



## **RADIANT GLOBALTECH BERHAD**

*(Company No. 621297-A)*

*(Incorporated in Malaysia)*

### **INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019**

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**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019<sup>(1)</sup>**

	CURRENT YEAR QUARTER 30.06.19 RM'000	PRECEDING YEAR QUARTER 30.06.18 RM'000	CURRENT YEAR TO DATE 30.06.19 RM'000	PRECEDING YEAR TO DATE 30.06.18 RM'000
Revenue	16,251	18,772	30,071	32,580
Cost of sales	(8,560)	(9,726)	(16,117)	(17,829)
Gross profit	7,691	9,046	13,954	14,751
Other income	202	(1)	801	413
	7,893	9,045	14,755	15,164
Selling and distribution expenses	(269)	170	(520)	30
Administrative expenses	(1,282)	(1,172)	(2,356)	(2,439)
Staff costs	(4,844)	(4,471)	(9,046)	(8,410)
Other expenses	(260)	(930)	(604)	(1,276)
Finance costs	(49)	(147)	(99)	(284)
Net reversal of impairment losses / (impairment losses) on financial assets	141	(69)	(75)	(69)
Share of net losses of equity accounted in an associate	-	(21)	-	(36)
Profit before taxation	1,330	2,405	2,055	2,680
Income tax expense	(27)	(630)	(224)	(716)
<b>Profit after taxation</b>	1,303	1,775	1,831	1,964
Other comprehensive (loss) / income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	19	55	-	(15)
<b>Total comprehensive income for the financial period</b>	1,322	1,830	1,831	1,949
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Company	1,238	1,775	1,807	1,964
Non-controlling interest	65	-	24	-
	1,303	1,775	1,831	1,964

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)

**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019<sup>(1)</sup>**  
 (CONT'D)

	CURRENT YEAR QUARTER 30.06.19 RM'000	PRECEDING YEAR QUARTER 30.06.18 RM'000	CURRENT YEAR TO DATE 30.06.19 RM'000	PRECEDING YEAR TO DATE 30.06.18 RM'000
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>				
Owners of the Company	1,257	1,830	1,807	1,949
Non-controlling interest	65	-	24	-
	<u>1,322</u>	<u>1,830</u>	<u>1,831</u>	<u>1,949</u>
<b>Earnings per share attributable to owners of the Company:-</b>				
- Basic (Sen)	0.24 <sup>(2)</sup>	0.45	0.34 <sup>(2)</sup>	0.49
- Diluted (Sen)	<u>0.24<sup>(2)</sup></u>	<u>0.45</u>	<u>0.34<sup>(2)</sup></u>	<u>0.49</u>

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 June 2019. The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities outstanding.

	Unaudited 30.06.19 RM'000	Audited 31.12.18 RM'000
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Property, plant and equipment	13,472	11,167
Right of use assets	317	-
Deferred tax assets	1,094	611
Goodwill on acquisition	185	-
	<u>15,068</u>	<u>11,778</u>
CURRENT ASSETS		
Inventories	8,590	6,079
Trade receivables	12,819	13,188
Other receivables, deposits and prepayments	2,392	5,061
Amount owing by related parties	200	187
Current tax assets	2,074	1,972
Fixed deposits with licensed banks	18,629	18,611
Cash and bank balances	18,402	17,023
	<u>63,106</u>	<u>62,121</u>
Non-current assets classified as held for sale	-	202
	<u>63,106</u>	<u>62,323</u>
<b>TOTAL ASSETS</b>	<u>78,174</u>	<u>74,101</u>
<b>EQUITY AND LIABILITIES</b>		
EQUITY		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(234)	(234)
Retained profits	26,190	24,383
Shareholders' fund	60,428	58,621
Non-controlling interest	548	-
<b>TOTAL EQUITY</b>	<u>60,976</u>	<u>58,621</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	443	497
Lease liabilities	140	-
Term loans	1,124	1,415
Deferred revenue	445	586
	<u>2,152</u>	<u>2,498</u>
CURRENT LIABILITIES		
Trade payables	5,376	4,010
Other payables and accruals	8,237	7,888
Amount owing to related parties	5	16
Amount owing to directors	221	162
Bankers' acceptances	260	-
Hire purchase payables	142	170
Lease liabilities	177	-
Term loans	592	592
Current tax liabilities	36	144
	<u>15,046</u>	<u>12,982</u>
<b>TOTAL LIABILITIES</b>	<u>17,198</u>	<u>15,480</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>78,174</u>	<u>74,101</u>
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>11.51</u>	<u>11.16</u>

