RADIANT GLOBALTECH BERHAD

(Incorporated in Malaysia)

(Company No. 621297-A)

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ANNUAL REPORT 2018

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(Independent Non-Executive Chairman)

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(Independent Non-Executive Director)

Mashitah Binti Osman
(Independent Non-Executive Director)

Yap Poh Keong
(Executive Director - Sales & Software Development)
(Resigned on 28 February 2019)

Company Secretary

Tea Sor Hua (MACS 01324)

Audit Committee

Tevanaigam Randy Chitty (Chairman)
Dato' Siow Kim Lun (Member)
Mashitah Binti Osman (Member)

Nomination and Remuneration Committee

Mashitah Binti Osman (Chairman)
Dato' Siow Kim Lun (Member)
Tevanaigam Randy Chitty (Member)

Risk Management Committee

Tevanaigam Randy Chitty (Chairman)
Dato' Siow Kim Lun (Member)
Mashitah Binti Osman (Member)

Auditors

Crowe Malaysia PLT (LLP0018817-LCA & AF1018)
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone No. : (03) 2788 9999
Fax No. : (03) 2788 9998

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
Wilayah Persekutuan
Telephone No. : (03) 2783 9299
Fax No. : (02) 2783 9222

Registered Office

Third Floor, No. 77, 79 & 81
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7725 1777
Fax No. : (03) 7722 3668

Principal Bankers

Alliance Bank Malaysia Berhad
Hong Leong Bank Berhad

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
Wilayah Persekutuan
Telephone No. : (03) 2242 2059
Fax No. : (03) 2732 9979
Email address : ir@rgtech.com.my

Stock Exchange Listing

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : RGTECH
Stock Code : 0202
www.rgtech.com.my

Sponsor

Alliance Investment Bank Berhad
Level 3, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : (03) 2604 3333
Fax No. : (03) 2691 9028

Corporate Structure

RADIANT GLOBALTECH BERHAD
(Company No. 621297-A)
(Incorporated in Malaysia)

100%
Radiant Global ADC Sdn Bhd
(305424-W)

100%
Radiant Global ADC Vietnam Co Ltd
(0304765787)

100%
Radiant Global Solutions Sdn Bhd
(1029093-W)

100%
Infoconnect Commerce Sdn Bhd
(1278041-X)*

100%
Radiant Global ADC Cambo Pte Ltd
(00004647)

70%
Adaptive POS Sdn Bhd
(1278231-M)*

* acquired subsequent to the year 2018.

Listing Highlights

Date : 7th June 2018
RADIANT signed Underwriting Agreement with Alliance Investment Bank Berhad

Date : 28th June 2018
RADIANT launches its prospectus to the public

Date : 24th July 2018
RADIANT makes it debut on the ACE Market of Bursa Malaysia Securities Berhad.

Directors' Profile

Dato' Siow Kim Lun
Independent Non-Executive Chairman
Malaysian / Male / Aged 69

Dato' Siow Kim Lun ("Dato' Siow") is our Independent Non-Executive Chairman. He was appointed to our Board on 7 August 2017 and is a member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee. He attended all three (3) Board meetings held in the financial year.

Dato' Siow 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.

He started his career in investment banking with Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) as an Executive in 1981 and later joined Permata Chartered Merchant Bank Bhd (now known as Affin Hwang Investment Bank Berhad) as a Manager in 1985. Between 1993 and 2006, he was with the Securities Commission Malaysia where he held several positions including the Director of the Issues and Investment Division and Market Supervision Division.

He is currently an Independent Non-Executive Chairman of EITA Resources Berhad, an Independent Non-Executive Director of UMW Holdings Berhad, Sunway Construction Group Berhad, Hong Leong Assurance Berhad and Eco World International Berhad.

Directors' Profile
Cont'd

Tevanaigam Randy Chitty
Independent Non-Executive Director
Malaysian / Male / Aged 51

Mr. Tevanaigam Randy Chitty ("Mr. Randy") is our Independent Non-Executive Director. He was appointed to our Board on 7 August 2017 and is the Chairman of the Audit Committee and Risk Management Committee. He is also a member of Nomination and Remuneration Committee. He attended all three (3) Board meetings held in the financial year.

Mr. Randy is a member of the Malaysian Institute of Certified Public Accountants since 1994. Mr. Randy started his career with Ernst & Young in 1989 until 1993 in the Audit Department. He then joined the Corporate Finance Division of Arab Malaysian Merchant Bank Berhad until 1996. In 1997, he joined TA Securities Berhad as a Senior Manager in the Corporate Finance Division. Mr. Randy continued his career as Group General Manager for Pancaran Ikrab Berhad in 1999. In 2002, he joined the Finance Department of Bukit Kiara Properties Sdn. Bhd. as General Manager. Subsequently in 2003, he joined as the Group General Manager (Finance) at AWC Facility Solutions Berhad (now known as AWC Berhad).

In 2008, Mr. Randy joined the International Corporate Finance Unit of Kenanga Investment Bank Berhad as a Director/Senior Vice President.

From 2009 till 2014, he undertook several advisory projects as a freelance corporate finance consultant.

Mr. Randy served as the Chief Financial Officer of AWC Berhad from 2015 until 2018, when he left to join Malaysia Smelting Corporation Berhad as the Group Chief Financial Officer. He left MSC in November 2018 and now serves as the Chief Financial Officer for KA Petra Sdn. Bhd.

Presently, he is the Senior Independent Non-Executive Director of LKL International Berhad (appointed on 23 July 2015).

Directors' Profile
Cont'd

Mashitah Binti Osman
Independent Non-Executive Director
Malaysian / Female / Aged 61

Puan Mashitah Binti Osman ("Puan Mashitah") is our Independent Non-Executive Director. She was appointed to our Board on 7 August 2017 and is the Chairman of the Nomination and Remuneration Committee. She is also a member of the Audit Committee and Risk Management Committee. She attended all three (3) Board meetings held in the financial year.

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 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. Puan Mashitah served as the Chief Operating Officer (Business) of Bank Muamalat Malaysia Berhad from 2014 until 2016.

She does not hold directorships in any other public companies and listed issuers.

Directors' Profile
Cont'd

Yap Ban Foo
Managing Director
Malaysian / Male / Aged 54

Mr. Yap Ban Foo 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. He attended all three (3) Board meetings held in the financial year.

Mr. Yap Ban Foo completed his Diploma in Computer Studies from ICL Training Services in 1988.

He commenced his career as a Trainee Programmer in Powercomp Automation Sdn. Bhd. in 1988 and was promoted to Programmer and Senior Programmer in 1989 and 1990 respectively. Subsequently in 1991, he moved on to Powercomp Engineering Sdn. Bhd. as a Senior Programmer and was promoted to Analyst Programmer in 1993. Subsequently, he joined Radiant Global ADC Sdn. Bhd. as a Technical Manager in 1994 and became a Director and shareholder of Radiant Global ADC Sdn. Bhd. in 1995. His previous experience as a programmer in retail technology solutions led him to build up Radiant Global ADC Sdn. Bhd.

He assumed his current position as Managing Director in August 2017. He brings with him over 30 years of experience in retail technology and point of sale ("POS") industry, with over 20 years of experience with our Group.

He does not hold directorships in any other public companies and listed issuers.

Yap Sin Sang
Executive Director – Operations
Malaysian / Male / Aged 56

Mr. Yap Sin Sang 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 attended all three (3) Board meetings held in the financial year.

Mr. Yap Sin Sang started his career in his family retail business, Syarikat Joo Long. In 1984, he worked in Paling Industry Sdn. Bhd. as a Technical Assistant and was later promoted to Assistant Supervisor in 1984. From 1986 to 1987, he moved to Kian Joo Can Factory Sdn. Bhd. as a Supervisor. He moved to Powercomp Automation Sdn. Bhd. in 1988 as an Engineer. He co-founded and worked in Softone Lite Sdn. Bhd. in 1992.

In 1994, he joined Radiant Global ADC Sdn. Bhd. as a Technical Manager whereby he provided oversight on technical matters, installation and hardware product testing. In 1995, he was appointed as a Director of Radiant Global ADC Sdn. Bhd. and subsequently became a shareholder of Radiant Global ADC Sdn. Bhd. 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.

He does not hold directorships in any other public companies and listed issuers.

Notes:

1. *None of the Directors have family relationship with any Directors and/or major shareholders of the Company.*
2. *None of the Directors have any conflict of interests with the Company.*
3. *None of the Directors have been convicted of any offences (other than traffic offences, if any) within the past five (5) years or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.*

Key Senior Management Profile

Yap Siok Chin
General Manager - Corporate Affairs
Malaysian / Female / Aged 54

Ms. Yap Siok Chin is our General Manager - Corporate Affairs. She is presently responsible for overall finance, administration and human resource ("HR") functions of our Group.

Ms. 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. The following year, she moved to Coopers & Lybrand Sdn. Bhd. as an Audit Assistant. In 1990, she joined Permanis Sdn. Bhd. as a Financial Analyst and was promoted to Assistant Accountant in 1992. In 1993, she joined Kenso Marketing (M) Sdn. Bhd. as an Assistant Accountant and was promoted to Accountant a year later. In 1995, she joined MTD Construction Sdn. Bhd. as an Accountant. She served as a Finance Manager of Alloy Consolidated Sdn. Bhd. to oversee the Finance Department from 2000 to 2001.

She joined Radiant Global ADC Sdn. Bhd. as a Finance Consultant in 2001. She brings with her over 20 years of experience in finance, administration, HR and accounting.

She does not hold directorships in public companies and listed issuers.

Lee Sook Kuan
Group Accountant
Malaysian / Female / Aged 35

Ms. Lee Sook Kuan, Malaysian 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 MIA.

In 2007, she began her career as an Audit Assistant in Kong Cheong & Co. She was promoted to Audit Assistant Semi-Senior in the same year. In 2008, she joined L M Chan & Associates. In 2010, after a short career break, she joined Delta China Technologies Limited, a company registered in Hong Kong, as a Senior Finance Executive. 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. She was certified as a Goods and Services Tax Advice Agent from the Royal Customs Department Malaysia in 2014.

In 2016, she joined our Group as the Corporate Finance Manager, and was promoted to Group Accountant in 2017, reporting directly to our Managing Director.

She does not hold directorships in public companies and listed issuers.

Key Senior Management Profile
Cont'd

Loh Soh Wei
Head of Software (Radiant Globaltech Berhad)
Malaysian / Female / Aged 37

Ms. Loh Soh Wei is our Head of Software (Radiant Globaltech Berhad). 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. In 2006, she joined our Group as an Analyst Programmer, before moving on to SONY Malaysia Sdn. Bhd. in 2008.

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 2017, she was promoted to her present position as Head of Software (Radiant Globaltech Berhad). She brings with her over 10 years of experience in the software industry.

She does not hold directorships in public companies and listed issuers.

Ong Eng Hu
Head of Software (Radiant Global Solutions Sdn. Bhd.)
Malaysian / Male / Aged 36

Mr. Ong Eng Hu is our Head of Software (Radiant Global Solutions Sdn. Bhd.). He is jointly responsible for leading our Software Development team as well as oversees and leads our third-party software team.

He graduated with a Bachelor of Information Systems (Honours) Business Information Systems from University Tunku Abdul Rahman in 2007.

He started his career in IT as a System Analyst with SonyEMCS Malaysia Sdn. Bhd. Later that year, he moved on to Accenovate Technology Sdn. Bhd. as Technical Specialist. In 2009, he joined Ideasoft Solutions Sdn. Bhd. as Application Specialist.

In 2013, he joined Radiant Global Solutions Sdn. Bhd. as System Manager and in 2017, he was promoted to his present position as Head of Software *(Radiant Global Solutions Sdn. Bhd.)* and brings with him almost 10 years of experience in the software industry.

He does not hold directorships in public companies and listed issuers.

Key Senior Management Profile
Cont'd

Chai Fuie Nge
Head of Sales
Malaysian / Female / Aged 49

Ms. Chai Fuie Nge 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 Managing Director.

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. Thereafter, she joined the GHL Group in 1994. In 1998, she worked as a Customer Service Officer in GHL Technologies Sdn. Bhd. In 2000, she joined GHL Infosys Sdn. Bhd. as a Corporate Account Manager and at the end of 2000, she became a Corporate Account Manager in JOS System (Malaysia) Sdn. Bhd. In 2002, she was a Corporate Account Manager in Jardine OneSolution (2001) Sdn. Bhd. and was promoted to Senior Corporate Account Manager in 2005. In 2008, she was a Corporate Sales Manager in Jardine OneSolution (2001) Sdn. Bhd. and was promoted to Senior Corporate Sales Manager in 2011. She was promoted again to General Sales Manager in 2012.

In 2016, she joined our Group as Head of Sales and brings with her almost 20 years of experience in the sales industry.

She does not hold directorships in public companies and listed issuers.

Yeap Chee Keong
Head of Technical
Malaysian / Male / Aged 50

Mr. Yeap Chee Keong 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. 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.). In 1996, he moved on to Business Solution Company (China) Ltd as System Manager overseeing the Technical Support Division. Then in 1998, he joined NCK Wire Products Sdn. Bhd. as Head of MIS Department. In 2001, he joined Malayan United Management Sdn. Bhd. as Project Manager. Subsequently in 2007, he joined CCI Systems (M) Sdn. Bhd. (now known as Wincor Nixdorf Retail Solutions (M) Sdn. Bhd.) as Manager - System Management.

In 2012, he joined our Group as Customer Service Manager and he assumed a position as Technical Manager in 2015. In 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.

He does not hold directorships in public companies and listed issuers.

Key Senior Management Profile
Cont'd

Yong Soo Ching
Head of Pre-sales
Malaysian / Male / Aged 40

Mr. Yong Soo Ching is our Head of Pre-sales. He is responsible for managing and leading our pre-sales team, reporting directly to our Executive Director - Operations.

He obtained a Diploma in Electrical/Electronic Engineering from Institut Teknologi Pertama in 2000.

He joined our Group as a Technical Engineer. In 2002, he was promoted to Senior Technical Engineer and subsequently promoted to Technical Support in 2003. Subsequently in 2005, he was promoted to Technical Manager Application.

In 2015, he was further promoted to Application Manager and in 2017, he assumed his present position as Head of Pre-sales.

He does not hold directorships in public companies and listed issuers.

Tran Phu Vinh
Deputy General Director – Vietnam
Vietnamese / Male / Aged 47

Mr. Tran Phu Vinh 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 where 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. Subsequently in 2004, he moved on to Parkson Vietnam Co. Ltd. as IT Manager.

He joined our Group in 2008, where he assumed the position as Deputy General Director - Vietnam and brings with him extensive domain expertise and industry proficiency.

He does not hold directorships in public companies and listed issuers.

Notes:

1. *None of the Key Senior Management personnel have any family relationships with any Directors and/or major shareholders of the Company, except the following:-*
   (a) Ms. Yap Siok Chin who is the sister of Mr. Yap Sin Sang, an Executive Director of the Company.
2. *None of the Key Senior Management personnel have any conflict of interests with the Company.*
3. *None of the Key Senior Management personnel have been convicted of any offences (other than traffic offences, if any) within the past five (5) years or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.*

CHAIRMAN'S STATEMENT

Dato' Siow Kim Lun
(Independent Non-Executive Chairman)

DEAR VALUED SHAREHOLDERS,

It is my pleasure to present to you our first annual report for the financial year ended 31 December 2018 (FY2018). 2018 was indeed a memorable year for us as we embarked on our new growth trajectory with the listing of our company on the ACE Market of Bursa Malaysia Securities Berhad.

The Malaysian economy registered a healthy growth in Gross Domestic Product (GDP) at a slower pace of 4.7% in 2018 against 5.9% in 2017. This was largely driven by resilient private consumption, favourable wage and employment growth.

The wholesale and retail sector grew by 8.1% in 2018 from 7.1% in 2017. This was commendable amidst the transition from zerorisation of the Goods and Services Tax (GST) for the three-month period between June and August 2018, followed by the abolishment of GST and implementation of the Sales and Services Tax in September 2018.

Bank Negara has projected that the Malaysia economy will remain in a steady growth path with a baseline growth rate of between 4.3% and 4.8% in 2019, and that private sector expenditure will remain resilient.

Retail sales is expected to grow by 4.5% in 2019, underpinned by the increase in minimum wage to RM1,100 per month, and the Government's programmes to help the Bottom 40% (B40) group. These measures should improve the purchasing power of the lower-income group and strengthen domestic demand.

In addition, the fuel subsidy of RON95 and diesel will also help boost domestic consumption as consumers will have a higher disposable income. As a result, this should benefit the Group as our business is dependent on the robustness of retail business and traffic in Malaysia.

We will leverage on our comparative advantage to better serve our customers in various sectors of retail industry and the non-retail market. Going forward, we will work hard to further expand our clientele and widen our geographical reach.

I would like to extend my heartfelt gratitude to my colleagues at the Board, key management, and all our employees for your relentless efforts in building our track record of being an integrated retail solutions provider. The success we enjoy today was made possible by your commitment, good work ethic, and dedication.

I am also grateful to our business partners, associates, suppliers, customers, and valued shareholders for your support for Radiant Group. We will continue to improve our operations and bring greater value to our stakeholders, alongside our aspiration to become a trusted retail solutions firm in the region.

