnings per ordinary share attributable to equity holders of the Company (sen)	1.60	2.38	1.79

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

Note:-

<sup>(1)</sup> - The number of shares in issue after acquisition of RG Malaysia and its subsidiary, and RG Solutions for the FYE 31 December 2015 and 2016.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****31. DIVIDENDS**

	<----FYE 31 December---->		
	2015	2016	2017
	RM'000	RM'000	RM'000
<u>The Company</u>			
First interim single tier dividend of approximately RM10.00 per ordinary share in respect of the previous financial year	-	1,000	-
<u>The subsidiary of the Company, RG Malaysia</u>			
First interim single tier dividend of approximately RM2.00 (2016 - RM3.33) per ordinary share in respect of the current financial year	-	4,000	3,000
	-	5,000	3,000

RG Solutions, RG Cambodia, RG Vietnam and Accurate Computer Solutions did not pay or declare any dividends during the relevant financial years.

**32. CASH AND CASH EQUIVALENTS**

- (a) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	<----FYE 31 December---->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Cash and bank balances	14,676	13,916	10,285
Fixed deposits with licensed banks	1,139	1,727	1,524
	15,815	15,643	11,809
Less: Fixed deposits pledged to licensed banks (Note 11)	(805)	(1,382)	(948)
	15,010	14,261	10,861

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****32. CASH AND CASH EQUIVALENTS (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:-

FYE 31 December 2017	Amount owing to related parties RM'000	Amount owing to directors RM'000	Bankers' acceptances RM'000	Term loans RM'000	Hire purchase payables RM'000	Total RM'000
At 1 January	201	3,930	397	10,149	696	15,373
New hire purchase	-	-	-	-	276	276
Repayment	(201)	(3,930)	(397)	(778)	(144)	(5,450)
At 31 December	-	-	-	9,371	828	10,199

Comparative information is not presented by virtue of the exemption given in MFRS 107.

**33. 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, associate, key management personnel and entities within the same group of companies.

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 33. RELATED PARTY DISCLOSURES (CONT'D)

## (b) Related Party Transactions

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following transactions with the related parties during the financial year:-

	<-----FYE 31 December----->		
	2015 RM'000	2016 RM'000	2017 RM'000
Entities in which certain directors/shareholders/a key management personnel are directors/shareholders:-			
Sales	2,349	1,592	477
Purchases	1,290	1,047	2,372
Administrative income	96	96	-
Advances from related parties	-	7	-
Advances to related parties	-	-	7
A related party of the entity in which certain directors have interests:-			
Sales	-	24	205
Purchases	164	94	127
Directors/Shareholders:-			
Rental expenses	-	20	30
Key management personnel compensation:			
- salaries and other staff related expenses	3,515	4,098	4,614
- fees	94	91	52
- defined contribution plan	275	420	958

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**12. ACCOUNTANTS' REPORT (Cont'd)**

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**RADIANT GLOBALTECH BERHAD**

**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main reportable segments as follows:-

- (a) Hardware, and maintenance and technical support services – involved in the marketing, sale and installation of hardware for the retail industry and provide on-going maintenance for the hardware and software products and solutions.
- (b) Software – involved in the design, development, marketing, sales, enhancement, customisation and implementation of third party software and in-house software.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly current tax assets/liabilities, term loans and hire purchase payables.

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 34. OPERATING SEGMENTS (CONT'D)

## 34.1 BUSINESS SEGMENTS

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
<b>2015</b>			
<b>Revenue</b>			
External revenue	60,058	6,344	66,402
Inter-segment revenue	2,478	1,579	4,057
	<u>62,536</u>	<u>7,923</u>	<u>70,459</u>
Combined adjustments			(4,057)
Combined revenue			<u>66,402</u>
<b>Results</b>			
Segment profit before interest and taxation	5,168	2,988	8,156
Interest income			53
Finance costs			(174)
Combined PBT			8,035
Income tax expense			(1,690)
Combined PAT			<u>6,345</u>
Segment profit before interest and taxation includes the following:-			
Depreciation of property, plant and equipment	320	2	322
Impairment loss on trade receivables	197	-	197
Writeback of allowance for impairment losses on trade receivables	(18)	-	(18)
Unrealised loss on foreign exchange	126		126
Equipment written off	*	4	4

Note:-

\* - Amount below RM1,000

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 34. OPERATING SEGMENTS (CONT'D)

## 34.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
<b>2015</b>			
<b>Assets</b>			
Segment assets	58,938	7,256	66,194
Unallocated assets:			
- current tax assets			233
Combined adjustments			(5,579)
Combined total assets			<u>60,848</u>
 Additions to non-current asset other than financial instruments are:-			
Property, plant and equipment	4,154	14	4,168
 <b>Liabilities</b>			
Segment liabilities	36,977	3,801	40,778
Unallocated liabilities:			
- hire purchase payables			810
- term loans			5,028
- current tax liabilities			614
Combined adjustments			(4,880)
Combined total liabilities			<u>42,350</u>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 34. OPERATING SEGMENTS (CONT'D)

## 34.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
<b>2016</b>			
<b>Revenue</b>			
External revenue	69,743	7,104	76,847
Inter-segment revenue	606	2,078	2,684
	70,349	9,182	79,531
Combined adjustments			(2,684)
Combined revenue			76,847
<b>Results</b>			
Segment profit before interest and taxation	8,233	3,816	12,049
Interest income			155
Finance costs			(357)
Combined PBT			11,847
Income tax expense			(2,377)
Combined PAT			9,470
Segment profit before interest and taxation includes the following:-			
Depreciation of property, plant and equipment	336	21	357
Impairment loss on trade receivables	709	102	811
Inventories written down	1,535	-	1,535
Unrealised gain on foreign exchange	(720)	-	(720)
Equipment written off	186	-	186
	3,046	123	3,169

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 34. OPERATING SEGMENTS (CONT'D)

