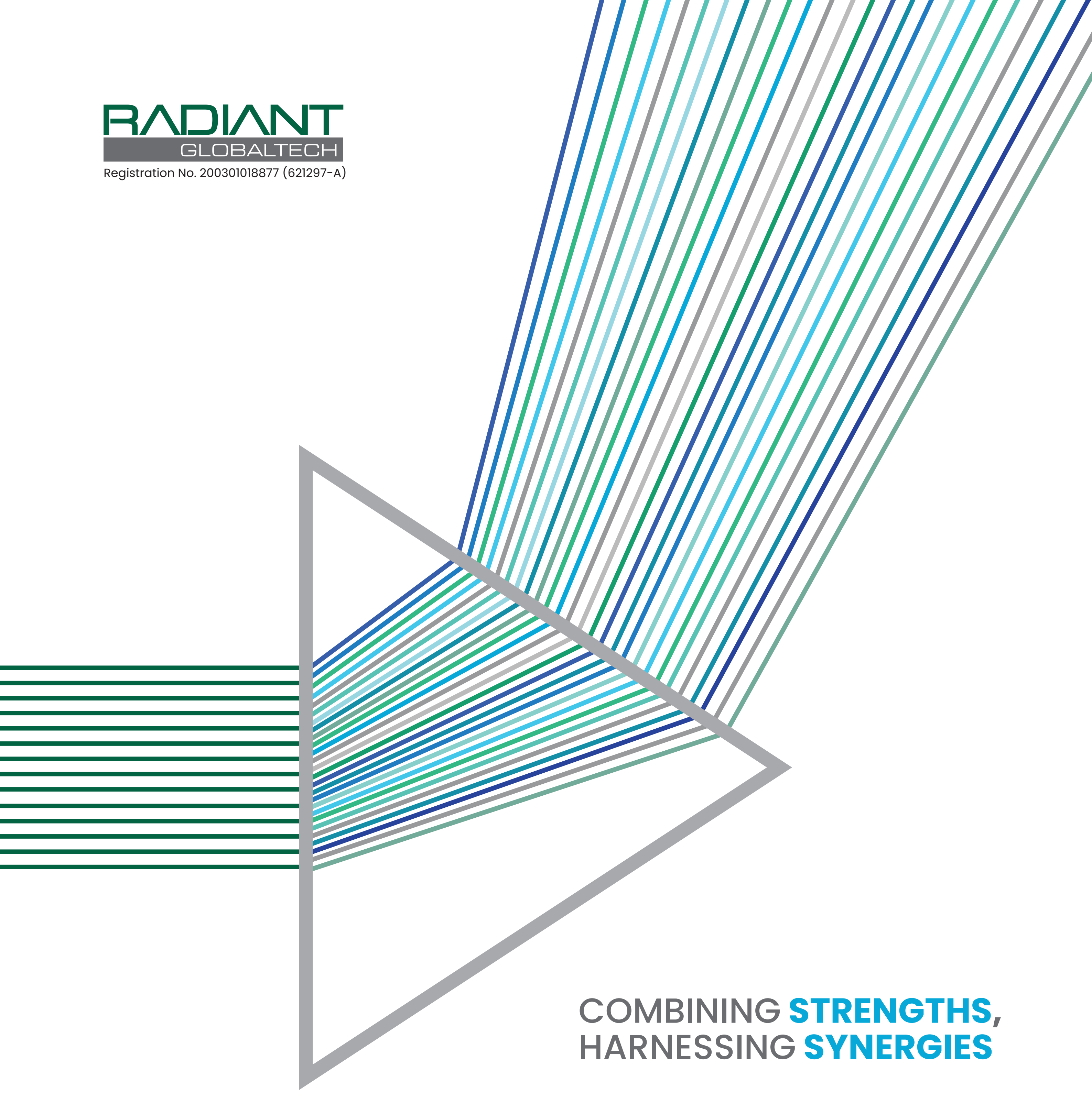
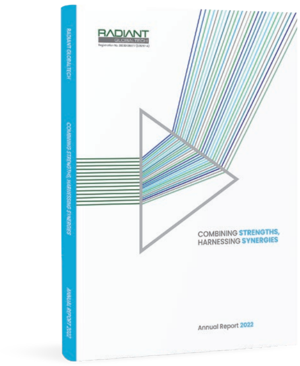
RADIANT GLOBALTECH
Registration No. 200301018877 (621297-A)



COMBINING **STRENGTHS**, HARNESSING **SYNERGIES**

Annual Report **2022**



Combining **Strengths,** Harnessing **Synergies**

The intensive vagaries of the global economy in the past few years did not deter Radiant Globaltech Berhad from continuing its journey of expansion – chiefly demonstrated by ongoing Research and Development (R&D) initiatives as well as completing strategic merger and acquisitions (M&A) to increase our suite of solutions, strengthen customer base across retail and industrial players, and extend its market footprint.