Sincerely,
Dato' Siow Kim Lun
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS,

2018 was certainly a significant year for Radiant Globaltech Berhad ("Radiant Group" or the "Group"), as we achieved a new milestone in our corporate history to be successfully listed on the ACE Market of Bursa Malaysia Securities Berhad on 24 July 2018. Beyond reinforcing our 24-year track record, becoming a listed entity gears us up for the next chapter in our growth journey.

Therefore, the Board of Directors ("Board") is pleased to present to you the financial statements and Annual Report for the financial year ended 31 December 2018 ("FY2018").

OVERVIEW

Radiant Group is an integrated provider of retail technology solutions in Malaysia, encompassing hardware, software, as well as maintenance and technical support services. Radiant Group's retail technology solutions are used in the retail sector to automate customers' operations, in order to increase efficiency and reduce costs.

Furthermore, the Group's retail technology solutions are used for capturing and processing payments (i.e. Point of Sales ("POS")), inventory management, analytics and reporting, as well as sales and marketing (i.e. customer loyalty management).

The Group has operational presence in Malaysia, Vietnam and Cambodia. Radiant Group obtained MSC-Malaysia status and Pioneer Status in December 2014.

The Group's customer base comprises reputable and wide-network retail chains including 99 Speedmart, Watsons, Guardian, Cold Storage, Parkson and AEON Big.

Management Discussion And Analysis
Cont'd

- **Hardware**

  The Group's hardware business consists of distribution of retail hardware products such as POS equipment, barcode scanners, handheld terminals, barcode printers, hardware consumables and weighing scales to a wide variety of retailers ranging from convenience stores and pharmacies to super-and-hyper markets.

- **Software**

  The Group's software solutions segment can be segregated into two divisions, i.e. third party and in-house software solutions. The third-party software that the Group distributes to retailers are Microsoft Dynamics NAV and LS Retail.

  Additionally, the Group has proven its expertise in developing its in-house software for retail management and handheld/desktop applications. These are mainly focused on retail, non-retail and food and beverage ("F&B") management software such as AX Retail B2B, AX Non-Retail B2B, AX Retail Consignment portals, POSplus and other software for handheld terminals and desktops.

- **Maintenance and Technical Support Services**

  Radiant Group's maintenance and technical support services comprise information technology ("IT") support services, hardware maintenance services and technical support for operating systems and the Group's in-house software solutions.

OPERATIONS REVIEW

In line with our growth aspirations, we marked significant operational highlights in our maiden year as a listed entity.

- **Secured New Customers**

  We secured a few new customers in FY2018, of which two notably stood out.

  The first major customer is a reputable international (F&B) chain in Malaysia. Radiant Group will provide support services to more than 250 outlets nationwide with a contract duration of minimum 24 months. The addition of the F&B customer to our client base marks the Group's first direct relationship with a F&B player, in line with our growth strategy of penetrating the F&B sector.

  The other significant customer is a notable grocery-chain in Malaysia. The grocery-chain will be adopting the use of our AX Retail B2B Portal to facilitate seamless transactions between its 20-plus outlets and network of suppliers.

- **Undertook Two Acquisitions**

  We had announced in December 2018 the acquisitions of two companies, Adaptive POS Sdn. Bhd. ("APSB") and Infoconnect Commerce Sdn. Bhd. ("ICSB"), for a total purchase consideration of RM2.1 million.

  The Group acquired a 70% stake in APSB for RM1.4 million. Principally engaged in the business of computer programming and computer consultancy, APSB's business involves the provision of POS software system for the F&B sector. Its customer portfolio includes prominent F&B chains in Malaysia and Singapore.

  Additionally, Radiant Group acquired a 100% stake in ICSB for RM0.7 million. ICSB is principally engaged in the business of computer programming activities and computer consultancy, encompassing the provision of E-ordering software solution, software integration and related services.

  The acquisitions, paid for in cash through internally-generated funds, were completed in January 2019, and are expected to contribute to the Group's topline starting from the financial year ending 31 December 2019 ("FY2019").

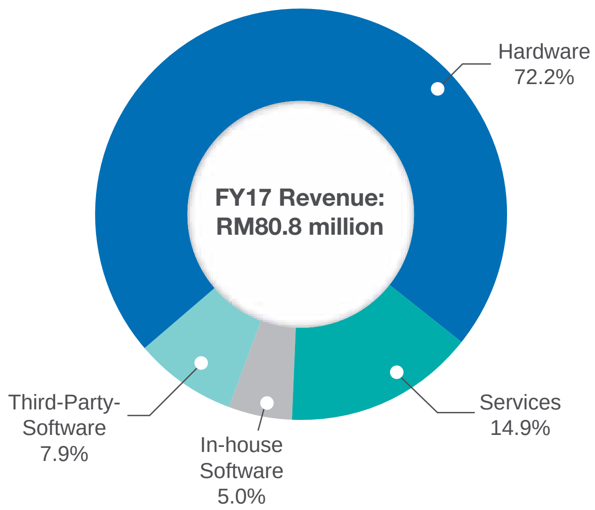
Management Discussion And Analysis
Cont'd

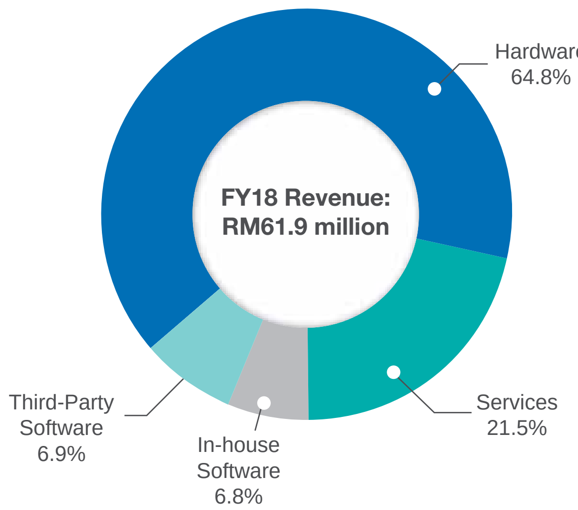
FINANCIAL OVERVIEW

FY2018 proved to be a challenging year for the Group, as the removal of Goods and Services Tax and the implementation of Sales and Services Tax ("SST") required retailers to make multiple adjustments, and thus disrupting retail sector growth in Malaysia. This resulted in our FY2018 revenue declining 23.4% to RM61.9 million from RM80.8 million in the financial year ended 31 December ("FY2017").

Of this, 64.8% or RM40.1 million of the Group's total revenue of RM61.9 million was derived from the hardware segment, while the software segment contributed 13.7% or RM8.5 million (In-house: 6.8%/RM4.2 million, Third-party: 6.9%/RM4.3 million). The balance 21.5% or RM13.3 million was from the maintenance and technical support services.

As a comparison, the Group's hardware segment contributed 72.2% or RM58.3 million of FY2017 revenue of RM80.8 million, while the software division contributed 12.9% or RM10.4 million (In-house: 5.0%/RM4.0 million, Third-party: 7.9%/RM6.4 million).The remaining 14.9% or RM12.1 million was from the maintenance and technical support services.





Corresponding with the weaker topline, the Group registered 16.7% lower FY2018 gross profit of RM27.9 million from RM33.5 million previously. Nonetheless, Radiant Group achieved higher gross profit margin of 45.0% from 41.5% in FY2017 on higher contribution from maintenance and technical support services segment.

The reduced revenue base, coupled with higher expenses arising from listing expenses and larger workforce, resulted in the Group's profit before tax decreasing 53.3% to RM4.2 million in the year under review compared to RM9.0 million a year ago. Net profit attributable to shareholders similarly reduced to RM3.0 million, versus RM7.1 million previously.

Notwithstanding this, the Group remains resolute in facing the headwinds, while seeking measures to continue on our growth path.

ASSETS, LIABILITIES AND EQUITY

The Group's total asset base grew substantially to RM74.1 million as at 31 December 2018 from RM59.4 million as at 31 December 2017. This was mainly attributed to proceeds raised from the Initial Public Offering ("IPO").

Total liabilities reduced significantly to RM15.5 million in FY2018 from RM32.0 million a year ago on lower trade payables and term loans.

The larger share capital from the issuance of new shares pursuant to the IPO, as well as higher retained earnings pushed shareholders' equity to RM58.6 million as at end of 2018, from RM27.4 million a year ago. The Group maintained its net cash position as at end of 2018, allowing the Group sufficient flexibility to fund its expansion plans.

Management Discussion And Analysis
Cont'd

CAPITAL EXPENDITURE

Radiant Group incurred RM0.7 million in capital expenditure ("CAPEX") in FY2018 for the purchase of furniture and fittings, and renovation of the Group's existing office premises.

From the Group's IPO proceeds, Radiant Group has allocated RM10.5 million in CAPEX in FY2019 to acquire a new office unit and equipment to support business operations in Malaysia, as well as to acquire new motor vehicles and computer equipment and also for new office renovation for its Vietnam operations.

DIVIDEND POLICY

The Board recognises that the Group presently does not have a fixed dividend policy and is in the growth phase, requiring capital for new product development, marketing and other expenses to grow the business for the long-term. Delivering sustainable performance is our first priority and beneficial to all, from management and employees to shareholders.

Although Radiant Group did not declare any dividend in the year under review, the Board will explore distributing dividends in the future in order to reward shareholders.

ANTICIPATED OR KNOWN RISKS

As an integrated retail solutions player, the Group's operations are exposed to several risks. The following are among the key potential risks and uncertainties that may adversely impact the business, financial condition and the results of the operations:

- **Risk of dependence on the retail industry**

  We serve mainly the retail industry, as our major customer types are departmental 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 sector may have a material adverse effect on our Group's business operations and financial performance.

  However, we have taken steps to expand our reach to encompass different sub-sectors within and beyond the retail industry, as demonstrated through our recent acquisitions of APSB and ICSB. This allows us to diversify our client portfolio and reduce the risk of being over-reliant on a certain industry.

- **Risk of being 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 brick and mortar retail shops. Given that most of our major customers are owners of physical retail stores, 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, which may result in a decline in the number of physical stores in the future.

  We are mitigating this risk by serving markets beyond the retail industry such as F&B and industrial sectors to alleviate this risk. Alongside this, the Group's retail portals are positioned to serve the E-commerce sectors, thereby growing alongside the E-commerce sector.

Management Discussion And Analysis
Cont'd

GROWTH STRATEGIES

Malaysia's economy is expected to grow by 4.9% in 2019, backed by stronger performance of domestic and external trade sectors. As a result, the retail sector in Malaysia is expected to continue its upward trend in 2019, spurred by the implementation of various policies by the Government to improve disposable income.

Similarly, Southeast Asia's ("SEA") economy is forecasted to grow by an annual average of 5.2% in 2019 to 2023, as local demand is likely to sustain its momentum, particularly household spending.

Being an integrated retail technology solutions player, we intend to position ourselves to capture future growth through the following strategies:

- **Extend reach into different suite of services**

  For one, the acquisitions of APSB and ICSB enable us to expand our product portfolio. The Group will be providing POS software systems to the F&B players through APSB and a full suite of services of E-ordering software solutions, software integration and related services to the industrial sector through ICSB.

  Furthermore, in March 2019, we entered into a Reseller Agreement with Strongpoint Technology AB ("Strongpoint"), which provides us with the exclusive rights to sell, distribute and provide support for their products and services within Malaysia and Singapore for 24 months from 15 March 2019.

  Strongpoint is involved in selling, distributing and providing retail technology products and services to the retail industry. Strongpoint's products and services range from cash management solutions, storage stations, vending machines, self-checkout machines and an E-commerce logistics suite.

  This agreement allows us to capitalise on Strongpoint's core expertise of hardware products for the retail industry and cross-sell our in-house retail technology solution portals, enabling us to gain a bigger market share in the region going forward.

- **Expanding geographical footprint**

  We are mindful of the economic growth and rapid urbanization in SEA, which create a conducive environment for the retail sector. The anticipated conversion from manual systems to automated retail technology solutions presents growth opportunities for us.

  Having established operational presence in Malaysia, Vietnam and Cambodia, we aim to continue our expansion plans in the SEA region.

- **Diversify into different customer types**

  We are also targeting to diversify into various customer types within the retail industry such as shopping centre retailers, airport retailers and utility retailers. Since our in-house retail software solution portal can be implemented in various retail types, we are hoping to secure customers from different sectors within the retail market going forward.

  At the same time, the Group is actively seeking to penetrate into new customer segments in order to mitigate single-sector concentration risk and tap into the growth momentum of new industries in the future.

  To this end, the acquisitions of APSB and ICSB effectively enable us to enter into the F&B and industrial sectors to broaden the reach of our market coverage. This not only allows us to access their existing customers, but also increases the clientele base within the similar sectors going forward.

All in all, we are optimistic of soaring to greater heights as we head into the new financial year, backed by our strong management team and competitive edge in the retail technology solutions sector.

Sincerely,

Yap Ban Foo
Managing Director

Sustainability Statement

The Board of Directors acknowledges the importance of embedding sustainability into the operations of the Company and its subsidiaries (“the Group”) in order to fulfil the expectation and requirement of its stakeholders, and to provide better understanding on the Group’s business approaches in managing economic, environment and social risks and opportunities.

The Group believes that a balanced approach to sustainability will build trust and further solidify its reputation in the industry. This sustainability report outlines the Group’s endeavours throughout the financial year under review in areas where the Group’s expertise and resources can make a positive difference for present and future generations. It provides comprehensive details of the Group’s sustainability activities with respect to the following core areas:

ECONOMIC

The Group provides total retail technology solutions along with maintenance and technical support services that enable its customers to automate their operations, people connectivity, processes and technology. The Group helps its customers’ business operate faster, more efficiently and less costly. As the Group predominantly serves retail customers, this is expected to support the domestic and regional retail market, thereby promoting economic activity to take place in the country.

Further, the Group creates job opportunities in Malaysia, Vietnam and Cambodia with its business presence. As at 31 December 2018, the Group employs 206 employees in Malaysia, 29 employees in Vietnam and 6 employees in Cambodia. As the Group continues to grow, it will increase its workforce which will consequently create more job opportunities in these countries.

The Group also strives to provide solutions that meet or exceed customer expectations in order to ensure the sustainability of its business in the industry it operates in. By doing so, the Group believes that it can maintain its industry reputation, retain customers and differentiate from its competitors. The Group believes that this philosophy has enabled it to build a strong customer base consisting of several longstanding customers.

The Group also promotes transparency within its organisation, and guards against conflict of interest, fraud and money laundering. The Group will ensure that transparency is maintained with regards to its financial performance, and material information pertaining to its business activities is communicated in a timely manner.

ENVIRONMENTAL

The Group is conscious of its impact on the environment, and aims to gradually reduce its environmental footprint by adopting a responsible approach in its daily operations.

The Group has developed its in-house retail management software, which helps customers to track business documents (such as purchase orders, delivery notes and invoices) and manage sales details electronically. This encourages the Group’s customers to minimise paper usage, which would have a positive impact on the environment.

In the workplace, the Group has developed a culture which encourages the employees to be aware of their individual role in protecting the environment by reducing electricity and paper usage, recycling plastic wastes as well as re-using papers and envelopes. Energy-efficient bulbs are used throughout the office, and all computer peripherals and lighting are switched off when not in use.

In line with commitment to reduce carbon footprints, employees are encouraged to fully maximise the benefits of electronic environment (e.g. email and instant messaging) for communication and only print hard copies when necessary. The Group ensures that waste is recycled where possible, and that non-recyclable waste is disposed of responsibly.

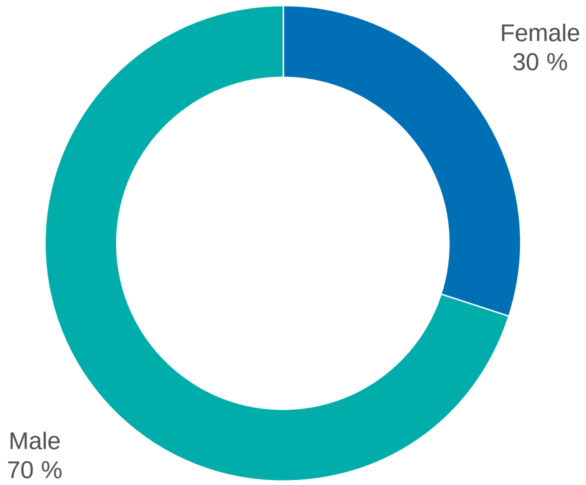
Sustainability Statement

Cont'd

SOCIAL

The Group recognises that its employees are valuable assets – the key for an organisation to succeed. The Group strives to bring on board the best talent from diverse backgrounds as diversity enriches its capacity to create and innovate and enables it to respond more effectively to a dynamic financial landscape. With this in mind, the Group promotes equal opportunities whereby providing job opportunities are based on individual merit.

The Group also promotes gender diversity. While it does not set any specific target for female employees, the Group endeavours to promote more females in its organisation. As at 31 December 2018, 30% of the Group's Senior Management team are females.



The Group also strives to retain skilled employees and attract new talents through providing continuous technical training and reward employees with competitive remuneration packages especially for technical and management personnel. By providing continuous training programmes, the Group is steadfast in supporting the employees' professional development in order to enhance their performance and productivity while at the same time, increase their value and future marketability.

In order to foster a greater team spirit and unity, the Group organises a variety of recreational activities such as staff dinner, festive gatherings and birthday celebration to create an amiable workplace for its employees. In addition, medical benefits are provided to employees.