## 34.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
<b>2016</b>			
<b>Assets</b>			
Segment assets	55,658	11,437	67,095
Unallocated assets:			
- current tax assets			513
Combined adjustments			(4,662)
Combined total assets			<u>62,946</u>
 Additions to non-current asset other than financial instruments are:			
Property, plant and equipment	510	2,894	3,404
 <b>Liabilities</b>			
Segment liabilities	28,794	3,123	31,917
Unallocated liabilities:			
- hire purchase payables			696
- term loans			10,149
- current tax liabilities			803
Combined adjustments			(3,963)
Combined total liabilities			<u>39,602</u>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 34. OPERATING SEGMENTS (CONT'D)

## 34.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
<b>2017</b>			
<b>Revenue</b>			
External revenue	70,351	10,432	80,783
Inter-segment revenue	1,698	1,523	3,221
	72,049	11,955	84,004
Consolidated adjustments			(3,221)
Consolidated revenue			80,783
<b>Results</b>			
Segment profit before interest and taxation	7,773	1,916	9,689
Interest income			89
Share of net losses of equity accounted in an associate			(158)
Finance costs			(617)
Consolidated PBT			9,003
Income tax expense			(1,893)
Consolidated PAT			7,110
Segment profit before interest and taxation includes the following:			
Depreciation of property, plant and equipment	531	75	606
Writeback of allowances for impairment losses on trade receivables	(466)	(41)	(507)
Impairment losses on trade receivables	19	19	38
Writeback of allowances for impairment losses on inventories	(261)	-	(261)
Gain on disposal of a subsidiary	(8)	-	(8)
Inventories written down	145	-	145
Unrealised (gain)/loss on foreign exchange	(6)	49	43

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 34. OPERATING SEGMENTS (CONT'D)

## 34.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
<b>2017</b>			
<b>Assets</b>			
Segment assets	43,041	11,650	54,691
Unallocated assets:-			
- investment in an associate			342
- deferred tax assets			490
- current tax assets			904
Consolidated adjustments			2,981
Consolidated total assets			<u>59,408</u>
Additions to non-current assets other than financial instruments are:-			
Property, plant and equipment	551	6	557
			<u>557</u>
<b>Liabilities</b>			
Segment liabilities	18,406	3,413	21,819
Unallocated liabilities:-			
- hire purchase payables			828
- term loans			9,371
- current tax liabilities			168
Consolidated adjustments			(138)
Consolidated total liabilities			<u>32,048</u>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 34. OPERATING SEGMENTS (CONT'D)

## 34.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customer's billing offices are located.

	Revenue		
	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Australia <sup>(1)</sup>	8	13	5
Brunei <sup>(2)</sup>	-	*	-
Cambodia	205	1,685	2,644
Germany <sup>(1)</sup>	26	315	-
Hong Kong <sup>(3)</sup>	-	132	4
Iceland <sup>(1)</sup>	-	11	-
Indonesia	192	209	572
Italy <sup>(1)</sup>	7	15	-
Japan <sup>(4)</sup>	48	634	2,196
Malaysia <sup>(1)</sup>	61,180	67,946	66,600
Maldives	-	-	6
Myanmar	223	115	35
Philippines <sup>(5)</sup>	57	1,094	357
Singapore <sup>(3)</sup>	452	821	1,434
Sri Lanka	-	-	781
Taiwan	34	56	96
Thailand	867	275	7
Vietnam	3,103	3,526	6,046
	<u>66,402</u>	<u>76,847</u>	<u>80,783</u>

Note:-

\* - Amount below RM1,000

(1) - Products and services were delivered and/or performed in Malaysia.

(2) - Products and services were delivered and/or performed in Brunei and Malaysia.

(3) - Products and services were delivered and/or performed in Singapore and Malaysia.

(4) - Products and services were delivered and/or performed in Vietnam and Malaysia.

(5) - Products and services were delivered and/or performed in Philippines and Malaysia.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****34. OPERATING SEGMENTS (CONT'D)****34.2 GEOGRAPHICAL INFORMATION (CONT'D)**

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments (but including investment in an associate and deferred tax asset).

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Malaysia	8,289	11,151	11,718
Cambodia	6	5	118
Vietnam	-	-	104
	<u>8,295</u>	<u>11,156</u>	<u>11,940</u>

**34.3 MAJOR CUSTOMERS**

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group Revenue FYE 31 December 2015 RM	Segments
Customer A	<u>11,945</u>	Hardware and maintenance
	FYE 31 December 2016 RM	
Customer A	12,627	Hardware and maintenance
Customer B	<u>10,714</u>	Hardware and maintenance
	FYE 31 December 2017 RM	
Customer A	9,593	Hardware and maintenance
Customer C	<u>12,898</u>	Hardware, software and maintenance

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**12. ACCOUNTANTS' REPORT (Cont'd)**

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**RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS**

The Group's activities are exposed to a variety of market risks (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.

**35.1 FINANCIAL RISK MANAGEMENT POLICIES**

The Group's policies in respect of 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 foreign currency. The currencies giving rise to these risks are primarily United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currency for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (a) Market Risk (Cont'd)

## (i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure*

	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
<b>FYE 31 December 2015</b>				
<b>Financial Assets</b>				
Trade receivables	4,092	185	119	4,396
Other receivables and deposits	10	-	-	10
Amount owing by related parties	1,941	-	-	1,941
Cash and bank balances	2,340	2	1	2,343
	<b>8,383</b>	<b>187</b>	<b>120</b>	<b>8,690</b>
<b>Financial Liabilities</b>				
Trade payables	3,923	*	152	4,075
Other payables and accruals	27	-	-	27
Amount owing to related parties	4,420	-	-	4,420
Amount owing to directors	28	-	-	28
	<b>8,398</b>	<b>*</b>	<b>152</b>	<b>8,550</b>
Net financial (liabilities)/assets	(15)	187	(32)	140
Less: Net financial (assets) denominated in the respective entities' functional currencies	(155)	-	-	(155)
Currency Exposure	(170)	187	(32)	(15)