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019<sup>(1)</sup>**

	<---- Non-Distributable ---->			Distributable	Attributable to Owners of the Company	Non-controlling interest	Total Equity
	Share Capital	Merger Deficit	Foreign Exchange Translation Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01.01.18	19,856	(13,681)	(241)	21,426	27,360	-	27,360
Changes in accounting policies	-	-	-	(41)	(41)	-	(41)
Balance at 1.1.2018 (restated)	19,856	(13,681)	(241)	21,385	27,319	-	27,319
Profit after taxation	-	-	-	2,998	2,998	-	2,998
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	7	-	7	-	7
Total comprehensive income for the financial year	-	-	7	2,998	3,005	-	3,005
Contribution by and distribution to owners of the Company:							
- Issuance of shares	28,297	-	-	-	28,297	-	28,297
<b>Balance as at 31.12.18 (Audited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(234)</b>	<b>24,383</b>	<b>58,621</b>	<b>-</b>	<b>58,621</b>
Balance as at 01.01.19	48,153	(13,681)	(234)	24,383	58,621	-	58,621
Profit after taxation	-	-	-	1,807	1,807	24	1,831
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	1,807	1,807	24	1,831
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	524	524
<b>Balance as at 30.06.19 (Unaudited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(234)</b>	<b>26,190</b>	<b>60,428</b>	<b>548</b>	<b>60,976</b>

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019<sup>(1)</sup>**

	<b>CURRENT YEAR TO DATE 30.06.19 RM'000</b>	<b>PRECEDING YEAR TO DATE 30.06.18 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,055	2,680
Adjustments for:		
Depreciation of property, plant and equipment	532	327
Gain on disposal of an associate	(298)	-
Interest income	(441)	(20)
Interest expenses	99	284
Impairment losses on trade receivables	75	69
Share of net losses of equity accounted in an associate	-	36
Unrealised loss on foreign exchange	72	138
Writeback of impairment losses on trade receivable	(19)	(281)
Operating profit before working capital changes	2,075	3,233
(Increase) / Decrease in inventories	(2,511)	2,624
Decrease in trade and other receivables	2,762	7,004
Increase / (Decrease) in trade and other payables	1,560	(7,104)
(Increase) / Decrease in amount owing by related parties	(14)	52
Decrease in amount owing to related parties	(11)	(38)
<b>CASH FROM OPERATIONS</b>	3,861	5,771
Income tax paid	(916)	(1,126)
Interest paid	(99)	(284)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	2,846	4,361
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(106)	(200)
Interest received	441	20
Acquisition of subsidiaries, net of cash	(2,047)	-
Disposal of an associate, net of cash	500	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(1,212)	(180)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Drawdown of bankers' acceptance	260	663
Payment of listing expenses	-	(1,073)
Repayment of term loans	(291)	(528)
Repayment of hire purchase obligations	(82)	(80)
Repayment to lease liabilities	(79)	-
<b>NET CASH FOR FINANCING ACTIVITIES</b>	(192)	(1,018)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,442	3,163
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	(44)	(116)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	24,192	10,861
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	25,590	13,908



**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-  
TO-DATE ENDED 30 JUNE 2019<sup>(1)</sup>**

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019****A1. Basis of Preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, International Financial Reporting Standards ("IFRS") 34, Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2018. These explanatory notes attached to the interim financial report provide explanations of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the FYE 31 December 2018.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted in the audited financial statements for FYE 31 December 2018 except for the adoption of the following MFRS and Amendments to MFRS which came into effect for annual periods beginning on or after 1 January 2019 and are applicable for the Group's interim financial report for the quarter and year-to-date ended 30 June 2019, as disclosed below:

**MFRSs and/or IC Interpretations (including the Consequential Amendments)**

IC Interpretation 23 Uncertainty over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 - 2017 Cycles

MFRS 16 Leases

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) do not have any material impact on the financial performance and position of the Group upon their initial application.

MFRS 16 Leases will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

**A2. Changes in Accounting Policies (Cont'd)**

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

The Group has adopted MFRS 16 Leases on 1 January 2019, and there is no material impact on the financial statement of the Group upon its application.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period ended 30 June 2019:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective for annual periods on or after</b>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition on material	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is not expected to have a material impact on the financial statements of the Group upon their initial application.

**A3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2018.

**A4. Seasonal or Cyclical Factors**

The business operations of the Group during the current financial quarter under review were not materially affected by any seasonal or cyclical factors.

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items for the current financial quarter under review.