CONCLUSION

The Group is committed to conduct its business in a responsible and meaningful manner by upholding good environmental and social values which will make a difference to its environment and societies. The Group is continuously looking for new ways to incorporate sustainability practices into its business operations. It intends to continuously operate in a responsible manner by optimising the Group's resources and reducing the generation of waste.

The Group also strives to achieve a sustainable financial performance and fulfill its obligation to its stakeholders. It is committed to upholding integrity to preserve shareholders' interest, and will continue its efforts in maintaining high standards of corporate ethics and strict compliance with laws and regulations.

To this end, the Group's sustainability efforts are focused on enhancing its value propositions for its stakeholders and customers with the adoption of best practices. The Group will be watchful of the industry trends and adapt accordingly to remain at the forefront, and to stay relevant to its stakeholders.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Radiant Globaltech Berhad ("Radiant" or "the Company") recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company. The Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its duties and responsibilities to enhance shareholders' value, be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code").

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report 2018 ("CG Report"), based on a prescribed format as enumerated in Rule 15.25(2) of the ACE Market Listing Requirements ("ACE Market LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of the Group's corporate governance practices as set out in the Code throughout the financial year ended 31 December 2018 ("FYE 2018"). The CG Report is available on the Company's website at www.rgtech.com.my, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Board's Leadership on Objective and Goals

1.1 The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership including practicing a high level of good governance to ensure long-term success of the Group and the delivery of sustainable value to its stakeholders.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board. The Board also delegates certain responsibilities to the following Board Committees, all of which operate within their respective Terms of Reference:-

a. Audit Committee ("AC");
b. Nomination and Remuneration Committee ("NRC"); and
c. Risk Management Committee ("RMC").

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, the Board has, amongst others:-

- promoted good corporate governance culture within the Group which reinforces ethical, prudent and professional conduct;
- reviewed, challenged and decided on Management's proposals for the Group, and monitor its implementation;
- ensured that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- assessed Management performance;
- ensured there is a sound framework for internal controls and risk management;
- recognised the principal risks of the Group's business and that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensured that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensured that Senior Management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board and Senior Management;
- ensured that the Group has in place procedures to enable effective communication with shareholders and stakeholders; and
- ensured the integrity of the Group's financial and non-financial reporting.

Corporate Governance Overview Statement
Cont'd

1.2 The Chairman of the Board, Dato' Siow Kim Lun, holds an Independent Non-Executive position and is primarily responsible for the leadership, governance and conduct of the Board as well as ensuring the Board's effectiveness.

The responsibilities of the Chairman of the Board, amongst others, are as follows:-

(i) To provide leadership to the Board.
(ii) To oversee the effective discharge of the Board's supervisory role.
(iii) To facilitate the effective contribution of all Directors.
(iv) To conduct and chair Board Meetings and General Meetings of the Company.
(v) To manage Board communications and Board effectiveness and effective supervision over Management.
(vi) To ensure Board Meetings and General Meetings are in compliance with good conduct and best practices.
(vii) To promote constructive and respectful relations between Board members and between the Board and the Management.
(viii) To ensure that quality information to facilitate decision-making is delivered to the Board on timely manner.
(ix) Together with the Managing Director ("MD"), represents the Company and/or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

1.3 The position of the Chairman and MD are held by two different individuals and each has a clear accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.

The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitate constructive deliberation of matters in hand, whilst the MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

1.4 The Board is supported by a suitably qualified and competent Company Secretary. The Company Secretary is a member of the Malaysian Association of Company Secretaries and is holding a professional certificate as qualified Company Secretary under the Companies Act 2016. The Company Secretary possesses over 25 years of experience in corporate secretarial practices and is supported by a team of competent company secretarial personnel.

The Company Secretary has –

- together with Management, managed all Board and Board Committee meeting logistics;
- attended and recorded minutes of all Board and Board Committee meetings and facilitated Board communications;
- advised the Board on its roles and responsibilities;
- advised the Board on corporate disclosures and compliance with Company and Securities Commission's regulations and ACE Market LR; and
- monitored corporate governance developments and advised the Board on adoption of corporate governance practices.

1.5 Annual meeting calendar is prepared and circulated in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules.

The notice of meetings of the Board and Board Committees are sent to the Directors via emails at least five (5) working days prior to the date of the meetings. Meeting materials are also circulated to Directors at least five (5) business days in advance of the Board and Board Committee meetings to ensure they have been given sufficient time to prepare for the meetings.

The deliberations and decision of matters discussed in the Board and Board Committees meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. The minutes of meetings are circulated to the respective Board and Board Committees for review in a timely manner before it is finalised and tabled at the next meeting for confirmation.

Corporate Governance Overview Statement
Cont'd

2. Demarcation of Responsibilities between the Board, Board Committees and the Management

2.1 The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as Directors and the functions of the Board Committees. The Board Charter is available on the Company's website at www.rgtech.com.my.

The Board Charter will be reviewed as and when necessary to ensure that it remains consistent with the Board's objectives and responsibilities, and reflect the latest compliance requirements as a result of changes in the regulatory framework.

3. Good Business Conduct and Healthy Corporate Culture

3.1 The Code of Ethics and Conduct is incorporated in the Board Charter of the Company and published on the Company's website at www.rgtech.com.my.

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board regularly to ensure that it continues to remain relevant and appropriate.

3.2 A Whistle Blowing Policy was adopted by the Board on 6 June 2018 with the intention to promote the highest standard of corporate governance and business integrity. The Whistle Blowing Policy is available on the Company's website at www.rgtech.com.my.

The Whistle Blowing Policy provides an avenue for its employees to raise genuine concerns or report any misconduct, breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner.

PART II – BOARD COMPOSITION

4. Board's Objectivity

4.1 The composition of the Board complies with Rule 15.02 of the ACE Market LR, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are Independent Directors. Currently, the Board has five (5) members as follows:-

	Board Members	Designations
1.	Dato' Siow Kim Lun	Independent Non-Executive Chairman
2.	Yap Ban Foo	MD
3.	Yap Sin Sang	Executive Director
4.	Tevanaigam Randy Chitty	Independent Non-Executive Director
5.	Mashitah Binti Osman	Independent Non-Executive Director
6.	Yap Poh Keong [(1)]	Executive Director

Note:

(1) Mr. Yap Poh Keong resigned as an Executive Director on 28 February 2019.

4.2 There is no Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

Notwithstanding that, the Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) year term, an Independent Director may continue to serve on the Board subject to the said Director's redesignation as a Non-Independent Director.

Corporate Governance Overview Statement
Cont'd

4.3 The Company has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of independence of Independent Directors was conducted annually via Annual Evaluation of Independence of Director to ensure that they were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

4.4 The Board appoints its members through a formal and transparent selection process. The NRC is responsible to consider and nominate new candidates for appointment and make the necessary recommendations to the Board for approval. In this respect, the role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's website, www.rgtech.com.my.

The Board, through the NRC, reviews correct mix of skills, business and professional experiences that should be added to the Board annually or as and when required.

The Nomination Committee and Remuneration Committee have been merged as a single committee known as the Nomination and Remuneration Committee (NRC) with effect from 15 March 2019 which aimed to improve its efficiency and effectiveness in discharging its duties.

4.5 The Board has established and adopted a Gender Diversity Policy on 6 June 2018 which provides a framework for the Company to improve its gender diversity at Board level.

The objectives/principles and measures as set out in the Gender Diversity policy are as summarised below:-

Objectives/Principles

a. The Company acknowledges the importance to promote gender diversity at Board level and will actively work towards having more female Directors on the Board. To avoid any mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in this policy.

b. In assessing the Board composition and Board effectiveness, the Board shall accord due consideration to gender diversity, required mix of skills, experience, independence and other qualities, including core competencies, commitment, integrity and/or other commitments to the Board.

Measures

To pursue the objectives of gender diversity, the Board will take into consideration the following measures:

a. The NRC and the Board shall nominate or appoint a gender diverse Board with a broad spectrum of perspectives, including but not limited to education background, age, ethnicity, skills, knowledge, expertise, experience, competencies, integrity and/or other commitments that the candidate will bring to complement the Board.

b. The NRC is responsible in ensuring that gender diversity objective is adopted in the Board recruitment and succession planning processes.

c. The Company shall adopt a more accommodating boardroom culture and environment that is free from discriminations to attract and retain women participation at the Board level.

d. The Company will undertake the following strategies to promote its gender diversity at Board level:

- recruiting from a diverse pool of candidates for female Directors;
- reviewing succession plans to ensure an appropriate focus on gender diversity;
- identifying specific factors to take into account the recruitment and selection processes to encourage gender diversity; and
- any other strategies the Board may develop from time to time.

The Board practises non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and senior management positions of the Company. Currently, there is a female Director on the Board, namely, Puan Mashitah Binti Osman.

Corporate Governance Overview Statement
Cont'd

4.6 The policies and procedures for recruitment and appointment of Directors are guided by the Terms of Reference of the NRC.

The NRC leverages on various sources and gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and/or major shareholders, the NRC also identifies potential candidate from the industry taking into consideration his/her education, skills and experience.

4.7 The NRC is chaired by Puan Mashitah Binti Osman, an Independent Non-Executive Director of the Company. The NRC Chairman has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The NRC comprises of the following members, all being Independent Non-Executive as identified by the Board:-

Name of Directors	Designations
Mashitah Binti Osman (Chairman)	Independent Non-Executive Director
Dato' Siow Kim Lun (Member)	Independent Non-Executive Chairman
Tevanaigam Randy Chitty (Member)	Independent Non-Executive Director

The Company was listed on 24 July 2018 and hence, the activities undertaken by the NRC during the FYE 2018 and up to the date of this Statement were as follows:-

- Reviewed and recommended to the Board for adoption of the annual performance evaluation forms of the individual Director, Independent Directors, AC and the Board and Board Committees as a whole.
- Assessed and evaluated the independence of the Independent Directors.
- Assessed and evaluated the performance of each Independent Director against the criteria as set out in the evaluation form, amongst others, attendance at Board and/or Board Committees meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committees.
- Assessed and evaluated the performance of the Executive Directors against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, technology and product development, conformance and compliance, business acumen, increasing shareholders' wealth, succession planning and personal input to the role.
- Reviewed and assessed the performance of the AC.
- Reviewed and recommended to the Board the re-election of Mr. Yap Ban Foo and Mr. Yap Sin Sang who will retire pursuant to Clause 85 of the Company's Constitution at the upcoming Annual General Meeting ("AGM") to be held on 11 June 2019.
- Reviewed and recommended to the Board the merger of the Nomination Commitee and Remuneration Committee into a single committee known as NRC.

5. Overall Effectiveness of the Board and Individual Directors

5.1 The Board has, through the NRC, conducted the following annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FYE 2018:-

i. Performance of MD and Executive Director;
ii. Performance of Non-Executive Directors;
iii. Independence of the Independent Directors;
iv. Performance of the AC; and
v. Effectiveness of the Board and Board Committees as a whole.

Based on the evaluations conducted in the FYE 2018, the NRC and the Board were satisfied with the performance of the individual Directors, Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

Corporate Governance Overview Statement

Cont'd

Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. In view that the Company was listed on 24 July 2018, the Board had only conducted three (3) Board meetings during the FYE 2018 where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's strategic, operational and financial performance.

The attendance record of each Board member at the Board meetings held during the FYE 2018 are as follows:-

Name of Directors	Designations	Attendance
Dato' Siow Kim Lun	Independent Non-Executive Chairman	3/3
Yap Ban Foo	MD	3/3
Yap Sin Sang	Executive Director	3/3
Yap Poh Keong [(1)]	Executive Director	3/3
Tevanaigam Randy Chitty	Independent Non-Executive Director	3/3
Mashitah Binti Osman	Independent Non-Executive Director	3/3

Note:

(1) *Mr. Yap Poh Keong resigned as an Executive Director on 28 February 2019.*

Directors' Trainings

During the FYE 2018, all Directors had attended the following training programmes in compliance with Rule 15.08 of the Bursa Securities ACE Market LR:-

Name of Directors	Trainings attended
Dato' Siow Kim Lun	• World Capital Market Symposium • Malaysian Institute of Account Audit Conference 2018 • Environmental Conference 2018: Igniting Action for Better Tomorrow • MCCG Compliance Expectations: Better Reporting Integrity, Transparency & Accountability • International Financial Reporting Standard/Malaysian Financial Reporting Standard 15: Revenue from Contracts with Customers • Sunway Leaders Conference • Independent Directors Program: The Essence of Independence
Yap Ban Foo	• Mandatory Accreditation Programme ("MAP") • Retail Management Executive Seminar
Yap Sin Sang	• MAP • Retail Management Executive Seminar
Yap Poh Keong *(Resigned on 28 February 2019)*	• MAP
Tevanaigam Randy Chitty	• Transfer Pricing, Tax Audits and Investigations • Goods and Services Tax Breakfast Talk: Abolition of GST and Transition to Sales & Services Tax • Evolution of Future Chief Financial Officers
Mashitah Binti Osman	• MAP

The Board would on a continuous basis, evaluate and assess the training needs of each Director to keep them abreast with the state of economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

Corporate Governance Overview Statement
Cont'd

PART III – REMUNERATION

6. Level and Composition of Remuneration

6.1 The Board had on 6 June 2018 adopted a formal and transparent Remuneration Policy that sets out the principles and guidelines for the Board and the NRC to determine the remuneration of Directors and Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is available for reference on the Company's website at www.rgtech.com.my.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:

a. fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;

c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

d. salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

The remuneration is reviewed by the NRC on an annual basis prior to making its recommendations to the Board for approval.

6.2 The Board, assisted by the NRC, implements the policy and procedures on the remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

The NRC has a detailed Terms of Reference in writing which is accessible on the Company's website at www.rgtech.com.my.

Corporate Governance Overview Statement
Cont'd

7. Remuneration of Directors and Senior Management

7.1 The remuneration payable to the Directors on the Company and the Group basis for the FYE 2018 is as follows:-

The Company

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Defined Contribution Benefits (EPF) RM	Other Benefits# RM	Total RM
Executive Directors								
Yap Ban Foo	-	66,000	-	-	5,500	8,580	923	81,003
Yap Sin Sang	-	66,000	-	-	5,500	8,580	923	81,003
Yap Poh Keong (Resigned on 28 February 2019)	-	66,000	-	-	5,500	8,580	923	81,003
Non-Executive Directors								
Dato' Siow Kim Lun	23,500	-	-	600	-	-	-	24,100
Tevanaigam Randy Chitty	21,000	-	-	600	-	-	-	21,600
Mashitah Binti Osman	21,000	-	-	600	-	-	-	21,600
TOTAL	**65,500**	**198,000**	**-**	**1,800**	**16,500**	**25,740**	**2,769**	**310,309**

The Group

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Defined Contribution Benefits (EPF) RM	Other Benefits# RM	Total RM
Executive Directors								
Yap Ban Foo	-	637,238	28,000	-	68,700	74,940	5,240	814,118
Yap Sin Sang	-	540,000	23,950	-	68,700	74,940	6,128	713,718
Yap Poh Keong (Resigned on 28 February 2019)	-	420,000	11,100	-	52,700	58,200	2,770	544,770
Non-Executive Directors								
Dato' Siow Kim Lun	23,500	-	-	600	-	-	-	24,100
Tevanaigam Randy Chitty	21,000	-	-	600	-	-	-	21,600
Mashitah Binti Osman	21,000	-	-	600	-	-	-	21,600
TOTAL	**65,500**	**1,597,238**	**63,050**	**1,800**	**190,100**	**208,080**	**14,138**	**2,139,906**

Note:

\# *Other benefits include Social Security Organisation contribution, Employment Insurance System contribution and travelling allowance.*

The Board determines the fees and benefits of all Directors, including the Non-Executive Directors. The Director's fees are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in the decisions regarding their own fees, benefits and/or remuneration packages.

Corporate Governance Overview Statement
Cont'd

7.2 The remuneration of the top five (5) Senior Management of the Company is as follows:-

Range of Remuneration	No. of Senior Management Officer
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM250,001 to RM300,000	2
TOTAL	**5**

Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on named basis in the bands of RM50,000.00.

The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.

PRINCIPAL B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AC

8. Effective and Independent AC

8.1 The positions of Chairman of the Board and Chairman of the AC are being held by two different persons. The Chairman of the Board is Dato' Siow Kim Lun, an Independent Non-Executive Director, while the Chairman of the AC is Mr. Tevanaigam Randy Chitty, also an Independent Non-Executive Director. This separation is to ensure that the Board's review of the AC's findings and recommendations are not impaired.

The separation had been set out clearly in the Terms of Reference of the AC which is accessible on the Company's website at www.rgtech.com.my.

8.2 Currently, none of the members of the AC were former key audit partners of the present auditors of the Group.

The AC has in place a policy that requires a former key partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. The policy had been codified in the Terms of Reference of AC of the Company.

8.3 The Board had on 6 June 2018 established an External Auditors Assessment Policy which sets out the guidelines and procedures for the AC to review, assess and monitor the suitability, objectivity and independence of the External Auditors.

The AC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

8.4 The AC comprises solely of the following Independent Non-Executive Directors:-

(a) Tevanaigam Randy Chitty (Chairman);
(b) Dato' Siow Kim Lun (Member); and
(c) Mashitah Binti Osman (Member).

Corporate Governance Overview Statement
Cont'd

8.5 The Chairman and members of the AC are financially literate and able to understand the Group's business and matters under the purview of the AC.

The NRC would also review the terms of office and performance of the AC members to determine whether they have carried out their duties in accordance with their Terms of Reference.