These multi-pronged endeavours necessitate our next step: ***combining strengths and harnessing synergies*** within the enlarged group to shine forth in the next phase of our journey, in line with our goal of becoming a formidable force to be reckoned with in the regional technology solutions space.

Scan to view our Annual Report 2022

20th Annual General Meeting

Greens III, Sports Wing
Tropicana Golf & Country Resort
Jalan Kelab Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan

Friday
23 June 2023

10:00 a.m.

What's Inside

Corporate Information

BOARD OF DIRECTORS

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

Yap Ban Foo
(Vice Chairman and Senior Executive Director)

Yap Sin Sang
(Senior Executive Director)

Tevanaigam Randy Chitty
(Independent Non-Executive Director)

Mashitah Binti Osman
(Independent Non-Executive Director)

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)
SSM PC No. 201908001272

AUDIT AND RISK MANAGEMENT COMMITTEE

Tevanaigam Randy Chitty
(Chairman)

Dato' Siow Kim Lun
(Member)

Mashitah Binti Osman
(Member)

NOMINATION AND REMUNERATION COMMITTEE

Mashitah Binti Osman
(Chairperson)

Dato' Siow Kim Lun
(Member)

Tevanaigam Randy Chitty
(Member)

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF1018
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel 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
Tel No. : (03) 2783 9299
Fax No. : (03) 2783 9222

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel 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
Tel No. : (03) 2242 2059
Fax No. : (03) 2732 9979
Email : ir@rgtech.com.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

Stock Name : RGTECH
Stock Code : 0202

www.rgtech.com.my

Corporate Structure

RADIANT GLOBALTECH BERHAD
[Registration No. 200301018877 (621297-A)]
(Incorporated in Malaysia)

- 100% RADIANT GLOBAL SOLUTIONS SDN BHD
  - 70% RG POSCONNECT SDN BHD
- 100% RADIANT GLOBAL ADC SDN BHD
  - 100% RADIANT GLOBAL ADC VIETNAM CO. LTD
  - 100% RGTECH INTERNATIONAL PTE LTD
- 100% RADIANT GLOBAL ADC CAMBO PTE LTD
- 100% INFOCONNECT COMMERCE SDN BHD
  - 70% RG GATEWAY SDN BHD
- 70% ADAPTIVE POS SDN BHD
- 49% RGTECH SIMAT CO. LTD
- 80% GRAND-FLO SPRITVEST SDN BHD
- 70% ARMS SOFTWARE INTERNATIONAL SDN BHD
- 70% WORLD POS SDN BHD
- 70% WORLD PORTAL SDN BHD

Corporate Profile

OVERVIEW

Radiant Globaltech Berhad ("Radiant") and/or its subsidiaries ("Group") is an integrated technology solutions provider, giving end-to-end expertise in digitalising retail and industrial businesses to enhance efficiency and optimise costs.

Our integrated technology solutions cater to a wide range of operational requirements and automates the key processes, beginning with hardware for front-end operations and progressing to digital solutions such as proprietary retail management applications and portals, as well as the distribution of third-party enterprise resource planning ("ERP") software.

Meanwhile, our integrated module industrial solutions allow businesses to manage entire sales force from pre-sales to post sales. Our sales force automation system improves efficiency of pre-sales operations, while our distribution management system streamlines inventory management and stock replenishment. Post-sales function is also digitalised, such as sales performance analysis and delivery performance monitoring.

Overall, our retail and industrial solutions form a comprehensive ecosystem that effectively caters to a wide range of operational needs and industries.

Today, Radiant's strong presence in Southeast Asia encompasses Malaysia, Vietnam, Cambodia, and Thailand, serving reputable clients including well-known retail chains and convenience stores, as well as Fast Moving Consumer Goods ("FMCG") brands, Food and Beverage ("F&B") chains, prominent manufacturers, transportation and logistics, and utilities providers.