Note:-

\* - Amount below RM1,000

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (a) Market Risk (Cont'd)

## (i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure*

	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
<b>FYE 31 December 2016</b>				
<b>Financial Assets</b>				
Trade receivables	8,625	369	37	9,031
Other receivables and deposits	10	-	-	10
Amount owing by related parties	2,161	-	-	2,161
Cash and bank balances	3,469	1	2	3,472
	<u>14,265</u>	<u>370</u>	<u>39</u>	<u>14,674</u>
<b>Financial Liabilities</b>				
Trade payables	4,027	12	95	4,134
Other payables and accruals	473	-	-	473
Amount owing to related parties	2,168	-	-	2,168
Amount owing to directors	8	-	-	8
	<u>6,676</u>	<u>12</u>	<u>95</u>	<u>6,783</u>
Net financial assets/(liabilities)	7,589	358	(56)	7,891
Less: Net financial (assets) denominated in the respective entities' functional currencies	(430)	-	-	(430)
Currency Exposure	<u>7,159</u>	<u>358</u>	<u>(56)</u>	<u>7,461</u>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (a) Market Risk (Cont'd)

## (i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure*

	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
<b>FYE 31 December 2017</b>				
<b>Financial Assets</b>				
Trade receivables	1,601	118	50	1,769
Other receivables and deposits	95	-	-	95
Amount owing by related parties	43	-	-	43
Cash and bank balances	1,354	71	2	1,427
	<b>3,093</b>	<b>189</b>	<b>52</b>	<b>3,334</b>
<b>Financial Liabilities</b>				
Trade payables	4,065	3	66	4,134
Other payables and accruals	15	-	-	15
	<b>4,080</b>	<b>3</b>	<b>66</b>	<b>4,149</b>
Net financial (liabilities)/assets	(987)	186	(14)	(815)
Less: Net financial (assets) denominated in the respective entities' functional currencies	(505)	-	-	(505)
Currency Exposure	<b>(1,492)</b>	<b>186</b>	<b>(14)</b>	<b>(1,320)</b>

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (a) Market Risk (Cont'd)

## (i) Foreign Currency Risk (Cont'd)

*Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

<---FYE 31 December--->

	2015 RM'000	2016 RM'000	2017 RM'000
<b>Effects on PAT</b>			
USD			
- Strengthened by 10%	(17)	716	(149)
- Weakened by 10%	17	(716)	149
SGD			
- Strengthened by 10%	19	36	19
- Weakened by 10%	(19)	(36)	(19)
Others			
- Strengthened by 10%	(3)	(6)	(1)
- Weakened by 10%	3	6	1

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**12. ACCOUNTANTS' REPORT (Cont'd)**


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**RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)****(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rate available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Notes 15, 16 and 21 to the financial statements.

*Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonable possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	←—FYE 31 December—→		
	2015	2016	2017
	RM'000	RM'000	RM'000
<b>Effects on PAT</b>			
Increase of 100 basis points	(50)	(101)	(94)
Decrease of 100 basis points	50	101	94

**(iii) Equity Price Risk**

The Group does not have any quoted investments and hence is not exposed to equity price risk.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)****35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(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 and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for the Group of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

**(i) Credit risk concentration profile**

The Group's major concentration of credit risk relates to the trade receivables (including amount owing by related parties) at the end of the reporting period is as follows:-

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Number of customers	2	2	2
Major concentration of credit risk	27%	39%	35%

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (i) Credit risk concentration profile (Cont'd)

In addition, the Group and the Company also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including amount owing by related parties) at the end of the reporting period is as follows:-

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
Malaysia	18,600	18,242	21,206
Singapore	211	467	170
Philippines	60	1,068	92
Indonesia	-	1	384
Vietnam	3,486	2,801	576
Thailand	1,669	1,804	43
Cambodia	*	528	470
Others	491	126	15
	24,517	25,037	22,956

Note:-

\* - Amount below RM1,000

## (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 after deducting any allowance for impairment losses (where applicable).

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Ageing Analysis

The ageing analysis of trade receivables (including amount owing by related parties) is as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
<b>FYE 31 December 2015</b>			
Not past due	4,508	-	4,508
Past due:			
- less than 3 months	9,345	-	9,345
- 3 to 6 months	1,683	-	1,683
- over 6 months	2,750	-	2,750
- more than 1 year	6,648	(417)	6,231
	24,934	(417)	24,517
	24,934	(417)	24,517

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)****(iii) Ageing analysis (Cont'd)**

The ageing analysis of trade receivables (including amount owing by related parties) is as follows (Cont'd):-

	<b>Gross Amount RM'000</b>	<b>Individual Impairment RM'000</b>	<b>Carrying Value RM'000</b>
<b>FYE 31 December 2016</b>			
Not past due	7,621	-	7,621
Past due:			
- less than 3 months	10,027	-	10,027
- 3 to 6 months	1,610	-	1,610
- over 6 months	1,514	-	1,514
- more than 1 year	5,493	(1,228)	4,265
	26,265	(1,228)	25,037

	<b>Gross Amount RM'000</b>	<b>Individual Impairment RM'000</b>	<b>Carrying Value RM'000</b>
<b>FYE 31 December 2017</b>			
Not past due	12,965	-	12,965
Past due:			
- less than 3 months	7,151	-	7,151
- 3 to 6 months	1,664	-	1,664
- over 6 months	645	-	645
- more than 1 year	1,213	(682)	531
	23,638	(682)	22,956

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12. ACCOUNTANTS' REPORT (Cont'd)

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**RADIANT GLOBALTECH BERHAD**

**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those past due and expected to be irrecoverable. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35 FINANCIAL INSTRUMENTS (CONT'D)

## 351 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (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 the availability of funding through certain committed credit facilities.