The AC members will continuously keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL

9. Risk Management and Internal Control Framework

9.1 The Board acknowledges its overall responsibility for ensuring that a sound system of risk management and internal control is maintained throughout the Group and the need to review its effectiveness regularly. The risk management and internal control are embedded in various work processes and procedures of the respective operational functions and management team.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the RMC.

9.2 The RMC is assisted by the management as well as the outsourced Internal Auditors to identify and assess the significant risks faced by the Group and to ensure that appropriate risk treatments were in place to mitigate the risks that affecting the achievement of the Group's business objectives. The Internal Auditors reports directly to the AC and the internal audit plans are tabled to the AC every quarter for review to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

9.3 The RMC comprises of all Independent Non-Executive Directors and its members are listed as below:-

(a) Tevanaigam Randy Chitty (Chairman);
(b) Dato' Siow Kim Lun (Member); and
(c) Mashitah Binti Osman (Member).

The scope and function of the RMC are set out in the Terms of Reference which is available on the Company's website at www.rgtech.com.my.

10. Effective Governance, Risk Management and Internal Control Framework

10.1 The internal audit function is outsourced to an independent professional service firm that assists the AC in managing the risks and establishment of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors reports directly to the AC.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.

The internal audit functions and activities carried out during the FYE 2018 are as disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

10.2 The internal audit function of the Group is outsourced to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"). The engagement team from Sterling are free from any relationship or conflict of interest, which could impair their objectivity and independence.

Corporate Governance Overview Statement
Cont'd

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between Company and Stakeholders

11.1 The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence, a Corporate Disclosure Policy has been adopted. A copy of the policy is published on the Company's website at www.rgtech.com.my.

Quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, www.rgtech.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

11.2 The Company is not categorised as "Large companies" under the MCCG and hence, has not adopted integrated reporting based on a globally recognised framework.

PART II – CONDUCT OF GENERAL MEETINGS

12. Shareholders' Participation at General Meetings

12.1 The notice of the Sixteenth AGM ("16th AGM") of the Company which is scheduled to be held on 11 June 2019 was sent to the shareholders at least twenty-eight (28) days before the date of 16th AGM this year.

The notice of general meeting provides detailed explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.

All resolutions set out in the notice of the AGM will be put to vote by poll and the votes casted will be validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

12.2 Radiant was listed on 24 July 2018 and its first AGM after its listing will be held on 11 June 2019. The Board believes that participation of shareholders in the Company's general meeting is the more appropriate platform where shareholders' queries and concerns may be conveyed to the Board for clarification. All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board committees will provide meaningful response to questions addressed to them.

12.3 The AGM of the Company will always be held at a venue which is easily accessible to facilitate the participation of shareholders. Hence, voting in absentia and remote shareholders' participation are not facilitated.

Shareholders are encouraged to attend general meetings and are allowed to appoint proxy(ies) to attend, participate, speak and vote at the general meetings on their behalf and represent them.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the Code, the relevant chapters of the ACE Market LR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2018. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

Audit Committee Report

A. OBJECTIVES

The Audit Committee ("AC") was established with the primary objective to assist the Board of Directors ("the Board") in fulfilling its fiduciary duties and responsibilities in accordance with its Term of Reference, providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures as well as establishing and maintaining internal controls.

B. COMPOSITION OF THE AC

The AC comprises the following members, all being Independent Non-Executive Directors, who were appointed prior to the listing of the Company:-

AC Members	Designation	Directorship
Tevanaigam Randy Chitty (Appointed on 7 August 2017)	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun (Appointed on 7 August 2017)	Member	Independent Non-Executive Chairman
Mashitah Binti Osman (Appointed on 7 August 2017)	Member	Independent Non-Executive Director

The Company has complied with Rule 15.09 of the ACE Market Listing Requirements Bursa Malaysia Securities Berhad ("Bursa Securities") which the AC members fulfil the requirement as prescribed.

The authorities and duties of the AC are clearly governed by the Terms of Reference of the AC. The Terms of Reference of the AC can be accessed from the Company's website at www.rgtech.com.my.

C. SUMMARY OF ACTIVITIES OF THE AC DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

In view that the Company was listed on ACE Market of Bursa Securities on 24 July 2018, there were only two (2) AC meetings convened during the financial year under review. Details of attendance of each of the AC members to the meetings are as follows:-

AC Members	Attendance
Tevanaigam Randy Chitty, Chairman	2/2
Dato' Siow Kim Lun, Member	2/2
Mashitah Binti Osman, Member	2/2

The presence of the External Auditors and/or the Internal Auditors at the AC meetings will be requested if required by the AC. Other members of the Board and officers of the Company and its subsidiaries ("the Group") may attend the meeting (specific to the relevant meeting and to the matters being discussed) upon the invitation of the AC.

Audit Committee Report

Cont'd

The summary of the activities undertaken by the AC during the financial year ended 31 December 2018, amongst others, included the following:-

i. Reviewed the unaudited consolidated quarterly financial results of the Group focusing particularly on changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements before recommending to the Board for approval and make the announcement to Bursa Securities;
ii. Reviewed and endorsed the External Auditors, the audit plan and scope of the statutory audit of the Group's financial statements for the financial year ended 31 December 2018 before the audit commenced to ensure that the scope of the external audit is comprehensive;
iii. Reviewed and approved the Internal Auditors' internal audit plan to ensure the adequacy of the scope, functions and resources;
iv. Reviewed the reports for the internal audit function and considered the findings of internal audit reviews and management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors; and
v. Reviewed the related party transactions and/or recurrent related party transactions that transpired within the Group to ensure that the transactions entered into were fair and reasonable, not detrimental to the minority shareholders and were in the best interest of the Company.

D. INTERNAL AUDIT FUNCTION

i. Appointment

The Group's internal audit function is outsourced to an independent professional consulting company, namely Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), which is independent of the activities and operations of the Group. The outsourced Internal Auditors report directly to the AC, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to review the adequacy and effectiveness of systems, procedures and controls of the Group.

ii. Internal audit activities

The internal audit reporting can broadly be segregated into three (3) main areas as follows:-

a. Internal Audit Plan for the Group

During the financial year under review, the internal audit plan for the Group was presented to the AC by Sterling for discussion and approval. The AC would then recommend the same or any adjustments needed to the Board for adoption.

b. Regular Internal Audit Reports

Internal audit reports were reviewed and adopted by the AC on a quarterly basis. During the financial year, Sterling has reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Radiant Global ADC Vietnam Co. Ltd. and Radiant Global ADC Sdn. Bhd. and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

c. Follow-up Reports

In addition, the Internal Auditors followed-up on the implementation of recommendations from prior internal audit visits and updated the AC on the status of Management-agreed action plans.

Audit Committee Report

Cont'd

iii. Total costs incurred for the financial year

The total costs incurred for the internal audit function of the Group for the financial year ended 31 December 2018 was RM25,779.20.

iv. Review of internal audit function

For the financial year ended 31 December 2018, the AC is satisfied that the independence of the internal audit function has been maintained as adequate safeguards are in place. Sterling has performed their audit assignments with impartiality, proficiency and due professional care.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") is pleased to provide the following Statement on Risk Management and Internal Control of the Company and its subsidiaries ("the Group") for financial year ended 31 December 2018. This has been prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG 2017") and "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers". The Board also acknowledges that the Group cannot achieve its objectives and sustainable success without effective governance, risk management and internal control processes.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded.

The system of risk management and internal controls not only covers the financial aspect of the Group, but also operational and compliance aspects of the Group. Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Board is designed to manage rather than eliminate risks that may impede the achievement the Group's business objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

RISK MANAGEMENT FRAMEWORK

The Group's Risk Management Committee was established on 7 August 2017 and its members are appointed by the Board. In particular, the roles and responsibilities of the Risk Management Committee in relation to risk management are as follows:

(i) to recommend the Group's risk appetite and risk management policies to the Board;
(ii) to recommend and review implementation of the Group's internal controls and risk management framework;
(iii) to review the processes and procedures for ensuring all material business risks are properly identified with appropriate monitoring and control systems;
(iv) to receive and review risk management reports and make recommendations for changes in policies and procedures as and when required;
(v) to consider material risk factors, risk tolerance levels, review the actions taken in response, mitigation and prevention actions;
(vi) to consider the effect of any material findings on business risks, financial risks, compliance risks and operational risks that may impact the Group's performance; and
(vii) to consider the effect of risks of any findings highlighted by the internal auditors (if any) or any independent reviews carried out for the Group.

The Board recognises that risk management shall be an integral part of the Group's culture and embedded into day-to-day management of operations, processes and structures. Thus, it should be extensively applied in all decision-making and strategic planning. The Senior Management team is responsible for managing risks related to their functions or departments. The Group's Risk Management Committee relies on the Senior Management team to support in terms of:

(i) managing inherent risk of business processes under his/her control;
(ii) identifying risks, evaluating and executing risk control measures;
(iii) reporting significant risks to the Risk Management Committee and the Board at scheduled meetings in a proactive, responsible and accountable manner; and
(iv) providing oversight on the establishment, implementation and review of the effectiveness of the risk management framework and internal control systems to the Risk Management Committee and the Board.

Management meetings are held to ensure that the risks faced by the Group are monitored and properly addressed. It is at these meetings that key risks and corresponding controls implemented are deliberated, reviewed, communicated and agreed.

The risk management practices of the Group are an on-going process of identifying, evaluating and managing significant risks that may affect the Group's achievement of its business objectives for the financial year under review and up to the date of approval of this statement by the Board.

Statement on Risk Management and Internal Control

Cont'd

INTERNAL AUDIT FUNCTION

The Company was listed on the ACE Market of Bursa Securities on 24 July 2018. The Group has outsourced the internal audit function to an external independent professional consulting firm prior to the Company's listing. Subsequent to the listing of the Company, the Board has agreed to continue to engage the external independent professional consulting firm as part of its effort to ascertain adequacy and effectiveness of the internal control system for the financial year ending 31 December 2019. A review on the Internal Control Systems of the Group was completed and presented to the Board on 12 February 2019.

The firm acts as Internal Auditors and reports directly to the Audit Committee during the Audit Committee meetings. The firm is free from any relationships or conflict of interest, which could impair its objectivity and independency of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. The Audit Committee is of the opinion that the internal audit function is effective and able to function independently.

The Internal Auditors use the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews are conducted according to the approved internal audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommend possible improvements to the internal control process. The internal audit plan is reviewed and approved by the Audit Committee, to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

The internal audit function assists the Board and Senior Management team in providing independent assessment of the effectiveness and adequacy of the Group's system of internal controls. The assessment of the adequacy and effectiveness of the internal controls established in mitigating risks is carried out through interviews and discussions with the Senior Management team, review of the relevant established policies and procedures and authority limits, and observing and testing of the internal controls on a sample basis. The internal audit reviews have resulted in action plans to be taken by the Group to address the weaknesses noted. Identified enhancement opportunities are then reported to the Audit Committee, who in turn reports these matters to the Board. Any highlighted issues will be followed up closely to determine the extent of the recommendation that has been implemented by the management.

For the financial year ended 31 December 2018, two (2) internal audit reviews had been carried out and reported by Internal Auditors:

Audit Period	Reporting Month	Name of Entity Audited	Audited Areas
July - September 2018	November 2018	Radiant Global ADC Vietnam Co. Ltd.	Finance and Accounts functions
October - December 2018	February 2019	Radiant Global ADC Sdn. Bhd.	Procurement & Sourcing and Inventory Management functions

INTERNAL CONTROL

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate, the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls, and the occurrence of unforeseeable circumstances.

The Group's Senior Management team receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies.

The internal control matters are reviewed and the Board is updated on significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during Board meetings and any significant fluctuation or exception noted will be analysed and acted in a timely manner.

Statement on Risk Management and Internal Control

Cont'd

Other key elements of the Group's internal control systems are as follows:

1. Clearly defined terms of reference, authorities and responsibilities of the various Board committees which include the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee;

2. Well-defined organizational structure with clear lines of authority, accountability and responsibilities of the Senior Management team;

3. Clearly defined and formalized internal policies and procedures are in place to support the Group in achieving its business objectives. These policies and procedures provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;

4. Management meetings are conducted to review financial performance, operational efficiency, quality performance, business development and risk assessment;

5. The Group establishes a Performance Management System with core competencies assessment and leadership indicators to review and assess employees' performance and competency; and

6. The Group establishes an Information Security Policy to ensure that access to information systems and confidential information is adequately controlled and monitored.

The Group will continue to foster risk-awareness culture in all decision making and manage all risks in a proactive and effective manner. This is to enable the Group to respond effectively to the changing business and competitive environment.

ASSURANCE

The Board regularly receives and reviews the reports on the effectiveness of the risk management and internal control, and is of the view that it is adequate to safeguard the shareholders' interests and the Group's assets. The role of the Management is to implement the Board's policies and guidelines on risks and controls, to identify and evaluate the risks faced and to operate a suitable system of internal controls to manage these risks.

The Board has obtained assurances from the Managing Director and General Manager – Corporate Affairs that the Group's system of Risk Management and Internal Control is operating adequately and effectively for the financial year under review and up to date as of this Statement.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control to the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants (MIA).

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCCG 2017 to be set out, nor is it factually inaccurate.

AAPG 3 does not require the External Auditor to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

For the financial year under review, the Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal controls and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls.

Additional Compliance Information

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 24 July 2018 ("Listing"). In conjunction with the Listing, the Company undertook a public issue of 128,080,000 new ordinary shares and offer for sale of 12,000,000 existing shares at an issue/offer price of RM0.23 per ordinary share, raising gross proceeds of RM29.458 million.

The status of the utilisation of the proceeds as at 31 December 2018 is as follows:

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation[(1)] RM'000	Balance Unutilisation RM'000	Intended timeframe for utilisation (from the listing date)
i.	Business and capital expansion	11,600	-	11,600	Within 24 months
ii.	Working capital	4,757	17	4,740	Within 24 months
iii.	Expansion of retail software business	3,000	84	2,916	Within 24 months
iv.	Repayment of bank borrowings	6,601	6,469	132	Within 6 months
v.	Estimated listing expenses	3,500	3,215	285	Within 3 months
	Total	**29,458**	**9,785**	**19,673**	

Note:
(1) Actual utilisation as at 31 December 2018.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group for the financial year ended 31 December 2018 ("FYE 2018") are as follows:-

		Fee (RM)	
No.	**Type of Services**	**Company RM'000**	**Group RM'000**
i.	Audit		
	- Current year	20	109
	- Under-provision in prior year	31	49
ii.	Non-audit	6	6
	Total	**57**	**164**

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts involving the interest of the Directors and major shareholders entered into by the Group during the financial year under review.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE

The list of recurrent related party transactions of revenue or trading nature entered into by the Group is disclosed in Note 32 to the Financial Statements for the FYE 2018 on page 94 of this Annual Report. For the FYE 2018, no shareholder mandate was required for the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Statement of Directors' Responsibilities in the Preparation of Financial Statements

The Board of Directors of the Company is required by the Companies Act 2016 ("CA 2016") to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the financial performance of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2018, the Directors have:-

- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- ensure applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared it on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy, the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the CA 2016.

The Directors have general responsibilities for taking such steps that the appropriate systems are reasonably available to safeguard the assets of the Group and the Company, to prevent and detect fraud and other irregularities and material misstatements.

FINANCIAL STATEMENTS

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of retail technology software solutions and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	2,998,279	1,101,198

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM19,856,000 to RM48,153,374 by way of the issuance of 128,080,000 new ordinary shares at an issue price of RM0.23 per share pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM29,458,400.

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

Directors' Report
Cont'd

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

Directors' Report
Cont'd

DIRECTORS

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

Yap Ban Foo
Yap Sin Sang
Dato' Siow Kim Lun @ Siow Kim Lin
Tevanaigam Randy Chitty
Mashitah Binti Osman
Yap Poh Keong (Resigned on 28.02.2019)

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

Tran Phu Vinh

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.1.2018	Bought	Sold	At 31.12.2018
The Company				
Direct Interests				
Dato' Siow Kim Lun @ Siow Kim Lin	-	500,000	-	500,000
Tevanaigam Randy Chitty	-	500,000	-	500,000
Mashitah Binti Osman	-	100,000	-	100,000
Yap Poh Keong	-	1,500,000	-	1,500,000
Indirect Interests				
Yap Ban Foo*	174,732,800	-	(6,000,000)	168,732,800
Yap Sin Sang#	142,963,200	-	(6,000,000)	136,963,200
Yap Poh Keong^	39,712,000	-	-	39,712,000

* Deemed interested by virtue of his interest in Global Merits Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

\# Deemed interested by virtue of his interest in Practical Resources Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

^ Deemed interested by virtue of his interest in Jejak Menang Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

By virtue of their shareholdings in the Company, Yap Ban Foo, Yap Sin Sang and Yap Poh Keong are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8(4) of the Companies Act 2016.

Directors' Report
Cont'd

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 32 to the financial statements.

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 27 to the financial statements.

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

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

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia which was previously known as Crowe Horwath), have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 27 to the financial statements.

Signed in accordance with a resolution of the directors dated 23 April 2019.

Yap Ban Foo **Yap Sin Sang**

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Yap Ban Foo and Yap Sin Sang, being two of the directors of Radiant Globaltech Berhad, state that, in the opinion of the directors, the financial statements set out on pages 50 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2018 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 23 April 2019.