Corporate Profile

HARDWARE

Our Group provides hardware to support digitalisation of retail and industrial users' operations. This includes Point of sale ("POS") equipment, self-checkout equipment, Radio Frequency Identification ("RFID"), Electronic shelf labeling, and industrial mobile devices. These devices and equipment have increasingly become essential for day-to-day operations for a wide range of customers in our target markets.

SOFTWARE

Our Group offers proprietary retail management solutions and mobile applications to improve efficiency and reduce manual processes, which distinguish us from our competitors. These include retail and F&B management software, warehouse management, inventory, proof of delivery, payment gateway, and integrated maintenance system.

In addition, our Group provides industrial software solutions, including back-end inventory tracking and management, as well as sales automation systems, all under our ManageSales solutions.

MAINTENANCE AND TECHNICAL SUPPORT SERVICES

Our Group's maintenance and technical support services can be categorised as follows:

Training and Consultancy

Radiant provides user enablement, which is the continuous process of providing our customers with knowledge, resources, and support to derive lifetime value from our products and services. We also offer training and consulting both online and offline to help our customers understand how to use and optimise our solutions.

Hardware and Software Support

Our Group provides offsite and onsite support for hardware and software issues via maintenance contract and ad-hoc or assignment-based outsourcing. We continue to extend our support coverage, which includes deployment services, asset tagging, and stock take support. We are backed by support teams in Malaysia, Cambodia, Thailand, and Vietnam.

Call Centre and Helpdesk

Our Group offers offsite support and troubleshooting to all our maintenance customers via phone or email, as well as a computerised help desk system for logging and tracking cases. Our dedicated call desk teams are constantly monitoring and prepared to provide quick and accurate troubleshooting by call routing.

Preventive and Corrective Maintenance

Our in-house repair and on-site support engineers are on-call seven days a week to provide inspection, onsite repair, installation, and maintenance services, via customer service offices located in Malaysia, Vietnam, Cambodia, and Thailand. The services include remote diagnosis and spare part supply. We provide periodic preventive maintenance to ensure smooth operations and minimise unplanned equipment failures.

Financial Highlights

SUMMARISED GROUP RESULTS

		2018	2019	2020	2021	2022
Revenue	RM'000	61,876	81,959	76,134	134,025	137,632
Gross Profit	RM'000	27,866	30,003	26,676	45,411	49,700
EBITDA	RM'000	5,350	9,649	3,274	14,040	14,239
Profit Before Tax	RM'000	4,190	7,953	1,131	11,975	12,361
Profit After Tax	RM'000	2,998	5,881	358	8,075	9,069
Profit After Tax Attributable to Owners of the Company	RM'000	2,998	5,596	1,600	7,338	7,468