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities as 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):-

	Carrying Amount RM'000	Contractual			
		Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
<b>FYE 31 December 2015</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	15,724	15,724	15,724	-	-
Other payables and accruals	7,883	7,883	7,883	-	-
Amount owing to related parties	6,863	6,863	6,863	-	-
Amount owing to directors	3,264	3,264	3,264	-	-
Bankers' acceptances	230	230	230	-	-
Hire purchase payables	810	949	145	553	251
Term loans	5,028	5,841	697	4,199	945
	39,802	40,754	34,806	4,752	1,196

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

	Carrying Amount RM'000	Contractual		Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
		Undiscounted Cash Flows RM'000	RM'000			
<b>FYE 31 December 2016</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	7,403	7,403	7,403	-	-	-
Other payables and accruals	8,126	8,126	8,126	-	-	-
Amount owing to related parties	3,027	3,027	3,027	-	-	-
Amount owing to directors	3,930	3,930	3,930	-	-	-
Bankers' acceptances	397	397	397	-	-	-
Hire purchase payables	696	798	136	544	118	
Term loans	10,149	12,514	1,615	7,842	3,057	
	33,728	36,195	24,634	8,386	3,175	

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

## Maturity Analysis (Cont'd)

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows		Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
		RM'000	RM'000			
<b>FYE 31 December 2017</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	12,084	12,084	12,084	-	-	-
Other payables and accruals	5,381	5,381	5,381	-	-	-
Amount owing to related parties	49	49	49	-	-	-
Hire purchase payables	828	948	198	742	8	8
Term loans	9,371	11,405	1,555	6,269	3,581	3,581
	27,713	29,867	19,267	7,011	3,589	3,589

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**12. ACCOUNTANTS' REPORT (Cont'd)**

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**RADIANT GLOBALTECH BERHAD**

**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities within 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. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents.

The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total borrowings from financial institutions.

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

The Group is also required to comply with certain loan covenants, failing which, the banks may call an event of default. The Group has complied with this requirement.

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<-----FYE 31 December----->		
	2015	2016	2017
	RM'000	RM'000	RM'000
<b>Financial Asset</b>			
<u>Loans and receivables financial assets</u>			
Trade receivables	20,532	22,725	22,903
Other receivables and deposits	203	563	249
Amount owing by related parties	4,768	3,167	53
Fixed deposits with licensed banks	1,139	1,727	1,524
Cash and bank balances	14,676	13,916	10,285
	41,318	42,098	35,014
<b>Financial Liability</b>			
<u>Other financial liabilities</u>			
Trade payables	15,724	7,403	12,084
Other payables and accruals	7,883	8,126	5,381
Amount owing to related parties	6,863	3,027	49
Amount owing to directors	3,264	3,930	-
Bankers' acceptances	230	397	-
Hire purchase payables	810	696	828
Term loans	5,028	10,149	9,371
	39,802	33,728	27,713

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.4 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.

There is no fair value of financial instruments that are carried at fair value. 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			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>FYE 31 December 2015</b>								
Hire purchase payables	-	-	-	-	804	-	804	810
Term loans	-	-	-	-	5,028	-	5,028	5,028
Bankers' acceptances	-	-	-	-	230	-	230	230
<b>FYE 31 December 2016</b>								
Hire purchase payables	-	-	-	-	690	-	690	696
Term loans	-	-	-	-	10,149	-	10,149	10,149
Bankers' acceptances	-	-	-	-	397	-	397	397

## 12. ACCOUNTANTS' REPORT (Cont'd)

## RADIANT GLOBALTECH BERHAD

## NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## 35.4 FAIR VALUE INFORMATION (CONT'D)

There is no fair value of financial instruments that are carried at fair value. 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			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>FYE 31 December 2017</b>							<b>RM'000</b>	<b>RM'000</b>
Hire purchase payables	-	-	-	-	794	-	794	828
Term loans	-	-	-	-	9,371	-	9,371	9,371

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)****35.4 FAIR VALUE INFORMATION (CONT'D)**

The fair value of hire purchase payables and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	<-----FYE 31 December----->		
	2015	2016	2017
	%	%	%
Hire purchase payables	2.70 - 4.95	2.70 - 4.95	2.60 - 4.88
Term loans	4.89 - 5.00	4.50 - 7.67	4.50 - 7.67
Bankers' acceptances	5.71 - 6.61	4.59 - 6.38	-

**36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) The Companies Act 2016 came into effect on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaced the Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that affected the financial statements of the Company upon its initial adoption are:-

- (i) Removal of the authorised share capital; and
- (ii) Ordinary shares ceased to have par value.

The Companies Act 2016 was applied prospectively and the impacts on implementation are disclosed in the respective notes to the financial statements.

- (b) On 15 March 2017, the Company invested RM500,000 representing an equity interest of 20% into Symple Apps Sdn. Bhd. which is principally engaged in the provision of mobile application software.
- (c) During the current financial year, RG Malaysia disposed of its entire equity interest in Accurate Computer Solutions for a total cash consideration of RM50,000.
- (d) On 27 June 2017, the Company undertook a share split involving subdivision of every 1 existing ordinary share in the Company into 20 ordinary shares.
- (e) On 28 June 2017, the Company issued a bonus issue of 90,000,000 new shares credited as fully paid up on the basis of 30 bonus shares for every 1 existing share held by the members of the Company.