Yap Ban Foo **Yap Sin Sang**

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lee Sook Kuan, MIA Membership Number: 40568, being the officer primarily responsible for the financial management of Radiant Globaltech Berhad, do solemnly and sincerely declare that the financial statements set out on pages 50 to 116 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lee Sook Kuan,
at Kuala Lumpur
in the Federal Territory
on this 23 April 2019

Before me **Lee Sook Kuan**

Lai Din (No. W-668)
Commissioner for Oaths

Independent Auditors' Report

To the Members of Radiant Globaltech Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Radiant Globaltech Berhad, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 50 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th colspan="2">Valuation of inventories

Refer to Note 9 to the financial statements</th></tr>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>The carrying amount of inventories held by the Group is approximately RM6.1 million. We focused on this area as the assessment of net realisable value is an area of significant judgement particularly in relation to the estimation of allowances for obsolete and slow-moving inventories.</td><td>Our procedures included, amongst others:-

(a) Obtaining an understanding of the Group's process for measuring the amount of inventories write-down.

(b) Reviewing the ageing analysis of inventories and testing its reliability.

(c) Reviewing the net realisable value of inventories.

(d) Evaluating the reasonableness and adequacy of the allowance for obsolete and slow-moving inventories recognised for identified exposures.</td></tr>
</table>

Independent Auditors' Report

To the Members of Radiant Globaltech Berhad
Cont'd

Key Audit Matters (Cont'd)

<table>
<tr><th colspan="2">Recoverability of trade receivables

Refer to Note 10 to the financial statements</th></tr>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>The trade receivables of the Group amounted to approximately RM13.2 million of which approximately RM5.9 million are past due or more than the credit terms granted by the Group.

Management recognised the allowance of impairment losses on trade receivables based on specific known facts or customers' ability to pay. We focused on this area as determination of whether trade receivables are recoverable involves significant management judgement.</td><td>Our procedures included, amongst others:-

(a) Reviewing the ageing analysis of trade receivables and testing its reliability.

(b) Reviewing subsequent cash collections for major trade receivables and overdue amounts.

(c) Evaluating the reasonableness and adequacy of the allowance for impairment loss recognised for identified exposures.

(d) Testing the adequacy of the Group's impairment of trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.</td></tr>
</table>

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report

To the Members of Radiant Globaltech Berhad
Cont'd

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the Members of Radiant Globaltech Berhad
Cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
LLP0018817-LCA & AF 1018
Chartered Accountants

Elvina Tay Choon Choon
03329/10/2019 J
Chartered Accountant

Kuala Lumpur
23 April 2019

Statements Of Financial Position
at 31 December 2018

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	15,206,001	15,206,001
Investment in an associate	6	-	342,071	-	500,000
Property, plant and equipment	7	11,166,787	11,106,697	3,122,782	2,813,346
Deferred tax assets	8	611,617	490,548	63,000	-
		11,778,404	11,939,316	18,391,783	18,519,347
CURRENT ASSETS					
Inventories	9	6,078,815	9,698,045	-	-
Trade receivables	10	13,187,700	22,903,116	2,549,820	1,530,374
Other receivables, deposits and prepayments	11	5,061,313	2,102,157	2,303,617	520,295
Amount owing by subsidiaries	12	-	-	5,249,712	1,037,356
Amount owing by related parties	13	186,913	52,936	-	-
Current tax assets		1,972,084	903,787	233,843	307,246
Fixed deposits with licensed banks	14	18,610,774	1,524,028	17,052,932	-
Cash and bank balances		17,023,060	10,285,337	6,199,287	3,339,390
		62,120,659	47,469,406	33,589,211	6,734,661
Non-current assets classified as held for sale	15	202,039	-	500,000	-
		62,322,698	47,469,406	34,089,211	6,734,661
TOTAL ASSETS		74,101,102	59,408,722	52,480,994	25,254,008

The annexed notes form an integral part of these financial statements.

Statements Of Financial Position

at 31 December 2018
Cont'd

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	48,153,374	19,856,000	48,153,374	19,856,000
Merger deficit	17	(13,680,805)	(13,680,805)	-	-
Foreign exchange translation reserve	18	(233,546)	(240,376)	-	-
Retained profits		24,383,322	21,426,043	3,293,729	2,192,531
TOTAL EQUITY		58,622,345	27,360,862	51,447,103	22,048,531
NON-CURRENT LIABILITIES					
Hire purchase payables	19	497,069	667,256	-	-
Term loans	20	1,414,846	8,258,096	-	2,381,527
Deferred revenue	21	586,241	541,648	-	-
		2,498,156	9,467,000	-	2,381,527
CURRENT LIABILITIES					
Trade payables	22	4,009,811	12,084,074	350,350	13,935
Other payables and accruals	23	7,887,640	9,006,456	683,541	629,117
Amount owing to a subsidiary	12	-	-	-	79,500
Amount owing to related parties	13	16,102	49,015	-	-
Amount owing to directors	24	161,636	-	-	-
Hire purchase payables	19	170,062	161,468	-	-
Term loans	20	591,992	1,113,295	-	101,398
Current tax liabilities		143,358	166,552	-	-
		12,980,601	22,580,860	1,033,891	823,950
TOTAL LIABILITIES		15,478,757	32,047,860	1,033,891	3,205,477
TOTAL EQUITY AND LIABILITIES		74,101,102	59,408,722	52,480,994	25,254,008

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2018

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
REVENUE	25	61,875,937	80,782,694	4,838,367	5,104,991
COST OF SALES		(34,009,443)	(47,253,765)	(473,323)	(204,687)
GROSS PROFIT		27,866,494	33,528,929	4,365,044	4,900,304
OTHER INCOME		561,108	459,077	406,214	-
		28,427,602	33,988,006	4,771,258	4,900,304
SELLING AND DISTRIBUTION EXPENSES		(399,856)	(1,201,187)	(10,629)	(3,396)
ADMINISTRATIVE EXPENSES		(5,152,485)	(4,577,394)	(508,911)	(312,645)
STAFF COSTS		(16,320,722)	(16,799,852)	(1,743,964)	(1,550,719)
OTHER EXPENSES		(1,922,476)	(2,101,535)	(1,217,437)	(1,155,795)
FINANCE COSTS		(488,585)	(616,700)	(81,800)	(113,331)
NET REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	26	186,369	469,524	(83,108)	-
SHARE OF NET LOSSES OF EQUITY ACCOUNTED ASSOCIATE		(140,032)	(157,929)	-	-
PROFIT BEFORE TAXATION	27	4,189,815	9,002,933	1,125,409	1,764,418
INCOME TAX EXPENSE	28	(1,191,536)	(1,892,889)	(24,211)	(70,921)
PROFIT AFTER TAXATION		2,998,279	7,110,044	1,101,198	1,693,497

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2018
Cont'd

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
OTHER COMPREHENSIVE INCOME					
Item that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		6,830	(93,562)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		3,005,109	7,016,482	1,101,198	1,693,497
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owner of the Company		2,998,279	7,110,044	1,101,198	1,693,497
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owner of the Company		3,005,109	7,016,482	1,101,198	1,693,497
EARNINGS PER SHARE (SEN)					
Basic	29	0.66	1.79		
Diluted	29	0.66	1.79		

The annexed notes form an integral part of these financial statements.

Statements of Changes In Equity

For the financial year ended 31 December 2018

	Note	Share Capital RM	← Non-distributable Merger Deficit RM	Foreign Exchange Translation Reserve RM →	Distributable Retained Profits RM	Total Equity RM
The Group						
Balance at 1.1.2017		1,675,195	-	(146,814)	21,815,999	23,344,380
Profit after taxation for the financial year		-	-	-	7,110,044	7,110,044
Other comprehensive income for the financial year						
- Foreign currency translation differences		-	-	(93,562)	-	(93,562)
Total comprehensive income for the financial year		-	-	(93,562)	7,110,044	7,016,482
Contributions by and distribution to owners of the Company:						
- Bonus issues	16	4,500,000	-	-	(4,500,000)	-
- Issuance of shares	16	15,206,000	-	-	-	15,206,000
- Dividends	30	-	-	-	(3,000,000)	(3,000,000)
- Adjustment on the acquisition of Radiant Global ADC Sdn. Bhd. and its subsidiary, Radiant Global Solutions Sdn. Bhd. and Radiant Global ADC Cambo Pte. Ltd.		(1,525,195)	(13,680,805)	-	-	(15,206,000)
Total transactions with owners		18,180,805	(13,680,805)	-	(7,500,000)	(3,000,000)
Balance at 31.12.2017		19,856,000	(13,680,805)	(240,376)	21,426,043	27,360,862
Balance at 1.1.2018		19,856,000	(13,680,805)	(240,376)	21,426,043	27,360,862
Changes in accounting policies	35	-	-	-	(41,000)	(41,000)
Balance at 31.12.2017/ 1.1.2018 (restated)		19,856,000	(13,680,805)	(240,376)	21,385,043	27,319,862
Profit after taxation for the financial year		-	-	-	2,998,279	2,998,279
Other comprehensive income for the financial year						
- Foreign currency translation differences		-	-	6,830	-	6,830
Total comprehensive income for the financial year		-	-	6,830	2,998,279	3,005,109
Contributions by owners of the Company:						
- Issuance of shares	16	28,297,374	-	-	-	28,297,374
Balance at 31.12.2018		48,153,374	(13,680,805)	(233,546)	24,383,322	58,622,345

The annexed notes form an integral part of these financial statements.

Statements of Changes In Equity

For the financial year ended 31 December 2018
Cont'd

	Note	Share Capital RM	Distributable Retained Profits RM	Total Equity RM
The Company				
Balance at 1.1.2017		150,000	4,999,034	5,149,034
Profit after taxation/Total comprehensive income for the financial year		-	1,693,497	1,693,497
Contributions by and distribution to owners of the Company:				
- Bonus issues	16	4,500,000	(4,500,000)	-
- Issuance of shares	16	15,206,000	-	15,206,000
Total transactions with owners		19,706,000	(4,500,000)	15,206,000
Balance at 31.12.2017/1.1.2018		19,856,000	2,192,531	22,048,531
Profit after taxation/Total comprehensive income for the financial year		-	1,101,198	1,101,198
Contributions by owners of the Company:				
- Issuance of shares	16	28,297,374	-	28,297,374
Balance at 31.12.2018		48,153,374	3,293,729	51,447,103

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2018

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation:		4,189,815	9,002,933	1,125,409	1,764,418
Adjustments for:-					
Depreciation of property, plant and equipment		671,599	606,819	76,963	71,288
Interest income		(526,777)	(88,709)	(405,977)	-
Unrealised loss/(gain) on foreign exchange		30,817	43,117	(237)	7,792
Interest expenses		488,585	616,700	81,800	113,331
Impairment losses on trade receivables		144,079	37,799	83,108	-
Listing expenses		1,096,032	957,362	1,096,032	957,362
Writeoff of trade receivables		5,788	-	-	-
Share of net losses of equity accounted associate		140,032	157,929	-	-
Inventories written down		466,109	144,734	-	-
Reversal of impairment losses on trade receivables		(330,448)	(507,323)	-	-
Gain on disposal of a subsidiary		-	(8,011)	-	-
Operating profit before working capital changes		6,375,631	10,963,350	2,057,098	2,914,191
Decrease/(Increase) in inventories		3,153,121	(2,060,375)	-	-
Decrease/(Increase) in trade and other receivables		6,630,658	433,019	(3,019,666)	498,215
(Decrease)/Increase in trade and other payables		(9,159,698)	1,251,612	390,839	193,935
Increase in amount owing by subsidiaries		-	-	(4,212,356)	(957,856)
Decrease in amount owing to subsidiaries		-	-	(79,500)	-
(Increase)/Decrease in amount owing by related parties		(133,977)	3,114,207	-	2,078,510
Decrease in amount owing to related parties		(32,913)	(2,968,009)	-	(207,047)
CASH FROM/(FOR) OPERATIONS		6,832,822	10,733,804	(4,863,585)	4,519,948
Income tax paid		(2,405,748)	(3,414,925)	(13,808)	(157,500)
Interest paid		-	(425)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		4,427,074	7,318,454	(4,877,393)	4,362,448

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2018
Cont'd

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of a subsidiary		-	-	-	(1)
Acquisition of an associate		-	(500,000)	-	(500,000)
Purchase of property, plant and equipment	31(a)	(732,553)	(281,572)	(386,399)	(6,150)
Disposal of a subsidiary, net of cash		-	11,256	-	-
Interest received		526,777	88,709	231,232	-
Placement of fixed deposits with tenure more than 3 months		(11,000,000)	-	(11,000,000)	-
Decrease in pledged fixed deposits with licensed banks		505,880	434,446	-	-
NET CASH FOR INVESTING ACTIVITIES		(10,699,896)	(247,161)	(11,155,167)	(506,151)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid	30	-	(3,000,000)	-	-
Interest paid	31(b)	(488,585)	(616,275)	(81,800)	(113,331)
Repayment of term loans	31(b)	(7,364,553)	(776,875)	(2,482,925)	(97,917)
Proceeds from issuance of ordinary shares		29,458,400	-	29,458,400	-
Payment of listing expenses		(1,948,287)	(1,266,134)	(1,948,286)	(1,266,134)
Advances from/(Repayment to) directors	31(b)	161,636	(3,930,411)	-	-
Net repayment of bankers' acceptances	31(b)	-	(397,000)	-	-
Repayment of hire purchase obligations	31(b)	(161,593)	(142,891)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		19,657,018	(10,129,586)	24,945,389	(1,477,382)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		13,384,196	(3,058,293)	8,912,829	2,378,915
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(53,847)	(340,797)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		10,861,553	14,260,643	3,339,390	960,475
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31(c)	24,191,902	10,861,553	12,252,219	3,339,390

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2018

1. GENERAL INFORMATION

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

Registered office	:	Third floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	Unit 03-06 & 03-07, Level 03, Tower B, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 23 April 2019.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of retail technology software solutions and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

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

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

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

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

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

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

Amendments to MFRS 15: Effective Date of MFRS 15

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

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

3. BASIS OF PREPARATION (Cont'd)

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

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 except as follows:-

MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held to maturity, loans and receivables and available-for-sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The changes in accounting policies as a consequence of the adoption of above accounting standards and interpretation (including the consequential amendments, if any) are presented in Note 35 to the financial statements.

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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 7 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 9 to the financial statements.

(c) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amounts of trade receivables. The carrying amounts of trade receivables as at the reporting date are disclosed in Note 10 to the financial statements.

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 11 and 12 to the financial statements.

(e) 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 amounts of the current tax assets and current tax liabilities as at the reporting date are as follows:-

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Income Taxes (Cont'd)

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Current tax assets	1,972,084	903,787	233,843	307,246
Current tax liabilities	143,358	166,552	-	-

(f) 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 8 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.

4.2 BASIS OF CONSOLIDATION

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 BASIS OF CONSOLIDATION (Cont'd)

(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.

(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 or 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 or 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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 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 9 (2017 - MFRS 139) or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

(c) Foreign Operations

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

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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (Cont'd)

(c) Foreign Operations (Cont'd)

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.

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

4.4 FINANCIAL INSTRUMENTS

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

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

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

(d) Derecognition

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 FINANCIAL INSTRUMENTS (Cont'd)

Accounting Policies Applied Until 31 December 2017

As disclosed in Note 35 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 January 2018 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information of the Group's financial assets continues to be accounted for in accordance with their previous accounting policies as summarised below:-

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

4.5 INVESTMENTS IN SUBSIDIARIES

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

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

4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

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

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 2018. 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 9 (2017 - 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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7 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%
Computers	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.

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.8 IMPAIRMENT (Cont'd)

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

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

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

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

Accounting Policies Applied Until 31 December 2017

As disclosed in Note 35 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 January 2018 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information on the impairment of the Group's financial assets has been accounted for in accordance with its previous accounting policy as summarised below:-

- The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset (or group of financial assets) was impaired. Impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event had an impact on the estimated future cash flows of the financial asset (or group of financial assets) that could be reliably estimated.

(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 an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines 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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.9 LEASED ASSET

(a) Finance Leases

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 Leases

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 and of the Company.

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.

4.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase 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.

4.11 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.

4.12 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted associates ceases once classified as held for sale or distribution.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.13 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.

4.14 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.14 INCOME TAXES (Cont'd)

(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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.19 DEFERRED REVENUE

Deferred revenue represents cash received/receivable from customers for services not yet rendered at the end of the reporting period.

4.20 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 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.

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(a) Sale of Goods

Revenue from sale of hardware is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

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

(b) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

(c) Interest Income

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

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2018 RM	The Company 2017 RM
Unquoted shares, at cost	15,206,001	15,206,001

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2018 %	2017 %	Principal Activities
Subsidiaries of the Company				
Radiant Global ADC Sdn. Bhd. ("RGM")	Malaysia	100	100	Trading in retail technology hardware, provision of maintenance and technical support services, and investment holding.
Radiant Global Solutions Sdn. Bhd.	Malaysia	100	100	Provision of retail technology software solutions.
Radiant Global ADC Cambo Pte. Ltd. #	Cambodia	100	100	Trading in retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.
Subsidiary of RGM				
Radiant Global ADC Vietnam Co., Ltd. #	Vietnam	100	100	Trading of retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.

Notes:-

These subsidiaries were audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Unquoted shares, at cost	500,000	500,000	500,000	500,000
Share of post-acquisition losses	(297,961)	(157,929)	-	-
	202,039	342,071	500,000	500,000
Less: Carrying value reclassified to asset held for sale (Note 15)	(202,039)	-	(500,000)	-
	-	342,071	-	500,000

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activity
		2018	2017	
		%	%	
Symple Apps Sdn. Bhd.	Malaysia	20	20	Provision of mobile application software.