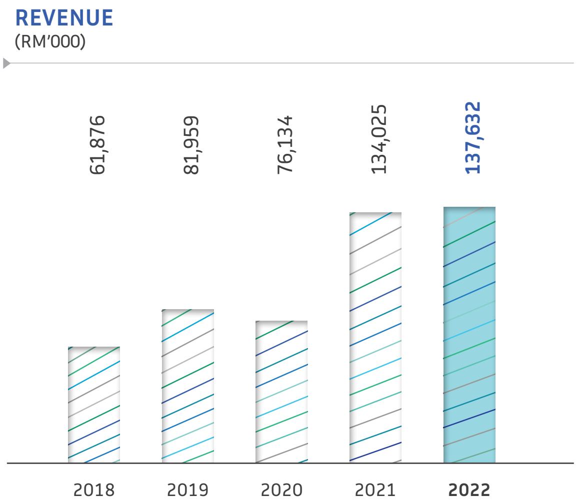
SUMMARISED GROUP FINANCIAL POSITION

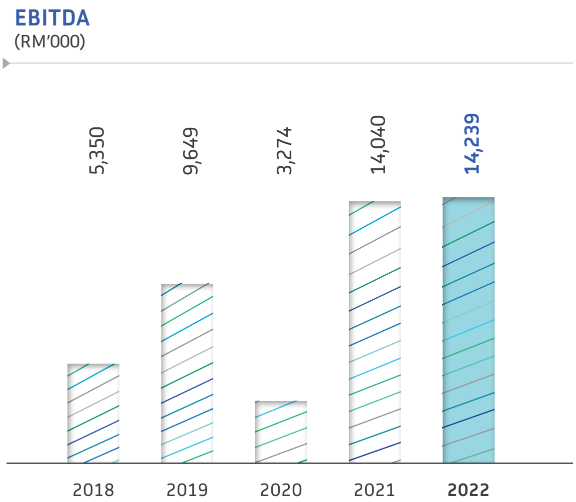
		2018	2019	2020	2021	2022
Non-current Assets	RM'000	11,778	15,826	23,407	26,055	29,504
Current Assets	RM'000	62,323	80,916	83,755	82,630	97,997
Total Assets	RM'000	**74,101**	**96,742**	**107,162**	**108,685**	**127,501**
Non-current Liabilities	RM'000	2,498	1,738	1,002	1,212	951
Current Liabilities	RM'000	12,981	30,438	39,696	32,910	45,521
Total Liabilities	RM'000	**15,479**	**32,176**	**40,698**	**34,122**	**46,472**
Equity Attributable to Owners of the Company	RM'000	58,622	63,681	65,244	72,672	77,551
Non-controlling Interests	RM'000	–	885	1,220	1,891	3,478
Total Equity	RM'000	**58,622**	**64,566**	**66,464**	**74,563**	**81,029**
Total Equity and Liabilities	RM'000	**74,101**	**96,742**	**107,162**	**108,685**	**127,501**

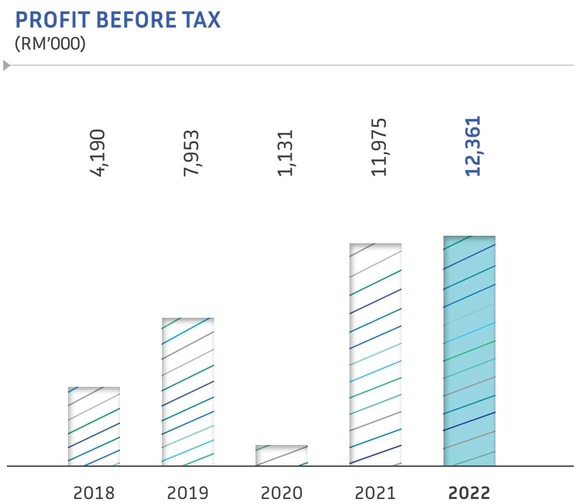
FINANCIAL ANALYSIS

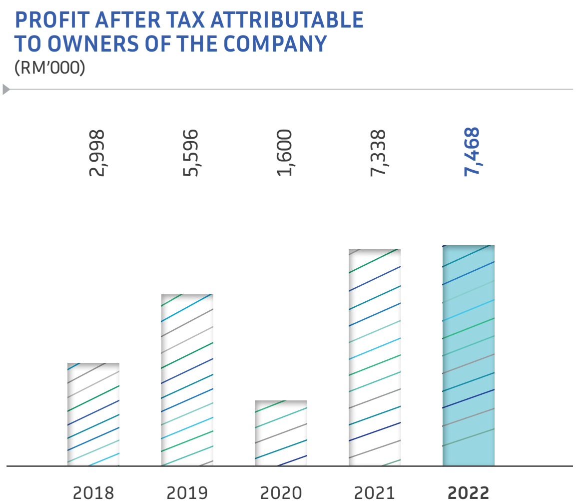
		2018	2019	2020	2021	2022
Gross Profit Margin	%	45.0	36.6	35.0	33.9	36.1
PBT Margin	%	6.8	9.7	1.5	8.9	9.0
PAT Margin	%	4.8	7.2	0.5	6.0	6.6
Gearing	%	4.6	3.5	3.5	1.5	0.9
EPS	SEN	0.7	1.1	0.3	1.4	1.4
Cash and Cash Equivalent	RM'000	24,192	26,870	40,031	35,034	41,311