**12. ACCOUNTANTS' REPORT (Cont'd)****RADIANT GLOBALTECH BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

- (f) On 29 June 2017, Radiant Globaltech entered into conditional Share Sale and Purchase Agreements with the Vendors of RG Malaysia, RG Solutions and RG Cambodia respectively:-
- (i) to acquire the entire issued share capital of RG Malaysia of RM1,500,000 comprising 1,500,000 ordinary shares for a purchase consideration of RM14,133,000 which was satisfied by the issuance of 282,660,000 new Shares at an issue price of RM0.05 per Share;
  - (ii) to acquire the entire issued share capital of RG Solutions of RM10,000 comprising 10,000 ordinary shares for a purchase consideration of RM1,073,000 which was satisfied by the issuance of 21,460,000 new Shares at an issue price of RM0.05 per Share; and
  - (iii) to acquire the entire issued and paid-up share capital of RG Cambodia of USD5,000 comprising 1,000 ordinary shares of USD5.00 each for a purchase consideration of RM1 which was satisfied by cash.

The purchase considerations of RG Malaysia, RG Solutions and RG Cambodia were arrived at on a willing-buyer willing-seller basis. The acquisitions of RG Malaysia and RG Solutions were completed on 30 June 2017 and RG Cambodia was completed on 25 August 2017. RG Malaysia, RG Solutions and RG Cambodia became wholly-owned subsidiaries of the Company.

**37. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

The Company obtained approval from Bursa Malaysia Securities Berhad for the listing and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

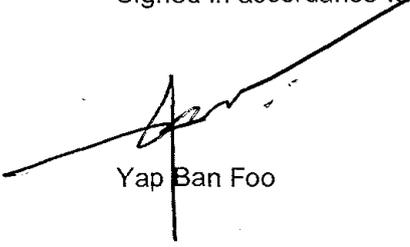
12. ACCOUNTANTS' REPORT (Cont'd)

**RADIANT GLOBALTECH BERHAD**

**STATEMENT BY DIRECTORS**

We, Yap Ban Foo and Yap Sin Sang, being two of the directors of Radiant Globaltech Berhad, state in the opinion of the directors, the financial statements set out on pages 4 to 87 are drawn up in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines so as to give a true and fair view of the financial position of Radiant Globaltech Berhad as at 31 December 2015, 2016 and 2017 and of their financial performance and cash flows for the financial years ended on that date.

Signed in accordance with a resolution of the directors dated **06 JUN 2018**



Yap Ban Foo



Yap Sin Sang

### 13. ADDITIONAL INFORMATION

#### 13.1 SHARE CAPITAL

- (i) No shares will be allotted or issued on the basis of this Prospectus later than six (6) months after the date of this Prospectus.
- (ii) We have no founder, management or deferred shares in our Group. As at the date of this Prospectus, we only have one (1) class of shares, namely issued ordinary shares, all of which rank equally with one another.
- (iii) None of our Group's capital is under any option or agreed conditionally or unconditionally to be put under any option.
- (iv) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group.
- (v) There is no scheme involving our employees in the capital of our Group, except for the Pink Form Allocation.
- (vi) Save as disclosed in Sections 3.1, 5.1.3, 5.2 and 5.3 of this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of our Group have been or are proposed to be issued, in cash or otherwise than in cash, within the two (2) years preceding the date of this Prospectus.
- (vii) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

#### 13.2 EXTRACT OF OUR CONSTITUTION

The following provisions are reproduced from our Company's Constitution which comply with the Listing Requirements, the Act and the Rules.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution unless they are otherwise defined herein or the context otherwise requires:-

##### (1) REMUNERATION, VOTING AND BORROWING POWERS OF DIRECTORS

###### (i) REMUNERATION OF DIRECTORS

The provisions in our Company's Constitution in respect of the remuneration of Directors are as follows:

###### Clause 93 - Directors' remuneration

The fees of the directors and any benefits payable to the directors shall from time to time be determined by way of an Ordinary resolution of the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:

- (a) salaries, benefits and other emoluments payable to Executive Director(s) pursuant to an employment contract or a contract of service need not be determined by the Company in general meeting but such salaries may not include a commission on or percentage of turnover;

**13. ADDITIONAL INFORMATION (Cont'd)**

- (b) fees payable to Non-Executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover; and
- (c) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

**(ii) VOTING AND BORROWING POWERS OF DIRECTORS**

The provisions in our Company's Constitution in respect of the voting and borrowing powers of Directors, including voting powers on proposals, arrangements or contracts in which they are interested in, are as follows:

**Clause 115 – Directors' power to vote**

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security;
- (c) any contract by a director to subscribe for or underwrite shares or debentures of the Company; or
- (d) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as a holder of shares or other securities in that company.

**Clause 114 - Restriction on voting**

Subject to the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

**Clause 111 - Votes by majority Directors and Chairman to have casting vote**

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors present and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote except where at the meeting only two (2) Directors are competent to vote on the question at issue.

**Clause 98 - Directors' borrowing powers**

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and

**13. ADDITIONAL INFORMATION (Cont'd)**

other securities whether outright or as security for any debt, liability or obligation of the Company or any related company as may be thought fit.

- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

**(2) CHANGES TO SHARE CAPITAL AND VARIATION OF CLASS RIGHTS**

The provisions in our Company's Constitution in respect of the changes to share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

**Clause 53 - Power to increase capital**

The Company may from time to time, whether all the shares for the time being issued shall have been fully called up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase may direct.

**Clause 6 - Allotment of shares**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act, any Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:-

- (a) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;
- (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meetings;
- (c) no Director shall participate in a scheme that involves a new issuance of shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director;
- (d) except in the case of an issue of Securities on a pro-rata basis to all Members, placements undertaken in compliance with the Listing Requirements or issuance pursuant to a dividend reinvestment scheme, there shall be no issue of Securities to a Director, major shareholder, chief executive or person connected with any Director, major shareholder or chief executive (hereinafter referred to as the interested Director", "interested major shareholder", "interested chief executive" or "interested person connected with a Director, major shareholder or chief executive" respectively) unless the members in general meeting have approved of the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive, as the case may be. In this Constitution, "major shareholder", "chief executive" and "person connected with any Director, major shareholder or chief executive" shall have the meaning ascribed thereto in the Listing Requirements; and

**13. ADDITIONAL INFORMATION (Cont'd)**

- (e) in the case of shares offered to the public or under a prospectus that is registered under the Capital Markets and Services Act 2007 for subscription, the amount payable on application on each share shall not be less than five per centum (5%) of the offer price of the share.