(a) The Group recognised its share of net loss in Symple Apps Sdn. Bhd. based on the management account drawn up to the most recent reporting date, which is 31 December 2018 (2017 - 31 December 2017).

(b) Summarised financial information has not been presented as the associate is not material to the Group.

(c) On 13 February 2019, the Group disposed of the entire shareholding of its associate, at its cost of RM500,000 resulting in an estimated gain of RM297,961 to be recognised in the financial statements for the financial year ending 31 December 2019. The transfer of shares have been completed on 13 February 2019. Accordingly, the carrying value of the investment amounting to RM202,039 is classified as non-current asset held for sale.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

7. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2018	Additions	Depreciation Charges	Exchange Fluctuation Differences	At 31.12.2018
	RM	RM	RM	RM	RM
The Group					
2018					
Carrying Amount					
Leasehold land and building	3,475,786	-	(66,842)	-	3,408,944
Office buildings	6,089,081	-	(127,045)	-	5,962,036
Motor vehicles	983,206	-	(295,594)	(831)	686,781
Furniture and fittings	131,823	236,444	(31,204)	9	337,072
Office equipment	137,061	87,289	(47,915)	(42)	176,393
Renovation	287,349	408,820	(100,609)	-	595,560
Computers	2,391	-	(2,390)	-	1
	11,106,697	732,553	(671,599)	(864)	11,166,787

	At 1.1.2017	Additions	Depreciation Charges	Exchange Fluctuation Differences	At 31.12.2017
	RM	RM	RM	RM	RM
The Group					
2017					
Carrying Amount					
Leasehold land and building	3,542,628	-	(66,842)	-	3,475,786
Office buildings	6,229,167	-	(140,086)	-	6,089,081
Motor vehicles	776,939	478,556	(273,101)	812	983,206
Furniture and fittings	150,645	2,132	(20,868)	(86)	131,823
Office equipment	95,793	70,734	(29,172)	(294)	137,061
Renovation	353,166	6,150	(71,967)	-	287,349
Computers	7,174	-	(4,783)	-	2,391
	11,155,512	557,572	(606,819)	432	11,106,697

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At Cost	Accumulated Depreciation	Carrying Amount
	RM	RM	RM
The Group			
2018			
Leasehold land and building	4,010,521	(601,577)	3,408,944
Office buildings	6,352,226	(390,190)	5,962,036
Motor vehicles	1,642,433	(955,652)	686,781
Furniture and fittings	447,084	(110,012)	337,072
Office equipment	375,814	(199,421)	176,393
Renovation	1,143,091	(547,531)	595,560
Computers	14,348	(14,347)	1
	13,985,517	(2,818,730)	11,166,787
2017			
Leasehold land and building	4,010,521	(534,735)	3,475,786
Office buildings	6,352,226	(263,145)	6,089,081
Motor vehicles	1,643,061	(659,855)	983,206
Furniture and fittings	210,600	(78,777)	131,823
Office equipment	290,180	(153,119)	137,061
Renovation	734,271	(446,922)	287,349
Computers	14,348	(11,957)	2,391
	13,255,207	(2,148,510)	11,106,697

	At 1.1.2018	Addition	Depreciation Charges	At 31.12.2018
	RM	RM	RM	RM
The Company				
2018				
Carrying Amount				
Office building	2,807,555	-	(57,888)	2,749,667
Furnitures and fittings	-	206,000	(9,867)	196,133
Office equipment	-	399	(10)	389
Renovation	5,791	180,000	(9,198)	176,593
	2,813,346	386,399	(76,963)	3,122,782

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 1.1.2017 RM	Addition RM	Depreciation Charges RM	At 31.12.2017 RM
The Company				
2017				
Carrying Amount				
Office building	2,878,484	-	(70,929)	2,807,555
Renovation	-	6,150	(359)	5,791
	2,878,484	6,150	(71,288)	2,813,346

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
2018			
Office building	2,894,387	(144,720)	2,749,667
Furnitures and fittings	206,000	(9,867)	196,133
Office euipment	399	(10)	389
Renovation	186,150	(9,557)	176,593
	3,286,936	(164,154)	3,122,782
2017			
Office building	2,894,387	(86,832)	2,807,555
Renovation	6,150	(359)	5,791
	2,900,537	(87,191)	2,813,346

(a) Included in the property, plant and equipment of the Group at the end of the reporting period were motor vehicles with a carrying amount of RM607,162 (2017 - RM884,762), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group as disclosed in Note 19 to the financial statements.

(b) The leasehold land and building and office buildings of the Group and of the Company have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company as disclosed in Note 20 to the financial statements.

(c) Included in the property, plant and equipment of the Group at the end of the reporting period were motor vehicle held in trust by a director with a carrying amount of RM1 (2017 - RM2,226).

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

8. DEFERRED TAX ASSET

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
At 1 January	490,548	-	-	-
Recognised in profit or loss (Note 28)	119,940	497,272	63,000	-
Exchange difference	1,129	(6,724)	-	-
At 31 December	611,617	490,548	63,000	-

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.

9. INVENTORIES

	The Group	
	2018	2017
	RM	RM
Finished goods	6,025,820	8,531,656
Goods-in-transit	52,995	1,166,389
	6,078,815	9,698,045
Recognised in profit or loss:-		
Inventories recognised as cost of sales	32,815,324	47,076,572
Inventories written down	466,109	144,734
Writeback of inventories previously written down	(129,047)	(261,245)

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

10. TRADE RECEIVABLES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade receivables	13,139,358	23,165,330	2,235,231	1,199,629
Unbilled receivables	511,860	420,012	397,697	330,745
	13,651,218	23,585,342	2,632,928	1,530,374
Allowance for impairment losses	(463,518)	(682,226)	(83,108)	-
	13,187,700	22,903,116	2,549,820	1,530,374
Allowance for impairment losses:-				
At 1 January:				
- As previously reported	(682,226)	(1,227,524)	-	-
- Effects on adoption of MFRS 9	(41,000)	-	-	-
- Amount reported under MFRS 9 (2017 - MFRS 139)	(723,226)	(1,227,524)	-	-
Addition during the financial year (Note 26)	(144,079)	(37,799)	(83,108)	-
Reversal during the financial year (Note 26)	330,448	507,323	-	-
Written off during the financial year	73,339	75,774	-	-
At 31 December	(463,518)	(682,226)	(83,108)	-

(a) The Group's normal trade credit terms range from 7 to 60 days (2017 - 7 to 60 days) and the Company's normal trade credit terms range from 7 to 30 days (2017 - 7 to 30 days). Other credit terms are assessed and approved on a case-by-case basis.

(b) Unbilled receivables represent services provided but not yet billed.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other receivables:-				
Third parties	2,254,314	117,955	2,224,745	76,535
Advances to suppliers	90,008	161,043	-	-
Goods and services tax recoverable	7,858	147,198	695	85,663
	2,352,180	426,196	2,225,440	162,198
Deposits	1,702,008	130,562	41,670	33,300
Prepayments	1,007,125	1,545,399	36,507	324,797
	5,061,313	2,102,157	2,303,617	520,295

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2018	2017
	RM	RM
Amount owing by:-		
Trade balances	195,461	887,356
Non-trade balances	5,054,251	150,000
	5,249,712	1,037,356
Amount owing to:-		
Trade balance	-	(79,500)

(a) The trade balances are subject to the normal trade credit term of 30 days (2017 - 30 days). The amount owing is to be settled in cash.

(b) The non-trade balance is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

13. AMOUNTS OWING BY/(TO) RELATED PARTIES

The amounts owing are trade in nature and subject to the normal trade credit terms of 30 days (2017 - 30 days). The amount owing is to be settled in cash.

14. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 3.15% to 4.10% (2017 - 2.90% to 3.15%) per annum and 3.50% to 4.10% (2017 - Nil) per annum respectively. The fixed deposits have maturity periods ranging from 61 to 365 (2017 - 183 to 365) days and 61 to 365 (2017 - Nil) for the Group and for the Company respectively.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM441,932 (2017 - RM947,812) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 13 February 2019, the Group had disposed of the entire shareholding of its associate (Note 6), at its cost of RM500,000 resulting in an estimated gain of RM297,961 to be recognised in the financial statements for the financial year ending 31 December 2019. The transfer of shares have been completed on 13 February 2019. Accordingly, the carrying value of the investment amounting to RM202,039 is classified as non-current asset held for sale.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

16. SHARE CAPITAL

	The Group/The Company			
	2018	**2017**	**2018**	**2017**
	Number of Shares		**RM**	**RM**
Issued and Fully Paid-up				
Ordinary Shares				
At 1 January	397,120,000	150,000	19,856,000	150,000
Share split	-	2,850,000	-	-
Bonus issue	-	90,000,000	-	4,500,000
Issuance of new shares	128,080,000	304,120,000	28,297,374	15,206,000
At 31 December	525,200,000	397,120,000	48,153,374	19,856,000

(i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(ii) During the current financial year, the Company increased its issued and paid-up share capital from RM19,856,000 to RM48,153,374 by way of the issuance of 128,080,000 new ordinary shares at an issue price of RM0.23 per share pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM29,458,400. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,161,026 is offset against share capital and the remaining listing expenses of RM1,096,032 (2017 - RM957,362) is expensed off to profit or loss.

17. 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.

18. 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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

19. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2018	2017
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	198,192	198,169
- later than 1 year and not later than 5 years	531,226	721,556
- later than 5 years	-	7,885
	729,418	927,610
Less: Future finance charges	(62,287)	(98,886)
Present value of hire purchase payables	667,131	828,724
Analysed by:-		
Current liabilities	170,062	161,468
Non-current liabilities	497,069	667,256
	667,131	828,724

(a) The hire purchase payables of the Group are secured by the Group's motor vehicles under finance leases as disclosed in Note 7 to the financial statements. The hire purchase arrangements are expiring from 4 to 5 (2017 - 5 to 6) years.

(b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 4.64% to 4.97% (2017 - 4.64% to 4.97%). The interest rates are fixed at the inception of the hire purchase arrangements.

20. TERM LOANS (SECURED)

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Current liabilities	591,992	1,113,295	-	101,398
Non-current liabilities	1,414,846	8,258,096	-	2,381,527
	2,006,838	9,371,391	-	2,482,925

(a) The term loans are secured by:-

(i) a first legal charge over the properties of the Group as disclosed in Note 7 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 of RM441,932 (2017 - RM947,812) as disclosed in Note 14(b) to the financial statements.

20. TERM LOANS (SECURED) (Cont'd)

(b) The interest rate profiles of the term loans are summarised below:-

	Effective Interest Rate		The Group	
	2018	2017	2018	2017
	%	%	RM	RM
Floating rate term loans	7.92	4.50 - 7.67	2,006,838	9,371,391

	Effective Interest Rate		The Company	
	2018	2017	2018	2017
	%	%	RM	RM
Floating rate term loans	Nil	4.50	-	2,482,925

21. DEFERRED REVENUE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Current liabilities (Note 23)	2,952,851	2,888,981	73,115	-
Non-current liabilities	586,241	541,648	-	-
	3,539,092	3,430,629	73,115	-

The amount of unearned income from services to be rendered in future financial years is shown as deferred revenue.

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 7 to 60 days (2017 - 7 to 60 days) and to the Company 60 days (2017 - 60 days).

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23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other payables:-				
Third parties	610,020	679,464	64,718	84,566
Advances from customers	682,976	483,234	22,901	-
Good and services tax payable	61,401	252,478	-	-
Sales and services tax payable	141,514	-	67,850	-
	1,495,911	1,415,176	155,469	84,566
Accruals	3,424,101	4,702,299	452,884	541,805
Deposits received	14,777	-	2,073	2,746
Deferred revenue (Note 21)	2,952,851	2,888,981	73,115	-
	7,887,640	9,006,456	683,541	629,117

The advances from customers are unsecured and interest-free. The amount owing will be offset against future sales to the customers.

24. AMOUNT OWING TO DIRECTORS

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

25. REVENUE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Hardware	40,065,698	58,306,118	-	-
Retail software solutions	8,512,138	10,431,778	4,838,367	5,104,991
Maintenance and technical support services	13,298,101	12,044,798	-	-
	61,875,937	80,782,694	4,838,367	5,104,991

(a) The information on the disaggregation of revenue is disclosed in Note 33 to the financial statements.

Notes to the Financial Statements

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25. REVENUE (Cont'd)

(b) The transaction price allocated to the remaining performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period are summarised below (other than contracts for original periods of one year or less):-

	The Group			
	2019	2020	2021 and above	Total
	RM	RM	RM	RM
Maintenance and technical support services	2,952,851	380,850	205,391	3,539,092

Comparative information is not presented by virtue of the exemption given in MFRS 15.C5(d).

26. NET REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Impairment losses during the financial year:				
- Individually impaired under MFRS 139 (Note 10)	-	(37,799)	-	-
- Addition under MFRS 9 (Note 10)	(144,079)	-	(83,108)	-
Reversal of impairment losses (Note 10)	330,448	507,323	-	-
	186,369	469,524	(83,108)	-

Notes to the Financial Statements

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27. PROFIT BEFORE TAXATION

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees	157,685	104,220	51,000	8,000
- non-audit fees:				
- member firms of the auditors of the Company	6,000	25,901	6,000	-
Commission expenses	312,738	1,132,543	-	-
Depreciation of property, plant and equipment	671,599	606,819	76,963	71,288
Director's fee	67,300	51,801	67,300	-
Directors' non-fee emoluments:				
- salaries, bonuses, incentives, allowances and other benefits	1,801,476	2,721,239	217,269	115,707
- defined contribution benefits	208,080	721,215	25,740	13,860
Inventories written down	466,109	144,734	-	-
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- bank overdraft	-	425	-	-
- term loans	431,127	543,475	81,800	113,331
- hire purchase payables	36,599	37,974	-	-
- bankers' acceptances	20,859	34,826	-	-
Listing expenses	1,096,032	957,362	1,096,032	957,362
Loss/(Gain) on foreign exchange:				
- realised	117,652	453,666	44,442	119,353
- unrealised	30,817	43,117	(237)	7,792
Rental expenses	376,339	357,805	60,000	60,000
Petrol expenses	846,913	779,618	6,841	3,325
Staff costs (including other key management personnel as disclosed in Note 32(c)):				
- salaries, bonuses, incentives, allowances and other benefits	12,854,033	11,887,877	1,290,753	1,268,167
- defined contribution benefits	1,389,833	1,417,720	142,902	152,985
Writeoff of trade receivables	5,788	-	-	-
Gain on disposal of a subsidiary	-	(8,011)	-	-
Writeback of inventories previously written down	(129,047)	(261,245)	-	-
Interest income	(526,777)	(88,709)	(405,977)	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM63,050 (2017 - RM63,050).

Notes to the Financial Statements

For the financial year ended 31 December 2018
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28. INCOME TAX EXPENSE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Income tax:				
- for the financial year	1,097,834	1,996,510	94,000	27,722
- under/(over)provision in the previous financial year	213,642	393,651	(6,789)	43,199
	1,311,476	2,390,161	87,211	70,921
Deferred tax (Note 8):				
- origination and reversal of temporary differences	(12,900)	(17,000)	(63,000)	-
- underprovision of deferred tax asset in the previous financial year	(107,040)	(480,272)	-	-
	(119,940)	(497,272)	(63,000)	-
	1,191,536	1,892,889	24,211	70,921

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Profit before taxation	4,189,815	9,002,933	1,125,409	1,764,418
Tax at the statutory tax rate of 24%	1,005,556	2,160,704	270,098	423,460
Tax effects of:-				
Differential in tax rates	(10,283)	(52,531)	-	-
Tax-exempt income	(473,393)	(427,548)	(473,393)	(427,548)
Non-deductible expenses	504,864	282,940	234,295	31,810
Non-taxable gains	(64,218)	(34,739)	-	-
Deferred tax asset not recognised during the financial year	88,800	29,713	-	-
Utilisation of deferred tax assets previously not recognised	-	(16,932)	-	-
Share of net losses of equity accounted associate	33,608	37,903	-	-
Underprovision of deferred tax asset in the previous financial year	(107,040)	(480,272)	-	-
Under/(Over)provision of current tax in the previous financial year	213,642	393,651	(6,789)	43,199
Income tax expense for the financial year	1,191,536	1,892,889	24,211	70,921

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For the financial year ended 31 December 2018
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28. INCOME TAX EXPENSE (Cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2017 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

For years of assessment 2017 and 2018, the Malaysian statutory tax rate will be reduced by 1% to 4%, based on the prescribed incremental percentage of chargeable income from business, compared to that of the immediate preceding year of assessment.