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019 (CONT'D)**
**A6. Changes in Estimates**

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

**A7. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review.

**A8. Dividends Paid**

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

**A9. Segmental Reporting**

The Group's operating segments information are as follows:-

	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Current year quarter ended 30 June 2019</b>			
<b>Revenue</b>			
External revenue	12,678	3,573	16,251
Inter-segment revenue	136	215	351
	<u>12,814</u>	<u>3,788</u>	<u>16,602</u>
Consolidation adjustments			(351)
Consolidated revenue			<u>16,251</u>
<b>Results</b>			
Segmental profit before interest and taxation	312	830	1,142
Interest income			237
Finance costs			(49)
Consolidated profit before taxation			<u>1,330</u>
Income tax expense			(27)
Consolidated profit after taxation			<u>1,303</u>

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**
**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019 (CONT'D)**
**A9. Segmental Reporting (Cont'd)**

	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Preceding year quarter ended 30 June 2018</b>			
<b>Revenue</b>			
External revenue	16,044	2,728	18,772
Inter-segment revenue	213	585	798
	<u>16,257</u>	<u>3,313</u>	<u>19,570</u>
Consolidation adjustments			(798)
Consolidated revenue			<u>18,772</u>
<b>Results</b>			
Segmental profit before interest and taxation	2,685	(122) <sup>(1)</sup>	2,563
Interest income			10
Share of net losses of equity accounted in an Associate			(21)
Finance costs			<u>(147)</u>
Consolidated profit before taxation			2,405
Income tax expense			<u>(630)</u>
Consolidated profit after taxation			<u>1,775</u>

**Note:**

(1) Inclusive of IPO related expenses amounting to RM0.811 million.

	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Current year to date ended 30 June 2019</b>			
<b>Revenue</b>			
External revenue	24,450	5,621	30,071
Inter-segment revenue	187	350	537
	<u>24,637</u>	<u>5,971</u>	<u>30,608</u>
Consolidation adjustments			(537)
Consolidated revenue			<u>30,071</u>
<b>Results</b>			
Segmental profit before interest and taxation	744	969	1,713
Interest income			441
Finance costs			<u>(99)</u>
Consolidated profit before taxation			2,055
Income tax expense			<u>(224)</u>
Consolidated profit after taxation			<u>1,831</u>

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019 (CONT'D)**
**A9. Segmental Reporting (Cont'd)**

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
<b>Preceding year to date ended 30 June 2018</b>			
<b>Revenue</b>			
External revenue	28,571	4,009	32,580
Inter-segment revenue	374	711	1,085
	<u>28,945</u>	<u>4,720</u>	<u>33,665</u>
Consolidation adjustments			(1,085)
Consolidated revenue			<u>32,580</u>
<b>Results</b>			
Segmental profit before interest and taxation	2,905	75 <sup>(1)</sup>	2,980
Interest income			20
Share of net losses of equity accounted in an Associate			(36)
Finance costs			(284)
Consolidated profit before taxation			<u>2,680</u>
Income tax expense			(716)
Consolidated profit after taxation			<u>1,964</u>

**Note:**

(2) Inclusive of IPO related expenses amounting to RM0.811 million.

**A10. Significant Events Subsequent to the End of the Interim Financial Period**

There were no significant events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

**A11. Changes in the Composition of the Group**

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

**A12. Fair Value of Financial Instruments**

There were no gain or losses arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

**A13. Capital Commitments**

There were no capital commitments for the current financial quarter under review.

**A14. Contingent Liabilities**

The Group has no contingent liabilities as at the date of this report.

**A15. Related Party Transactions**

During the current financial quarter, the Board of Directors is of the opinion that there were no material related party transactions which would have a significant impact on the financial position and business of the Group.

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**B1. Review of Group Performance**
For the quarter ended 30 June 2019 (2Q19)

For the second quarter ended 30 June 2019 (2Q19), the Group reported 13.43% weaker revenue of RM16.25 million from RM18.77 million in the preceding year corresponding quarter ended 30 June 2018 (2Q18).

RM12.68 million or 78.03% of the revenue in 2Q19 was contributed by the Hardware and Maintenance segment, while the remaining RM3.57 million or 21.97% was derived from the Software segment.

As a comparison, RM16.04 million or 85.47% of the Group's revenue in 2Q18 was derived from the Hardware and Maintenance segment, while the remaining RM2.73 million or 14.53% was from Software Segment.

The Group recorded 15.03% lower gross profit to RM7.69 million in 2Q19 from RM9.05 million in 2Q18, on decreased revenue contribution from its Hardware and Maintenance segment. Similarly, the Group recorded lower profit before tax of RM1.33 million in 2Q19, from RM2.41 million in 2Q18.