**Clause 7 - Rights of preference shareholders**

Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:

- (a) the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company; and
- (b) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.

**Clause 9 - Variation of class rights**

Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with:

- (a) the consent in writing of the holders of not less than seventy five per centum (75%) of the total voting rights of the shareholders in that class; or
- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy not least one-third of the number of the issued shares of the class excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. For adjourned meetings, quorum is one person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

**13. ADDITIONAL INFORMATION (Cont'd)****Clause 5 - Class of shares and alteration of share capital**

The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise. The Company shall have the power to increase or reduce the capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company.

**Clause 56 - Power to alter capital**

Subject to the provisions of this Constitution and the Act, the Company may by special resolution: -

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (ii) subdivide its share capital or any part thereof into shares of smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act;
- (iii) convert and/or re-classify any class of shares into any other class of shares; or
- (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

**Clause 57 - Power to reduce capital**

The Company may by special resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Act and the Applicable Laws.

**(3) TRANSFER OF SECURITIES**

The provision in our Company's Constitution in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:-

**Clause 29- Transfer in writing**

Subject to this Constitution, the Central Depositories Act and the Rules, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by instrument in writing in the form prescribed and approved by the Stock Exchange. The instrument shall have been executed by or on behalf of the transferor and the transferee and the transferor shall remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.

**Clause 30 - Transfer of securities**

The transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Securities.

**13. ADDITIONAL INFORMATION (Cont'd)****Clause 31 - No restriction on the transfer of fully paid Securities**

Subject to the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.

**Clause 33 - Suspension of registration**

Subject to the provisions of the Act, the Depositories Act, the Rules and the Listing Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine PROVIDED ALWAYS that such registration shall not be suspended for more than thirty (30) days in any year. At least ten (10) clear Market Days' notice (or such other period as may from time to time be prescribed by Bursa Securities) prior to such closure shall be published in a daily newspaper circulating in Malaysia and shall also be given to Bursa Securities. The said notice shall state the period and purpose or purposes of such closure. The Company shall give notice in accordance with the requirements of the Rules to the Depository to prepare the appropriate Record of Depositors.

**Clause 35 - Renunciation**

Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

**13.3 LIMITATION ON THE RIGHT TO OWN SECURITIES**

There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

**13.4 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The names and addresses of our Directors are set out in Section 1 of this Prospectus.
- (ii) We do not require any Director to hold any qualification shares unless we fix it as a requirement in the general meeting.
- (iii) Save as disclosed in Sections 7.1.5 and 7.2.6 of this Prospectus, there have been no amounts and benefits that have been or are intended to be paid or given to our Promoters, Directors and/or substantial shareholders within the two (2) years preceding the date of this Prospectus.
- (iv) As at the LPD, there is no existing or proposed service agreement contract between our Group, and our Directors or key senior management.
- (v) The details of our Directors' and/or substantial shareholders' direct and indirect interests in the Shares before and after the IPO are set forth in Sections 7.1.2 and 7.2.3 of this Prospectus.
- (vi) Save as disclosed in Section 10 of this Prospectus, none of our Directors and/or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting as at the date of this Prospectus which is significant in relation to our business taken as a whole.
- (vii) Save for the risk factors and financial information highlighted in Sections 4 and 11 of this Prospectus, our Directors and substantial shareholders are not aware of any material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our Group's profits.

**13. ADDITIONAL INFORMATION (Cont'd)**

- (viii) Save for our Promoters and/or substantial shareholders as disclosed in Section 7.1 of this Prospectus, there are no other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

**13.5 GENERAL INFORMATION**

- (i) Save as disclosed in Sections 3.6 and 9 of this Prospectus, neither we nor our subsidiaries have acquired or proposed to acquire any property.
- (ii) The nature of our business and the names of all corporations which are deemed to be related to us by virtue of Section 7 of the Act are disclosed in Section 5 of this Prospectus.
- (iii) The time of the opening of the IPO is set out in "Indicative Timetable" Section and Section 14 of this Prospectus.
- (iv) The amount payable in full on application is RM0.23 per IPO Share.
- (v) The name and address of the auditors are set out in Section 1 of this Prospectus.
- (vi) Save as disclosed in Section 5.4 of this Prospectus, we have not established any other place of business outside Malaysia, Vietnam and Cambodia.
- (vii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set forth in Section 14 of this Prospectus.

**13.6 EXPENSES**

- (i) There have been no commissions, discounts, brokerages or other special terms granted to or paid by us within the two (2) years preceding the date of this Prospectus in connection with the issue or sale of any Shares in or debentures of our Group for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription for, any shares in or debentures of our Group, and none of our Directors or Promoters or experts are entitled to receive any such payment save as set out in Section 3.7 of this Prospectus.
- (ii) We will fully bear all expenses incidental to the listing of and quotation for our entire issued share capital on the ACE Market of Bursa Securities amounting to approximately RM3.500 million as set out in Section 3.6 of this Prospectus.
- (iii) Brokerage fee is payable by our Group in respect of the 11,000,000 Issue Shares at the rate of 1.0% of the IPO Price.

**13.7 MATERIAL LITIGATION**

As at the LPD, we are not engaged in any material litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on our financial position, and our Directors are not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business in the 12 months immediately preceding the date of this Prospectus.