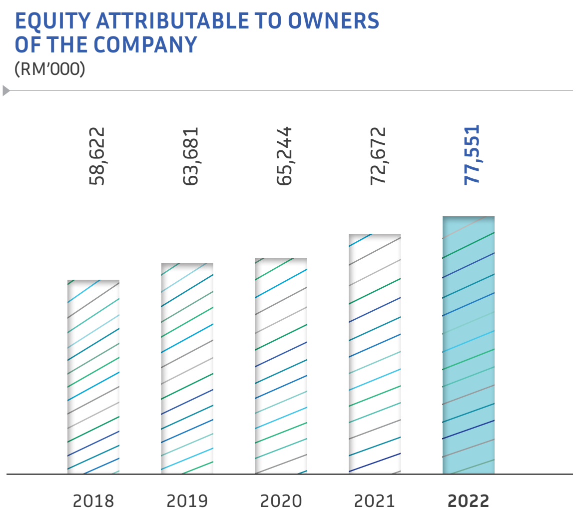
Financial Highlights











Directors' Profile

Dato' Siow Kim Lun

Independent Non-Executive Chairman

Nationality	**Malaysian**
Gender	**Male**
Age	**73**

Dato' Siow Kim Lun ("Dato' Siow") is the Independent Non-Executive Chairman of the Group. He was appointed to the Board on 7 August 2017 and is a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee. He attended all five (5) Board meetings held during 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. In 1997, he attended the Advanced Management Program at Harvard Business School in the United States.

Dato' Siow has over 30 years of working experience in investment banking, corporate finance and securities market regulation. He started his career in investment banking with Malaysian International Merchant Bankers Berhad in 1981. He later joined Permata Chartered Merchant Corporate Bank Bhd (now known as Affin Hwang Investment Bank Berhad) as a Corporate Finance Manager in 1985. Between 1993 and 2006, he was with the Securities Commission Malaysia where he held several positions including the Director of its Issues and Investment Division and Market Supervision Division.

He is also an Independent Director of EITA Resources Berhad, Sunway Construction Group Berhad, RHB Investment Bank Berhad, Eco World International Berhad, Malaysian Trustees Berhad and RHB Trustees Berhad.

Directors' Profile

Yap Ban Foo

Vice Chairman and Senior Executive Director

Nationality	**Malaysian**
Gender	**Male**
Age	**58**

Mr. Yap Ban Foo is the Vice Chairman and Senior Executive Director. He joined the Board on 10 July 2003 and has led the development of the company over the years. He is responsible for overseeing the strategic business planning, development, and operations of the Group. He attended all five (5) Board meetings held during the financial year.

He received his Computer Studies diploma from ICL Training Services in 1988.

He started his career as a Trainee Programmer in Powercomp Automation Sdn. Bhd. in 1988. Building upon his performance, he was first promoted to Programmer, and then Senior Programmer. His career progressed when he became a Senior Programmer at Powercomp Engineering Sdn. Bhd. where he was later promoted to Analyst Programmer in 1993.

He joined Radiant Global ADC Sdn. Bhd. as a Technical Manager in 1994, and he subsequently became a Director and a shareholder of Radiant Global ADC Sdn. Bhd. in 1995. He brings with him more than 30 years of experience in retail technology and point-of-sale solutions to the Group. In July 2017, he became the Managing Director. In April 2022, he has been redesignated as the Vice Chairman and Senior Executive Director.

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

Directors' Profile

Yap Sin Sang

Senior Executive Director

Nationality	**Malaysian**
Gender	**Male**
Age	**60**

Mr. Yap Sin Sang is our Senior Executive Director. He was appointed to our Board on 10 July 2003. His responsibility is to oversee the overall operations of the Group. He attended all five (5) Board meetings held during the financial year.

He has over 30 years of experience in retail technology and Point of Sale (POS) industry. He started his career in Syarikat Joo Long, his family retail business. He then joined Paling Industry Sdn. Bhd. in 1984 where he served as a Technical Assistant and was soon promoted to Assistant Supervisor.

His career continued at Kian Joo Can Factory Sdn. Bhd. as a Supervisor from 1986 to 1987, and progressed further when he became an Engineer at Powercomp Automation Sdn. Bhd. in 1988. Leveraging on his industry experience, he co-founded Softone Lite Sdn. Bhd. in 1992.

In 1994, Mr. Yap Sin Sang joined Radiant Global ADC Sdn. Bhd. as a Technical Manager. He was appointed as Director of Radiant Global ADC Sdn. Bhd. in 1995 and became one of the shareholders of Radiant Global ADC Sdn. Bhd. He assumed his position as Executive Director – Operations in July 2017. In April 2022, he has been redesignated as the Senior Executive Director.