The current taxation of the Company is in respect of interest income. The Company is not subject to tax as it has been granted the MSC Malaysia status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act 1986. 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 temporary differences attributable to the deferred tax (liability)/assets which are not recognised in the financial statements are as follows:-

	The Group	
	2018	2017
	RM	RM
Deferred tax liability:		
- Accelerated capital allowances	(676,000)	(924,000)
Deferred tax assets:		
- Unutilised tax losses	-	95,000
- Inventories written down	1,368,000	1,030,000
- Impairment losses on trade receivables	332,000	724,000
- Others	39,000	212,000
	1,739,000	2,061,000
	1,063,000	1,139,000

29. EARNINGS PER SHARE

	The Group	
	2018	2017
Profit after taxation attributable to owners of the Company (RM)	2,998,279	7,110,044
Weighted average number of ordinary shares in issue	453,615,562	397,120,000
Basic earnings per share (Sen)	0.66	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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
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30. DIVIDENDS

	The Group	
	2018	2017
	RM	RM
<u>The subsidiary of the Company, RGM</u>		
First interim single tier dividend of RM2.00 per ordinary share in the current financial year	-	3,000,000

31. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cost of property, plant and equipment purchased (Note 7)	732,553	557,572	386,399	6,150
Amount financed through hire purchase	-	(276,000)	-	-
Cash disbursed for purchase of property, plant and equipment	732,553	281,572	386,399	6,150

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Amount owing to directors	Bankers' acceptances	Term loans	Hire purchase payables	Total
	RM	RM	RM	RM	RM
The Group					
2018					
At 1 January	-	-	9,371,391	828,724	10,200,115
<u>Changes in Financing Cash Flows</u>					
Advances	161,636	-	-	-	161,636
Proceeds from drawdown	-	2,254,000	-	-	2,254,000
Repayment of borrowing principal	-	(2,254,000)	(7,364,553)	(161,593)	(9,780,146)
Repayment of borrowing interests	-	(20,859)	(431,127)	(36,599)	(488,585)
	161,636	(20,859)	(7,795,680)	(198,192)	(7,853,095)
<u>Non-cash Changes</u>					
Finance charges recognised in profit or loss (Note 27)	-	20,859	431,127	36,599	488,585
At 31 December	161,636	-	2,006,838	667,131	2,835,605

Notes to the Financial Statements

For the financial year ended 31 December 2018
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31. CASH FLOW INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Amount owing to directors	Bankers' acceptances	Term loans	Hire purchase payables	Total
	RM	RM	RM	RM	RM
The Group					
2017					
At 1 January	3,930,411	397,000	10,148,266	695,615	15,171,292
Changes in Financing Cash Flows					
Repayment of borrowing principal	(3,930,411)	(397,000)	(776,875)	(142,891)	(5,247,177)
Repayment of borrowing interests	-	(34,826)	(543,475)	(37,974)	(616,275)
	(3,930,411)	(431,826)	(1,320,350)	(180,865)	(5,863,452)
Non-cash Changes					
New hire purchase	-	-	-	276,000	276,000
Finance charges recognised in profit or loss (Note 27)	-	34,826	543,475	37,974	616,275
At 31 December	-	-	9,371,391	828,724	10,200,115

	Term loans
	RM
The Company	
2018	
At 1 January	2,482,925
Changes in Financing Cash Flows	
Repayment of borrowing principal	(2,482,925)
Repayment of borrowing interests	(81,800)
	(2,564,725)
Non-cash Changes	
Finance charges recognised in profit or loss (Note 27)	81,800
At 31 December	-

Notes to the Financial Statements

For the financial year ended 31 December 2018
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31. CASH FLOW INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term loans RM
The Company	
2017	
At 1 January	2,580,842
Changes in Financing Cash Flows	
Repayment of borrowing principal	(97,917)
Repayment of borrowing interests	(113,331)
	(211,248)
Non-cash Changes	
Finance charges recognised in profit or loss (Note 27)	113,331
At 31 December	2,482,925

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Fixed deposits with licensed banks	18,610,774	1,524,028	17,052,932	-
Cash and bank balances	17,023,060	10,285,337	6,199,287	3,339,390
	35,633,834	11,809,365	23,252,219	3,339,390
Less:				
Fixed deposits pledged to licensed banks (Note 14(b))	(441,932)	(947,812)	-	-
Fixed deposits with tenure of more than 3 months	(11,000,000)	-	(11,000,000)	-
	24,191,902	10,861,553	12,252,219	3,339,390

Notes to the Financial Statements

For the financial year ended 31 December 2018
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32. 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.

(b) Significant Related Party Transactions

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Sales to a subsidiary	-	-	681,007	1,097,546
Purchases from subsidiaries	-	-	11,536	75,000
Purchases from an associate	154,089	37,835	-	28,650
Administrative fees to a subsidiary	-	-	-	40,000
Advances received from a subsidiary	-	-	-	1,500,461
Advances paid to subsidiaries	-	-	5,937,125	1,250,000
Rental expenses to a subsidiary	-	-	60,000	60,000
Entities in which certain directors/ shareholders/a key management personnel are directors/shareholders:-				
Sales to related parties	-	440,208	-	-
Purchases from related parties	-	1,932,618	-	-
A related party of the entity in which certain directors have interests:-				
Sales to related parties	-	204,540	-	-
Purchases from related parties	20,046	127,105	-	-
Directors/Shareholders:-				
Rental expenses	-	30,000	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2018
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32. RELATED PARTY DISCLOSURES (Cont'd)

(c) Key management personnel compensation

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Directors				
Short-term employee benefits:				
- fees	67,300	51,801	67,300	-
- salaries, bonuses, incentives, allowances and others benefits	1,801,476	2,721,239	217,269	115,707
Defined contribution benefits	208,080	721,215	25,740	13,860
	2,076,856	3,494,255	310,309	129,567

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM63,050 (2017 - RM63,050).

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other Key Management Personnel				
Short-term employee benefits	1,895,368	1,892,847	240,923	261,893
Defined contribution benefits	173,653	236,847	28,800	36,000
	2,069,021	2,129,694	269,723	297,893

33. 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 – 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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
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33. OPERATING SEGMENTS (Cont'd)

33.1 BUSINESS SEGMENTS

	Hardware and Maintenance RM	Software RM	Group RM
2018			
Revenue			
External revenue	54,165,403	9,092,041	63,257,444
Inter-segment revenue	11,536	681,007	692,543
	54,176,939	9,773,048	63,949,987
Consolidation adjustments			(2,074,050)
Consolidated revenue			61,875,937
Represented by:-			
Revenue recognised at a point of time			
- Sale of Hardware	40,878,838	-	40,878,838
- Sale of Software	-	6,778,621	6,778,621
Revenue recognised over time			
- Sale of Maintenance	13,298,101	-	13,298,101
- Sale of Software	-	2,994,427	2,994,427
	54,176,939	9,773,048	63,949,987
Consolidation adjustments			(2,074,050)
			61,875,937
Results			
Segment profit before interest and taxation	3,574,460	717,195	4,291,655
Interest income			526,777
Share of net losses of equity accounted associate			(140,032)
Finance costs			(488,585)
Consolidated profit before taxation			4,189,815
Income tax expense			(1,191,536)
Consolidated profit after taxation			2,998,279
Segment profit before interest and taxation includes the following:-			
Interest income	(118,388)	(408,389)	(526,777)
Interest expenses	406,785	81,800	488,585
Depreciation of property, plant and equipment	589,393	82,206	671,599
Reversal of impairment losses on trade receivables	(267,574)	(62,874)	(330,448)
Impairment losses on trade receivables	60,972	83,107	144,079
Writeback of impairment losses on inventories	(129,047)	-	(129,047)
Inventories written down	466,109	-	466,109
Unrealised loss/(gain) on foreign exchange	46,243	(15,426)	30,817
Staff costs	12,848,448	3,472,274	16,320,722

Notes to the Financial Statements

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33. OPERATING SEGMENTS (Cont'd)

33.1 BUSINESS SEGMENTS (Cont'd)

	Hardware and Maintenance	Software	Group
	RM	RM	RM
2018			
Assets			
Segment assets	37,263,235	34,052,127	71,315,362
Unallocated assets:			
- non-current assets held for sale			202,039
- deferred tax assets			611,617
- current tax assets			1,972,084
Consolidated total assets			74,101,102
Additions to non-current assets other than financial instruments and deferred tax assests are:-			
Property, plant and equipment	346,154	386,399	732,553
Liabilities			
Segment liabilities	10,049,793	2,611,637	12,661,430
Unallocated liabilities:			
- hire purchase payables			667,131
- term loans			2,006,838
- current tax liabilities			143,358
Consolidated total liabilities			15,478,757

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

33. OPERATING SEGMENTS (Cont'd)

33.1 BUSINESS SEGMENTS (Cont'd)

	Hardware and Maintenance RM	Software RM	Group RM
2017			
Revenue			
External revenue	72,048,856	10,707,405	82,756,261
Inter-segment revenue	-	1,247,546	1,247,546
	72,048,856	11,954,951	84,003,807
Consolidation adjustments			(3,221,113)
Consolidated revenue			80,782,694
Results			
Segment profit before interest and taxation	7,773,092	1,915,761	9,688,853
Interest income			88,709
Share of net losses of equity accounted associate			(157,929)
Finance costs			(616,700)
Consolidated profit before taxation			9,002,933
Income tax expense			(1,892,889)
Consolidated profit after taxation			7,110,044
Segment profit before interest and taxation includes the following:-			
Interest income	(83,140)	(5,569)	(88,709)
Interest expenses	503,369	113,331	616,700
Depreciation of property, plant and equipment	530,748	76,071	606,819
Reversal of impairment losses on trade receivables	(465,648)	(41,675)	(507,323)
Impairment losses on trade receivables	18,719	19,080	37,799
Writeback of impairment losses on inventories	(261,245)	-	(261,245)
Gain on disposal of a subsidiary	(8,011)	-	(8,011)
Inventories written down	144,734	-	144,734
Unrealised (gain)/loss on foreign exchange	(6,457)	49,574	43,117
Staff costs	13,582,329	3,217,523	16,799,852

The information on the disaggregation of revenue is not presented for the comparative periods as the Group has applied MFRS 15 using the modified retrospective application.

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33. OPERATING SEGMENTS (Cont'd)

33.1 BUSINESS SEGMENTS (Cont'd)

	Hardware and Maintenance	Software	Group
	RM	RM	RM
2017			
Assets			
Segment assets	46,209,625	11,462,691	57,672,316
Unallocated assets:			
- investment in an associate			342,071
- deferred tax assets			490,548
- current tax assets			903,787
Consolidated total assets			59,408,722
Additions to non-current assets other than financial instruments and deferred tax assets are:-			
Property, plant and equipment	551,423	6,149	557,572
Liabilities			
Segment liabilities	18,394,418	3,286,775	21,681,193
Unallocated liabilities:			
- hire purchase payables			828,724
- term loans			9,371,391
- current tax liabilities			166,552
Consolidated total liabilities			32,047,860

Notes to the Financial Statements

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33. OPERATING SEGMENTS (Cont'd)

33.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	The Group	
	2018	2017
	RM	RM
Australia	-	4,668
China	1,022	-
Cambodia	1,824,324	2,644,018
Germany	36,890	-
Hong Kong	17,561	4,284
Indonesia	26,550	571,941
Japan	-	2,195,827
Malaysia	52,398,258	66,599,966
Maldives	-	6,167
Myanmar	-	35,141
Philippines	418,313	356,547
Singapore	755,212	1,434,258
Sri Lanka	431,434	780,502
Taiwan	116,092	96,087
Thailand	95,303	7,435
Vietnam	5,756,978	6,045,853
	61,875,937	80,782,694

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 investments in an associate and deferred tax assets).

	The Group	
	2018	2017
	RM	RM
Malaysia	11,612,017	11,717,309
Cambodia	83,713	118,049
Vietnam	82,674	103,958
	11,778,404	11,939,316

Notes to the Financial Statements

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Cont'd

33. OPERATING SEGMENTS (Cont'd)

33.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group Revenue 2018 RM	Segments
Customer A	12,700,070	Hardware and maintenance
	2017 RM	
Customer A	9,593,100	Hardware and maintenance
Customer B	12,897,627	Hardware and maintenance

34. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in foreign currency other than the respective functional currencies of entities within the Group. 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:-

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

	United States Dollar RM	Singapore Dollar RM	Others* RM	Total RM
The Group				
2018				
Financial assets				
Trade receivables	317,073	205,488	116,265	638,826
Other receivables	24,500	3,032	-	27,532
Cash and bank balances	964,112	37,693	1,572	1,003,377
	1,305,685	246,213	117,837	1,669,735
Financial liabilities				
Trade payables	859,196	1,706	56,930	917,832
Other payables	1,775	716	3,473	5,964
Amount owing to related parties	3,762	-	-	3,762
	864,733	2,422	60,403	927,558
Net financial assets/Currency exposure	440,952	243,791	57,434	742,177
2017				
Financial assets				
Trade receivables	1,130,595	117,877	51,059	1,299,531
Other receivables	87,091	-	-	87,091
Amount owing by related parties	42,761	-	-	42,761
Cash and bank balances	1,022,916	71,336	1,641	1,095,893
	2,283,363	189,213	52,700	2,525,276
Financial liability				
Trade payables	4,056,309	2,532	66,686	4,125,527
Net financial (liabilities)/assets/ Currency exposure	(1,772,946)	186,681	(13,986)	(1,600,251)

* Consists of Brunei Dollar, British Pound, Japanese Yen, Australian Dollar, New Zealand Dollar and Euro.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar RM	Singapore Dollar RM	Total RM
The Company			
2018			
Financial asset			
Trade receivables	140,245	80,594	220,839
Net financial asset/Currency exposure	140,245	80,594	220,839
2017			
Financial asset			
Trade receivables	183,527	115,783	299,310
Net financial asset/Currency exposure	183,527	115,783	299,310

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:-

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Effects on Profit After Taxation				
USD/RM				
- strengthened by 10%	44,095	(177,295)	14,025	18,353
- weakened by 10%	(44,095)	177,295	(14,025)	(18,353)
SGD/RM				
- strengthened by 10%	24,379	18,668	8,059	11,578
- weakened by 10%	(24,379)	(18,668)	(8,059)	(11,578)
Others/RM				
- strengthened by 10%	5,743	(1,399)	-	-
- weakened by 10%	(5,743)	1,399	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 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 long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's fixed deposits with licensed banks and hire purchase payables are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest the rates.

The Group's exposure to the interest rate risk based on the carrying amount of the financial instrument at the end of the reporting period is disclosed in Note 20 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Effects on Profit After Taxation				
Increase of 100 basis points	(20,068)	(93,714)	-	(24,829)
Decrease of 100 basis points	20,068	93,714	-	24,829

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 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), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group and the Company's major concentration of credit risk relates to the trade receivables (including amount owing by subsidiaries and related parties) at the end of the reporting period is as follows:-

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
Major concentration of credit risk	37%	35%	38%	74%
Number of customers	3	2	1	2

In addition, the Group and the Company also determine 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 subsidiaries and related parties) at the end of the reporting period is as follows:-

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Malaysia	10,803,238	21,206,024	2,524,442	2,118,420
Singapore	205,488	169,981	80,594	115,783
Philippines	140,245	92,194	140,245	92,194
Indonesia	28,898	384,227	-	91,333
Vietnam	1,029,370	576,300	-	-
Thailand	49,777	42,535	-	-
Cambodia	866,311	470,103	-	-
Others	251,286	14,688	-	-
	13,374,613	22,956,052	2,745,281	2,417,730

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 12 months are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 2 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables (including amount owing by related parties and amount owing by subsidiaries) are summarised below:-

	Gross Amount	Lifetime Loss Allowance	Carrying Amount
	RM	RM	RM
The Group			
2018			
Not past due	7,303,394	(5,016)	7,298,378
Past due:			
- less than 3 months	2,355,578	(9,139)	2,346,439
- 3 to 6 months	3,052,701	(52,691)	3,000,010
- over 6 months	772,175	(39,585)	732,590
- more than 1 year	354,283	(16)	354,267
	13,838,131	(106,447)	13,731,684
Credit impaired:			
- individually impaired	-	(357,071)	(357,071)
	13,838,131	(463,518)	13,374,613
The Company			
2018			
Not past due	1,312,124	(4,665)	1,307,459
Past due:			
- less than 3 months	410,777	(3,632)	407,145
- 3 to 6 months	610,154	(13,645)	596,509
- over 6 months	456,154	(22,447)	433,707
- more than 1 year	39,180	(16)	39,164
	2,828,389	(44,405)	2,783,984
Credit impaired:			
- individually impaired	-	(38,703)	(38,703)
	2,828,389	(83,108)	2,745,281

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

In the last financial year, the loss allowance on trade receivables (including amount owing by related parties) was calculated under MFRS 139. The ageing analysis of trade receivables (including amount owing by related parties and amount owing by subsidiaries) is as follows:-

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
The Group			
2017			
Not past due	12,964,707	-	12,964,707
Past due:			
- less than 3 months	7,151,028	-	7,151,028
- 3 to 6 months	1,664,805	-	1,664,805
- over 6 months	645,484	-	645,484
- more than 1 year	1,212,254	(682,226)	530,028
	23,638,278	(682,226)	22,956,052
The Company			
2017			
Not past due	977,382	-	977,382
Past due:			
- less than 3 months	1,011,758	-	1,011,758
- 3 to 6 months	426,989	-	426,989
- over 6 months	314	-	314
- more than 1 year	1,287	-	1,287
	2,417,730	-	2,417,730

The movements in the loss allowances in respect of trade receivables is disclosed in Note 10 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount owing by subsidiaries

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. Generally, the Company considers advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when the subsidiary is unlikely to repay its advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these advances individually using internal information available, and considers these to have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial. Hence, it is not provided for.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 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	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 years	Over 5 years
	RM	RM	RM	RM	RM
The Group					
2018					
Non-derivative Financial Liabilities					
Trade payables	4,009,811	4,009,811	4,009,811	-	-
Other payables and accruals	4,034,121	4,034,121	4,034,121	-	-
Amount owing to directors	161,636	161,636	161,636	-	-
Amount owing to related parties	16,102	16,102	16,102	-	-
Hire purchase payables	667,131	729,418	198,174	531,244	-
Term loans	2,006,838	2,252,766	724,286	1,528,480	-
	10,895,639	11,203,854	9,144,130	2,059,724	-
2017					
Non-derivative Financial Liabilities					
Trade payables	12,084,074	12,084,074	12,084,074	-	-
Other payables and accruals	5,381,763	5,381,763	5,381,763	-	-
Amount owing to related parties	49,015	49,015	49,015	-	-
Hire purchase payables	828,724	927,610	198,169	721,556	7,885
Term loans	9,371,391	11,405,181	1,555,485	6,269,175	3,580,521
	27,714,967	29,847,643	19,268,506	6,990,731	3,588,406

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 years	Over 5 years
	RM	RM	RM	RM	RM
The Company					
2018					
Non-derivative Financial Liabilities					
Trade payables	350,350	350,350	350,350	-	-
Other payables and accruals	517,602	517,602	517,602	-	-
	867,952	867,952	867,952	-	-
2017					
Non-derivative Financial Liabilities					
Trade payables	13,935	13,935	13,935	-	-
Other payables and accruals	626,371	626,371	626,371	-	-
Amount owing to a subsidiary	79,500	79,500	79,500	-	-
Term loans	2,482,925	3,542,808	211,248	844,993	2,486,567
	3,202,731	4,262,614	931,054	844,993	2,486,567

34.2 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 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 was no change 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.