**13. ADDITIONAL INFORMATION (Cont'd)****13.8 MATERIAL CONTRACTS**

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:-

- (i) On 9 September 2015, RG Malaysia entered into a sale and purchase agreement with Paramount Properties Sdn Bhd for the purchase of the Unit 03-06, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, measuring 2,362 square feet, held under Master Title PN 46338 Lot 58190 Mukim and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur for a purchase consideration of RM2,587,660.00, payable in cash. The completion date of the sale and purchase agreement was 8 December 2015;
- (ii) On 9 September 2015, RG Malaysia entered into a sale and purchase agreement with Paramount Properties Sdn Bhd for the purchase of the Unit 03-07, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, measuring 939 square feet, held under Master Title PN 46338 Lot 58190 Mukim and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur for a purchase consideration of RM1,115,300.20, payable in cash. The completion date of the sale and purchase agreement was 8 December 2015;
- (iii) On 29 June 2016, Radiant Globaltech entered into a sale and purchase agreement with Paramount Properties Sdn Bhd for the purchase of the Unit 03-08, Level 3, Tower B Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, measuring 2659 square feet, held under Master Title PN 46338 Lot 58190 Mukim and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur for a purchase consideration of RM3,227,488.00, payable in cash. The completion date of the sale and purchase agreement was 28 September 2016;
- (iv) On 15 March 2017, Radiant Globaltech entered into a Joint Venture Cum Shareholders Agreement with Incredible QR Sdn Bhd and Symple Apps for the purpose of developing and carrying on the business of programming and developing mobile application software for commercialization under Symple Apps. The Joint Venture cum Shareholders Agreement was entered into, amongst others, for Radiant Globaltech to subscribe for 500,000 ordinary shares in Symple Apps representing 20% of the shareholdings in Symple Apps and to regulate the shareholders' rights, obligations and liabilities in Symple Apps;
- (v) On 29 June 2017, Radiant Globaltech entered into a share sale agreement with:
  - (a) the vendors of RG Malaysia, namely Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock for the acquisition by Radiant Globaltech of the entire share capital of RG Malaysia amounting to RM1,500,000 comprising 1,500,000 ordinary shares for a purchase consideration of RM14,133,000 to be satisfied by the issuance of 282,660,000 Radiant Globaltech Shares. The transaction was completed on 30 June 2017;
  - (b) the vendors of RG Solutions, namely Yap Ban Foo, Yap Sin Sang, Yap Poh Keong and Tan Chuan Hock for the acquisition by Radiant Globaltech of the entire share capital of RG Solutions amounting to RM10,000 comprising 10,000 ordinary shares for a purchase consideration of RM1,073,000 to be satisfied by the issuance of 21,460,000 Radiant Globaltech Shares. The transaction was completed on 30 June 2017;
  - (c) the vendor of RG Cambodia, namely Yap Ban Foo for the acquisition by Radiant Globaltech of the entire share capital of RG Cambodia amounting to 20,000,000 Riels comprising of 1,000 ordinary shares of 20,000 Riels each in RG Cambodia for a purchase consideration of RM1.00 to be satisfied by cash. The transaction was completed on 25 August 2017;

**13. ADDITIONAL INFORMATION (Cont'd)**

- (vi) On 23 December 2016, RG Vietnam entered into a deed of assignment with Ideasoftware Solutions for the assignment from Ideasoftware Solution in its capacity as copyright owner to RG Vietnam of all the property, rights, title and interest in the copyright and all other intellectual property rights that subsist in the Ideasoftware software for a consideration of RM1.00; and
- (vii) On 7 June 2018, our Company entered into an Underwriting Agreement with the Sole Underwriter for the underwriting of 32,100,000 Issue Shares under the Public Issue, for the underwriting commission at the rate set out in Section 3.7.2 of this Prospectus.

**13.9 PUBLIC TAKE-OVERS**

During the last financial year and up to the LPD, there were no:-

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by our Group in respect of other companies' shares.

**13.10 REPATRIATION OF CAPITAL AND PROFITS**

- (i) The Kingdom of Cambodia has no significant exchange controls on repatriation of capital and profits. In general, the profits generated from our subsidiary, RG Cambodia can be repatriated without restriction after payment of relevant taxes due.

The relevant laws in this regard are laid down in the Law on foreign exchanges 1997 and Law on taxation 2003.

**(a) Repatriation of capital**

Foreign equity capital invested in RG Cambodia can be repatriated after payment of taxes due on RG Cambodia. Any sale of shares in RG Cambodia is subject to the approval of Ministry of Commerce of the Kingdom of Cambodia.

In the event of liquidation (winding up) of RG Cambodia, the winding up proceeds can be repatriated out of the Kingdom of Cambodia and subject to the necessary declarations to the relevant authorities including the National Bank of Kingdom of Cambodia, no prior approval is required for the same. Such payment will be subjected to applicable taxes in the Kingdom of Cambodia.

**(b) Remittance of profits**

Dividends can be freely repatriated from the Kingdom of Cambodia upon payment of the applicable taxes in the Kingdom of Cambodia including withholding tax, for which a flat rate fourteen percent (14%) is applicable to payments of dividends by RG Cambodia to Radiant Globaltech pursuant to the Law on taxation 2003.

- (ii) As at the LPD, save as set out below, there are no governmental laws, decrees, regulations or other requirements which may affect the repatriation of capital and the remittance of profit of our Vietnam subsidiary, RG Vietnam, to Malaysia:

- (a) Under the laws of Vietnam, the capital and / or profits of a corporation incorporated in Vietnam may be repatriated and / or remitted to its foreign investor in the following manner:-

- (1) Capital reduction under Article 87.1 of the Law on Enterprises 2014;

**13. ADDITIONAL INFORMATION (Cont'd)**

- (2) Distribution of capital and profits on a winding-up in accordance with Article 202.6 of the Law on Enterprises 2014 and Article 26.3 of RG Vietnam's Charter; and
  - (3) Declaration and payment of dividend / profit in accordance with Articles 75.1(l) and 76.6 of Law on Enterprises 2014 and Articles 9.4, 10.2 and 16 of RG Vietnam's Charter.
- (b) The laws of Vietnam also provides that the matters mentioned in Section 13.10(ii)(a)(3) of this Prospectus above shall be subject to the following:-
- (1) The corporation may distribute profit to its owner only when it generates profit from its business and have fulfilled the tax obligations and other financial obligations in accordance with the law, and must ensure that due debts and other property obligations are able to be paid in full after distribution of profit;
  - (2) Foreign investors shall be permitted to remit profit overseas annually or on termination of its direct investment activities after the corporation has fully discharged its financial obligations (such as tax and insurance payment) to the State of Vietnam in accordance with the law and have lodged the audited financial statements and corporate income tax finalisation declaration with the tax authority; and
  - (3) The corporation must send a report to the tax authority at least seven days before implementation under Article 5 of Circular No.186/2010/TT-BTC dated 18 November 2010 of the Ministry of Finance, guiding the remittance abroad of profits earned by foreign investors from their direct investment in Vietnam under the Investment Law.