For the six months ended 30 June 2019 (1H19)

For 1H19, the Group recorded 7.70% lower revenue of RM30.07 million from RM32.58 million in the previous corresponding six months ended 30 June 2018 (1H18).

Of total 1H19 revenue, RM24.45 million or 81.31% was supported by the Hardware and Maintenance segment, while the balance RM5.62 million or 18.69% was derived from the Software segment. As a comparison, RM28.57 million or 87.69% of 1H18 revenue was supported by the Hardware segment, while the remaining RM4.01 million or 12.31% was from the Software segment.

The Group recorded 5.42% lower gross profit to RM13.95 million in 1H19 from RM14.75 million in 1H18, on decreased revenue contribution from its Hardware and Maintenance segment despite favourable product mix. These factors, alongside higher staff costs in line with the future expansion plans, resulted in lower profit before tax of RM2.06 million in 1H19, from RM2.68 million in the previous year.

**B2. Comparison with Immediate Preceding Quarter Results**

	Quarter Ended		<---- Changes ---->	
	30.06.19 RM'000	31.03.19 RM'000	RM'000	%
Revenue	16,251	13,820	2,031	17.59
Profit before tax	<u>1,330</u>	<u>725</u>	<u>605</u>	<u>83.45</u>

The Group's revenue of RM16.25 million for the current quarter under review was 17.59% higher than the RM13.82 million recorded in the previous quarter due to higher revenue contribution from both Hardware and Maintenance Segment and Software segment.

The Group's profit before tax of RM1.33 million increased 83.45% from RM0.73 million achieved in the previous quarter. This was mainly due to higher revenue from Software segment which generate higher gross margin.



**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B3. Prospects**

The Group will be driven by its three-pronged strategy of increasing its range of products and services, entering new market segments and expanding its geographical footprint.

The Group will maintain its efforts to increase its product portfolio, through in-house research and development, and leveraging on the range of solutions of recently-acquired companies, Adaptive POS Sdn Bhd and Infoconnect Commerce Sdn Bhd. The Group also had entered into a reseller agreement with Strongpoint Technology AB, which provides the Group with the exclusive rights to sell, distribute and provide support for their products and services within Malaysia and Singapore for a period 24 months from March 2019.

The Group also intends to diversify its customer base to different retail customer types such as shopping centre retailers, airport retailers and utility retailers. The Group is also intends to grow its clientele to further penetrate the food and beverage (F&B) retail chains, and serve manufacturing and industrial (non-retail) corporations in the Southeast Asia (SEA) region.

Having already set foot in Cambodia and Vietnam, the Group targets to continue its expansion in SEA region with near term focus on the Indonesian market to complement its existing presence in SEA region. This is on the back of the region's large population, rapid urbanisation and strong economic growth, which are anticipated to lead retailers to convert from manual systems to automated retail technology solutions.

In addition, the Group has recently added a Singapore-based F&B customer to its portfolio and has rolled out front-end point-of-sales (POS) equipment and cloud based back-end and mobile retail services to all its 26 outlets in Singapore. Under the agreement, the Group would provide the POS retail solutions for a period of three years.

In June 2019, the Group signed a collaboration agreement with 7-Eleven Malaysia Holdings Berhad (7-Eleven Malaysia) to implement the Group's retail management portal AX Retail B2B, allowing trade suppliers of 7-Eleven Malaysia to adopt the usage of Radiant Group's portal. The cloud-based portal streamlines the entire procurement process and reduces errors in deliveries, invoices and payments.

Furthermore, the Group was awarded a RM20.0 million contract from LG CNS Malaysia Sdn Bhd in July 2019 to supply retail technology hardware and provide maintenance services over a period of 42 months.

With the above scenarios and the recently secured contracts, the Board expects the Group to perform satisfactorily for the 2019 financial year.

**B4. Profit Forecast**

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

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B5. Income Tax Expense**

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
Income tax expense	137	921	714	1,252
Over provision in previous financial year	-	(291)	(8)	(536)
Deferred tax assets	(110)	-	(482)	-
	<u>27</u>	<u>630</u>	<u>224</u>	<u>716</u>
Effective tax rate (%) <sup>(1)</sup>	<u>2.03</u>	<u>26.20</u>	<u>10.90</u>	<u>26.72</u>

**Notes:**

- (1) The Group's effective tax rate for the second quarter ended 30 June 2019 of 2.03% is lower than the statutory tax rate of 24.00% and is mainly due to deferred tax assets.
- (2) Income tax expense is recognised based on management's best estimate.