Notes to the Financial Statements

For the financial year ended 31 December 2018
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34. FINANCIAL INSTRUMENTS (Cont'd)

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group 2018 RM	The Company 2018 RM
Financial Asset		
Amortised Cost		
Trade receivables	13,187,700	2,549,820
Other receivables	2,254,314	2,224,745
Amount owing by subsidiaries	-	5,249,712
Amount owing by related parties	186,913	-
Fixed deposits with licensed banks	18,610,774	17,052,932
Cash and bank balances	17,023,060	6,199,287
	51,262,761	33,276,496
Financial Liability		
Amortised Cost		
Trade payables	4,009,811	350,350
Other payables and accruals	4,034,121	517,602
Amount owing to directors	161,636	-
Amount owing to related parties	16,102	-
Hire purchase payables	667,131	-
Term loans	2,006,838	-
	10,895,639	867,952

	The Group 2017 RM	The Company 2017 RM
Financial Asset		
Loans and Receivables Financial Assets		
Trade receivables	22,903,116	1,530,374
Other receivables	117,955	76,535
Amount owing by subsidiaries	-	1,037,356
Amount owing by related parties	52,936	-
Fixed deposits with licensed banks	1,524,028	-
Cash and bank balances	10,285,337	3,339,390
	34,883,372	5,983,655

Notes to the Financial Statements

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34. FINANCIAL INSTRUMENTS (Cont'd)

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (Cont'd)

	The Group 2017 RM	The Company 2017 RM
Financial Liability		
Other Financial Liabilities		
Trade payables	12,084,074	13,935
Other payables and accruals	5,381,763	626,371
Amount owing to a subsidiary	-	79,500
Amount owing to related parties	49,015	-
Hire purchase payables	828,724	-
Term loans	9,371,391	2,482,925
	27,714,967	3,202,731

34.4 (GAINS) OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group 2018 RM	The Company 2018 RM
Financial Asset		
Amortised Cost		
Writeoff of trade receivables	5,788	-
Impairment losses on trade receivables	144,079	83,108
Reversal of impairment losses on trade receivables	(330,448)	-
Interest income	(526,777)	(405,977)
Loss/(Gain) on foreign exchange:		
- Realised	57,336	42,453
- Unrealised	19,605	(237)
Financial Liability		
Amortised Cost		
Interest expenses	488,585	81,800
Loss on foreign exchange:		
- Realised	60,316	1,989
- Unrealised	11,212	-

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

34. FINANCIAL INSTRUMENTS (Cont'd)

34.4 (GAINS) OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

	The Group 2017 RM	The Company 2017 RM
Financial Asset		
Loans and Receivables Financial Assets		
Impairment losses on trade receivables	37,799	-
Reversal of impairment losses on trade receivables	(507,323)	-
Interest income	(88,709)	-
Loss on foreign exchange:		
- Realised	275,656	118,770
- Unrealised	260,699	7,792
Financial Liability		
Financial Liabilities Measured at Amortised Cost		
Interest expenses	616,700	113,331
Loss/(Gain) on foreign exchange:		
- Realised	178,010	583
- Unrealised	(217,582)	-

34.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company 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 not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group					
2018					
Financial Liabilities					
Hire purchase payables	-	780,504	-	780,504	667,131
Term loans	-	2,006,838	-	2,006,838	2,006,838
2017					
Financial Liabilities					
Hire purchase payables	-	793,699	-	793,699	828,724
Term loans	-	9,371,391	-	9,371,391	9,371,391

34. FINANCIAL INSTRUMENTS (Cont'd)

34.5 FAIR VALUE INFORMATION (Cont'd)

	Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
The Company					
2018					
Financial Liability					
Term loans	-	-	-	-	-
2017					
Financial Liability					
Term loans	-	2,482,925	-	2,482,925	2,482,925

The fair value of hire purchase payables is determined by discounting the relevant cash flow using interest rate for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	2018	2017	2018	2017
	%	%	%	%
Hire purchase payables	2.60 - 5.13	2.60 - 4.88	-	-

The fair value of the Group and the Company's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

35. CHANGES IN ACCOUNTING POLICIES

Initial Application of MFRS 9

The Group has adopted MFRS 9 without restating any comparative information (transitional exemption). Therefore, the financial impacts arising from the new classification and measurement of financial instruments, and the new impairment requirements are not reflected in its consolidated statement of financial position as at 31 December 2017; but are recognised in the opening consolidated statement of financial position on 1 January 2018 (date of initial application of MFRS 9).

The Group

The Group has changed its impairment loss methodology from the 'incurred loss' approach to the 'expected credit loss' approach upon the adoption of MFRS 9. Under this new approach, the Group has accounted for the expected credit losses of its financial assets measured at amortised cost to reflect their changes in credit risk since initial recognition. Also, the Group has applied a simplified approach to measure the loss allowance of its trade receivables as permitted by MFRS 9. Consequently, a total increase of RM41,000 in the loss allowance for trade receivables was recognised in the opening retained profits of the Group at 1 January 2018.

The Company

There were no material financial impacts upon the transition to MFRS 9 at the date of initial application.

Notes to the Financial Statements

For the financial year ended 31 December 2018
Cont'd

36. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 7 January 2019, the Company acquired 100% equity interest in Infoconnect Commerce Sdn. Bhd. for a total cash consideration of RM650,000 and 70% equity interest in Adaptive Pos Sdn. Bhd. for a total cash consideration of RM1,400,000.

(b) On 13 February 2019, the Group disposed of its entire equity interest in Symple Apps Sdn. Bhd. for a total cash consideration of RM500,000.

37. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year and adoption of MFRS 9 Financial Instruments as disclosed in Note 3.1 to the financial statements:-

	As Restated	As Previously Reported
	RM	RM
The Group		
Consolidated Statement of Comprehensive Income and Other Comprehensive Income (Extract):-		
Other income	459,077	966,400
Other expenses	(2,101,535)	(2,139,334)
Net impairment losses on financial assets	469,524	-
Consolidated Statement of Cash Flows (Extract):-		
Net cash from operating activities	7,318,454	6,048,575
Net cash (for)/from investing activities	(247,161)	607,873
Net cash for financing activities	(10,129,586)	(9,714,741)
The Company		
Statement of Cash Flows (Extract):-		
Net cash from operating activities	4,362,448	4,051,566
Net cash for investing activities	(506,151)	(256,151)
Net cash for financing activities	(1,477,382)	(1,416,500)

Analysis of Shareholdings

As at 29 March 2019

Total number of issued shares	:	525,200,000 ordinary shares
Class of equity securities	:	Ordinary Shares ("Shares")
Voting rights by poll	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	0	0.00	0	0.00
100 - 1,000 shares	233	9.44	157,300	0.03
1,001 - 10,000 shares	999	40.46	6,187,000	1.18
10,001 - 100,000 shares	1,062	43.01	38,366,700	7.30
100,001 – less than 5% of issued shares	171	6.93	95,369,000	18.16
5% and above of issued shares	4	0.16	385,120,000	73.33
Total	**2,469**	**100.00**	**525,200,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Global Merits Sdn. Bhd.	171,232,800	32.60	-	-
Practical Resources Sdn. Bhd.	139,463,200	26.55	-	-
AI Capital Sdn. Bhd.	44,712,000	8.51	-	-
Jejak Menang Sdn. Bhd.	29,712,000	5.66	-	-
Yap Ban Foo	-	-	171,232,800[a]	32.60
Yap Sin Sang	-	-	139,463,200[b]	26.55
Tan Chuan Hock	-	-	44,712,000[c]	8.51
Yap Poh Keong	1,500,000	0.29	29,712,000[d]	5.66

Notes:

(a) Deemed interested by virtue of his interest in Global Merits Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("CA 2016").
(b) Deemed interested by virtue of his interest in Practical Resources Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.
(c) Deemed interested by virtue of his interest in AI Capital Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.
(d) Deemed interested by virtue of his interest in Jejak Menang Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.

Analysis of Shareholdings

As at 29 March 2019
Cont'd

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Siow Kim Lun	500,000	0.10	-	-
Mashitah Binti Osman	100,000	0.02	-	-
Tevanaigam Randy Chitty	500,000	0.10	-	-
Yap Ban Foo	-	-	171,232,800	32.60
Yap Sin Sang	-	-	139,463,200	26.55

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1.	Global Merits Sdn. Bhd.	171,232,800	32.60
2.	Practical Resources Sdn. Bhd.	139,463,200	26.55
3.	AI Capital Sdn. Bhd.	44,712,000	8.51
4.	Jejak Menang Sdn. Bhd.	29,712,000	5.66
5.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged securities account for Khor Jan Yeow (8083119)*	5,750,000	1.09
6.	Frontvest Holdings Sdn. Bhd.	5,000,000	0.95
7.	Jeannie Ooi Chin Nee	3,892,500	0.74
8.	Liew Tien Choy	3,465,600	0.66
9.	Tan Hang Lim	3,000,000	0.57
10.	Tan Gek Toh	2,200,000	0.42
11.	Cheng Ping Liong	2,000,000	0.38
12.	Liew Khin Kheong	1,970,600	0.38
13.	Keoh Git Ngoo	1,950,000	0.37
14.	Sim Kian Seng	1,800,000	0.34
15.	Seow Kok Tiong	1,600,000	0.30
16.	Tran Phu Vinh	1,516,000	0.29
17.	Axiome Synergy Sdn. Bhd.	1,500,000	0.29
18.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Lim Wee Chai (PBCL-0G0025)*	1,500,000	0.29
19.	Yap Poh Keong	1,500,000	0.29
20.	Yap Siok Chin	1,500,000	0.29
21.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Tan Bak Hong (PB)*	1,445,000	0.28
22.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged securities account for Tee Kim Hew (E-KLG/BTG)*	1,423,000	0.27

Analysis of Shareholdings

As at 29 March 2019
Cont'd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (Cont'd)
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
23.	Federlite Holdings Sdn. Bhd.	1,270,000	0.24
24.	Lee Kong Huat	1,270,000	0.24
25.	Ng Sui Kang	1,250,000	0.24
26.	Chai Koon Khow	1,206,000	0.23
27.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Pledged securities account for Wong Kok Mun (REM 663)*	1,200,000	0.23
28.	Tran Minh Nhut	1,150,000	0.22
29.	Moh Chee Leong	1,125,300	0.21
30.	Tee Tian Hock	1,052,100	0.20

List of Properties

As at 31 December 2018

Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Gross Built up Area (Sq.ft)	Existing Use	Audited Net Carrying Amount as at 31 December 2018 RM'000
Radiant Global ADC Sdn. Bhd. No. 8, Jalan 3/91A Taman Shamelin Perkasa Batu 3 1/2, Cheras 56100 Kuala Lumpur Wilayah Persekutuan Malaysia	02.05.2008	Three (3)-storey intermediate semi-detached factory	Leasehold expiring on 11.09.2082	35	14,738	Office, warehouse and customer support service office	3,409
Radiant Global ADC Sdn. Bhd. Unit 03-06, Level 3 Tower B Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	09.09.2015	An office unit on 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	11	2,362	Head office	2,284
Radiant Global ADC Sdn. Bhd. Unit 03-07, Level 3 Tower B Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	09.09.2015	An office unit on 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	11	939	Head office	929
Radiant Globaltech Berhad Unit 03-08, Level 3 Tower B Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	29.06.2016	An office unit on 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	11	2,659	Head office	2,750

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting ("AGM" or "Meeting") of RADIANT GLOBALTECH BERHAD ("Radiant Globaltech" or "the Company") will be held at Greens II, Level 1 Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 11 June 2019 at 10:30 a.m. to transact the following businesses:-

A G E N D A

AS ORDINARY BUSINESS :

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. **PLEASE REFER TO NOTE (a)**

2. To approve the payment of Directors' fees and benefits of RM67,300 for the financial year ended 31 December 2018. **ORDINARY RESOLUTION 1**

3. To approve the Directors' fees and benefits of up to RM150,000 for the financial year ending 31 December 2019. **ORDINARY RESOLUTION 2**

4. To re-elect the following Directors who retire by rotation in accordance with Clause 85 of the Company's Constitution:

   i. Mr. Yap Ban Foo **ORDINARY RESOLUTION 3**
   ii. Mr. Yap Sin Sang **ORDINARY RESOLUTION 4**

5. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **ORDINARY RESOLUTION 5**

AS SPECIAL BUSINESS :

To consider and if thought fit, pass with or without any modifications, the following resolutions: -

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **ORDINARY RESOLUTION 6**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **SPECIAL RESOLUTION**

   "THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in "Appendix A" with immediate effect AND THAT the Directors and/or the Secretary of the Company be authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

Notice of Annual General Meeting

Cont'd

8. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
30 April 2019

Notes:

(a) The Agenda No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from shareholders for the Audited Financial Statements. Hence, Agenda No. 1 is not put forward for voting.

(b) A shareholder who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting in his stead. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

(c) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 3 June 2019. Only members whose names appear in the General Meeting Record of Depositors as at 3 June 2019 shall be regarded as members and entitled to attend, speak and vote at the Sixteenth AGM.

(d) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(h) The instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote.

(i) All resolutions set out in the Notice of the Meeting will be put to vote by poll.

Notice of Annual General Meeting
Cont'd

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. ***Item 6 of the Agenda - General Authority for the Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016***

   The Ordinary Resolution 6 proposed under item 6 of the Agenda is a new general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of Companies Act 2016. This Ordinary Resolution, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued share of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such shares. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

   This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

2. ***Item 7 of the Agenda - Proposed Amendments to the Constitution of the Company***

   The Special Resolution proposed under item 7 of the Agenda in relation to the proposed amendments to the existing Constitution of the Company are made mainly for the following purposes:-

   (a) To ensure compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad; and

   (b) To provide clarity and consistency with the amendments that arise from the Companies Act 2016 and other relevant regulatory provisions.

   This Special Resolution if passed, will allow the Company to alter or amend the whole of the existing Constitution by the replacement with the proposed new Constitution as per "Appendix A" in accordance with Section 36(1) of the Companies Act 2016. The "Appendix A" on the proposed new Constitution of the Company, which is circulated together with the Notice of AGM dated 30 April 2019, shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Sixteenth AGM.

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RADIANT GLOBALTECH

PROXY FORM

RADIANT GLOBALTECH BERHAD

(621297-A)
(Incorporated in Malaysia)

I/We* ____ NRIC/Company No.* ____________________
(full name in capital letters)

of ____
(full address)

being (a) member(s) of RADIANT GLOBALTECH BERHAD (621297-A) ("the Company") hereby appoint ____________

____ NRIC No. ____________________
(full name in capital letters)

of ____
(full address)

and/or* ____ NRIC No. ____________________
(full name in capital letters)

of ____
(full address)

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Sixteenth Annual General Meeting ("AGM" or "Meeting") of the Company to be held at Greens II, Level 1 Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 11 June 2019 at 10:30 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of RM67,300 for the financial year ended 31 December 2018.		
2.	To approve the Directors' fees and benefits of up to RM150,000 for the financial year ending 31 December 2019.		
3.	To re-elect Mr. Yap Ban Foo as a Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
4.	To re-elect Mr. Yap Sin Sang as a Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
5.	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
6.	To approve the authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

No.	Special Resolution	For	Against
1.	To approve the Proposed Amendments to the Constitution of the Company.		

** delete whichever not applicable*

CDS Account No.	No. of Shares Held

Dated this ________ day of ____________________ 2019.

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
TOTAL		100

____
Signature of Member(s) / Common Seal

Fold this flap for sealing

Notes:

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(i) All resolutions set out in the Notice of the Meeting will be put to vote by poll.

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AFFIX
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RADIANT GLOBALTECH BERHAD (621297-A)

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

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www.rgtech.com.my

RADIANT GLOBALTECH BERHAD (Company No. 621297-A)
(Incorporated in Malaysia)

Unit 03-06 & 03-07, Level 3,
Tower B, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : +603-2242 2059
Email : info@rgtech.com.my