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

Directors' Profile

Tevanaigam Randy Chitty

Independent Non-Executive Director

Nationality	**Malaysian**
Gender	**Male**
Age	**55**

Mr. Tevanaigam Randy Chitty ("Mr. Randy") was appointed to the Board on 7 August 2017 as an Independent Non-Executive Director. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee. He attended all five (5) Board meetings held during the financial year.

Mr. Randy is a member of the Malaysian Institute of Certified Public Accountants since 1994. He has over 30 years' experience in areas including Audit, Corporate Finance, Financial & Operational Management, Property Development and Construction, Investor Relations and IT related businesses.

He started his career with Ernst & Young in 1989 and since then has served with various corporations including Arab Malaysian Merchant Bank Berhad, AWC Berhad and Kenanga Investment Bank Berhad.

He served as the Chief Financial Officer in Omesti Berhad from January 2022 until April 2023.

He is currently the Independent Non-Executive Chairman of IDB Technologies Berhad.

He also serves at the Honorary Treasurer for the Squash Racquets Association of Malaysia, since September 2020.

Directors' Profile

Mashitah Binti Osman

Independent Non-Executive Director

Nationality	**Malaysian**
Gender	**Female**
Age	**65**

Puan Mashitah Binti Osman ("Puan Mashitah") was appointed to the Board on 7 August 2017 as an Independent Non-Executive Director. She is also the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. She attended all five (5) Board meetings held during the financial year.

Puan Mashitah received a Bachelor's Degree in Business Administration from University Kebangsaan Malaysia in 1982 and a Master's Degree in Business Administration from University College of Wales Aberystwyth in 1992.

With over 30 years of experience in Investment Banking, Puan Mashitah was named as one of the top 15 female trailblazers in the Shariah finance industry by Islamic Finance Asia in 2009.

Her career started in 1983 when she joined Bank Pembangunan Malaysia (now known as Bank Pembangunan dan Infrastruktur) as the Project Officer. She then took on important roles in RHB Investment Bank Berhad from 1984 to 2006, supporting the institution and leading the Islamic Finance department with specialisation in Islamic Debt Capital Market. After Puan Mashitah left RHB Investment Bank Berhad, she established and led the Corporate Investment Banking Division at Bank Islam Malaysia Berhad. Between 2014 and 2016, she was the Chief Operating Officer in Business at Bank Muamalat Malaysia Berhad.

Puan Mashitah is also an Independent Non-Executive Director of Bank Islam Malaysia Berhad since 1 October 2020.

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 2022.

Key Senior Management Profile

CHENG PING LIONG

i) Group Chief Executive Officer of Radiant Globaltech Berhad
ii) Director and Chief Executive Officer – Grand-Flo Spritvest Sdn. Bhd. ("GF Spritvest")

Malaysian ▸ Male ▸ Aged 58

Mr. Cheng Ping Liong joined our Group in November 2020 when Radiant Globaltech Berhad completed the acquisition of 80% of GF Spritvest from NCT Alliance Berhad (formerly known as Grand-Flo Berhad) ("NCT"). He is currently a Director and the Chief Executive Officer of GF Spritvest, a subsidiary of Radiant Globaltech Berhad. On April 2022, he was appointed as Group Chief Executive Officer of Radiant Globaltech Berhad.

He graduated with a Bachelor of Business Administration in Finance from University of Iowa, United States of America in 1988. His first employment was with RES Malaysia Sdn. Bhd. where he held the position of Trainee Programmer from 1989 to 1990. In 1990, he was promoted to the position of an Analyst Programmer and this was followed by his ascension to the position of System Analyst in 1991. During the years 1992 to 1995, he took on the role of a Technical Manager in RES Malaysia Sdn. Bhd. He, together with a partner, founded GF Spritvest in 1995.

On 13 October 2006, GF Spritvest was acquired by NCT and became a wholly-owned subsidiary of NCT. On August 2007, he was appointed as the Chief Executive Officer of GF Spritvest.

Mr. Cheng was appointed as an Executive Director of NCT in September 2006 and subsequently resigned from the Board of Directors of NCT in September 2019.

He does not hold directorship in any public company and listed issuer.