**13.11 CONSENTS**

- (i) The written consents of the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, Solicitors for the Listing, Principal Bankers, Share Registrar, Issuing House and Company Secretary for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn;
- (ii) The written consent of the External Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn; and
- (iii) The written consent of the Independent Market Researcher for the inclusion in this Prospectus of its name and Industry Overview in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

**13.12 DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at our registered office during office hours for a period of six (6) months from the date of this Prospectus:-

- (i) Our Constitution;
- (ii) The Industry Overview referred to in Section 6 of this Prospectus;
- (iii) The Accountants' Report as included in Section 12 of this Prospectus;

**13. ADDITIONAL INFORMATION (Cont'd)**

- (iv) The Reporting Accountants' Report relating to the Pro Forma Consolidated Statements of Financial Position of our Group as at 31 December 2017 referred to in Section 11.3 of this Prospectus;
- (v) The material contracts referred to in Section 13.8 of this Prospectus;
- (vi) The letters of consent referred to in Section 13.11 of this Prospectus;
- (vii) The Independent Market Research Report; and
- (viii) The audited financial statements of:-
  - (a) Radiant Globaltech for the FYE 31 December 2015 to 2017;
  - (b) RG Malaysia for the FYE 31 December 2015 to 2017;
  - (c) RG Solutions for the FYE 31 December 2015 to 2017;
  - (d) RG Cambodia for the FYE 31 December 2015 to 2017;
  - (e) RG Vietnam for the FYE 31 December 2015 to 2017; and
  - (f) Symple Apps for the FYE 31 December 2017.

**13.13 RESPONSIBILITY STATEMENTS**

- (i) AIBB acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to the IPO; and
- (ii) This Prospectus has been seen and approved by our Directors, Promoters and Offerors, and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT MIH FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

### 14.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD:- 10.00 A.M., 28 June 2018

CLOSING OF THE APPLICATION PERIOD:- 5.00 P.M., 10 July 2018

Applications for the Issue Shares will open and close at the dates stated above.

In the event there is any change to the dates stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

**Late Applications will not be accepted.**

### 14.2 METHODS OF APPLICATIONS

#### 14.2.1 Application for our Issue Shares by the Malaysian Public and our eligible Directors, employees and persons who have contributed to the success of our Group

<u>Types of Application and category of investors</u>	<u>Application Method</u>
Applications by eligible Directors and employees and persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:-	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

**14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****14.2.2 Application by selected investors via Placement**

<b>Types of Application</b>	<b>Application Method</b>
Applications by:-  Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

**14.3 ELIGIBILITY****14.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

**14.3.2 Application by the Malaysian Public**

You can only apply for our Issue Shares if you fulfill all of the following:-

- (i) You must be one of the following:-
  - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or
  - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of MIH or an immediate family member of a director or employee of MIH; and

**14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (iii) You must submit Applications by using only one of the following methods:-
- (a) White Application Form;
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

**14.3.3 Application by eligible Directors, employees and persons who have contributed to the success of our Group**

The eligible Directors, employees and persons (including any entities, wherever established) who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation.

Eligible Directors, employees and persons who have contributed to the success of our Group may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, MIH, AIBB, Participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

**14.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS**

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.23 for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NUMBER 591**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:-

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

Malaysian Issuing House Sdn Bhd (258345-X)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

or

P.O. Box 8269  
Pejabat Pos Kelana Jaya  
46785 Petaling Jaya  
Selangor Darul Ehsan

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Malaysian Issuing House, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on **10 July 2018**.

**14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

We, together with MIH, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to MIH.

**14.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS**

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, HSBC Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad and Standard Chartered Bank Malaysia Berhad (at selected branches only). A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Electronic Participating Financial Institutions.

**14.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS**

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CIMB Investment Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

**14.7 AUTHORITY OF OUR BOARD AND MIH**

MIH, on the authority of our Board reserves the right to:--

- (i) reject Applications which:--
  - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
  - (b) are illegible, incomplete or inaccurate; or
  - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 14.8 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of MIH at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for

**14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

**14.8 OVER/UNDER-SUBSCRIPTION**

In the event of over-subscription, MIH will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by MIH to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on MIH's website ([www.mih.com.my](http://www.mih.com.my)) within one (1) business day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and / or eligible Directors, employees and persons who have contributed to the success of our Group, subject to the underwriting arrangements and reallocation as set out in Section 3.1.3 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

**14.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

**14.9.1 For applications by way of Application Forms**

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

**14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by MIH as per items (i) and (ii) above (as the case may be).
- (iv) MIH reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

**14.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) MIH shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from MIH.
- (ii) You may check your account on the 5<sup>th</sup> Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by MIH by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from MIH.

**14.10 SUCCESSFUL APPLICANTS**

If you are successful in your application:--

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

**14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

**14.11 ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:-

<b>Mode of application</b>	<b>Parties to direct the enquiries</b>
Application Form	MIH Enquiry Services Telephone at telephone no. 03-78418289
Electronic Application	Share Participating Financial Institution
Internet Application	Share Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.