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B7. Use of Proceeds Raised from IPO**

The gross proceeds raised from the IPO of RM29.46 million and status of utilisation as at 30 June 2019 is disclosed in the following table:

No.	Purpose	Proposed utilisation		Deviation <sup>(1)</sup>		Actual utilisation	Intended timeframe for utilisation (from the listing date 24 Jul 2018)
		RM'000	%	RM'000		RM'000	
i.	<b>Business and Capital expansion:-</b>	<b>11,600</b>	<b>39.38</b>	-		-	<b>Within 24 months</b>
	- <i>Malaysia operation</i>	10,000	33.95	-		-	
	- <i>RG Vietnam's business</i>	1,600	5.43	-		-	
ii.	<b>Working capital:-</b>	<b>4,757</b>	<b>16.15</b>	<b>417</b>		<b>97</b>	<b>Within 24 months</b>
	- <i>Operating expenses</i>	1,457	4.95	417		-	
	- <i>Payment of inventories</i>	1,500	5.09	-		-	
	- <i>Payroll expenses</i>	1,800	6.11	-		97	
iii.	<b>Expansion of retail software business:-</b>	<b>3,000</b>	<b>10.18</b>	-		<b>234</b>	<b>Within 24 months</b>
	- <i>Advertising and marketing costs</i>	1,200	4.07	-		-	
	- <i>Payroll expenses</i>	1,800	6.11	-		234	
iv.	<b>Repayment of bank borrowings:-</b>	<b>6,601</b>	<b>22.41</b>	<b>(132)</b>		<b>6,469</b>	<b>Within 6 months</b>
v.	<b>Estimated listing expenses</b>	<b>3,500</b>	<b>11.88</b>	<b>(285)</b>		<b>3,215</b>	<b>Within 3 months</b>
	<b>Total</b>	<b>29,458</b>	<b>100.00</b>	<b>-</b>		<b>10,015</b>	

**Note:**

- (1) The actual utilisation for repayment of bank borrowings amounted to RM6.47 million, while that for listing expenses amounted to RM3.22 million. In accordance with section 3.6(v) of the Prospectus, the excess arising therefrom totalling RM0.42 million will be used for working capital purposes.

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 June 2018 ("Prospectus").

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**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B8. Group Borrowings and Debt Securities**

The Group's borrowings as at 30 June 2019 are as follows:

	Unaudited 30.06.19 RM'000	Audited 31.12.18 RM'000
<b>Current:</b>		
Bankers' acceptances	260	-
Hire purchase payables	142	170
Term loans	592	592
	<u>994</u>	<u>762</u>
<b>Non-current:</b>		
Hire purchase payables	443	497
Term loans	1,124	1,415
	<u>1,567</u>	<u>1,912</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B9. Material Litigation**

As at the date of this report, the Group is not engaged in any material litigation.

**B10. Dividend**

No dividend has been declared or recommended for payment by the Company during the current financial quarter under review.

**B11. Earnings Per Share**

The basic and diluted earnings per share for the current financial quarter and year-to-date are computed as follows:

	Quarter Ended		Year-To-Date Ended	
	30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
Profit after tax attributable to owners of the Company	<u>1,238</u>	<u>1,775</u>	<u>1,807</u>	<u>1,964</u>
	Quarter Ended		Year-To-Date Ended	
	30.06.19	30.06.18	30.06.19	30.06.18
Weighted average number of ordinary shares ('000)	<u>525,200</u>	<u>397,120</u>	<u>525,200</u>	<u>397,120</u>

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B11. Earnings Per Share (Cont'd)**

	Quarter Ended		Year-To-Date Ended	
	30.06.19	30.06.18	30.06.19	30.06.18
Earnings per share attributable to owners of the Company				
- Basic <sup>(1)</sup> (Sen)	0.24	0.45	0.34	0.49
- Diluted <sup>(2)</sup> (Sen)	<u>0.24</u>	<u>0.45</u>	<u>0.34</u>	<u>0.49</u>

**Notes:**

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 June 2019.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

**B12. Notes to the Statements of Profit or Loss and Other Comprehensive Income**

Profit before taxation is arrived at after charging / (crediting):-

	Quarter Ended		Year-To-Date Ended	
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Depreciation	294	165	532	327
Interest income	(237)	(10)	(441)	(20)
Interest expenses	49	147	99	284
Realised gain on foreign exchange	41	64	(29)	(94)
Unrealised loss on foreign exchange	(34)	(46)	72	138
Writeback of impairment losses on trade receivable	-	(42)	(19)	(281)
Impairment losses on trade receivables	<u>(141)</u>	<u>69</u>	<u>75</u>	<u>69</u>

**BY ORDER OF THE BOARD**