Key Senior Management Profile

LIM KIAT HIN

Sales Director

Malaysian ▸ Male ▸ Aged 47

Mr. Lim Kiat Hin is the Group's Sales Director since December 2018 with over two decades' experience in the Automatic Identification and Data Capture technology, sales and business development, and enterprise software solutions. He is responsible for overseeing the sales of software solutions and the overall software project delivery. His key focuses are customer acquisition, c-level engagement, and project delivery management.

He completed his degree in Electrical, Electronics and Communications Engineering at the National University of Malaysia (UKM) in 2000. After graduation, he became a Field Application Engineer for Agilent Technologies Sales (M) Sdn. Bhd. (formerly known as Hewlett Packard Sales (M) Sdn. Bhd.). Following his role in technical consulting for some years, he established a local enterprise in a retail franchise business with his former co-workers.

In 2007, he joined Zebra Technologies Asia Pacific Pte. Ltd. as the Country Territory Manager, responsible for sales and revenue growth in Malaysia. His career continued when he came on board Honeywell as the Regional Business Development Manager in Southeast Asia, with the mission to expand the Productivity and Identification Solution business in the region.

He subsequently joined Datalogic Singapore Asia Pacific Pte. Ltd. and took charge of the business in the Southeast Asian region. Before joining the Group, he also worked for AEB GmbH as the Regional Sales Manager, covering accounts in Southeast Asia, Hong Kong, and China.

He does not hold directorship in any public company and listed issuer.

WONG WEI MING

Digital Director

Malaysian ▸ Male ▸ Aged 56

Mr. Wong Wei Ming joined the Group as the Digital Director in January 2020. He is responsible for planning, developing, implementing, managing and improving the overall company strategy for using technological resources.

He holds a Bachelor's Degree in Computing Science from Staffordshire University in the United Kingdom. He has more than 30 years of experience in Computer Science, Information Technology, and Project Management.

His career began at Asia Commercial Finance in 1988, when he was a Programmer. After almost two years of service at the company, he joined ICI Central Toxicology Laboratory as a Trainee Programmer. Between 1993 and 1996 at Malayan Banking Berhad, he was the programmer and system analyst, and thereafter moved up to the position as the Project Manager.

Following his career at Malayan Banking Berhad, he subsequently became the Project Manager at Formis Dialog Sdn. Bhd. in 1996, and the General Manager at Accurate Sdn. Bhd. in 2000. He was also the IT Manager Downstream for the Asia-Pacific region of ProJET Malaysia Sdn. Bhd. from 2002 to 2005.

Having joined Axcelasia Softnex Sdn. Bhd. (previously known as Softnex Sdn. Bhd.) as the Managing Director from 2005 to 2019, he was also the Director for Business Continuity Management Line of Business at Axcelasia Columbus Sdn. Bhd. (previously known as Columbus Advisory Sdn. Bhd.), between 2010 and 2019.

He does not hold directorship in any public company and listed issuer.

Key Senior Management Profile

LEE SOOK KUAN

Head of Accounts & Finance

Malaysian ▸ Female ▸ Aged 39

Ms. Lee Sook Kuan is the Head of Accounts & Finance. She is responsible for accounting matters of the Group. Previously, she joined the Group as the Corporate Finance Manager in 2016 and continued ahead to become the Group Accountant in the following year. On April 2022, she has been promoted to Head of Accounts & Finance.

She commenced her career as an Audit Assistant in Kong Cheong & Co in 2007 while she was pursuing her professional studies with the Association of Chartered Certified Accountants ("ACCA"). She was later promoted to the company's Audit Assistant Semi-Senior in the same year. Upon the completion of her professional examinations with the ACCA in 2008, she moved on to advance her career at L M Chan & Associates. She thereupon served as a Senior Finance Executive at Delta China Technologies Limited, a Hong Kong-based company.

Prior to her tenure at the Group, she worked for Pestech Sdn. Bhd, a subsidiary of Pestech International Berhad, from 2010 to 2016. She first served as a Senior Account Executive of the Corporate Finance Department. Then, she was subsequently promoted to different roles: Senior Finance Executive in 2011; Associate Manager of the Corporate Services Department in 2012; and Assistant Manager in 2013.

She acquired multiple professional certifications including Goods and Services Tax Advice Agent from the Royal Customs Department Malaysia in 2014; Fellowship of the ACCA since 2016; and Registered Chartered Accountant of the Malaysian Institute of Accountants (MIA). She also has a degree in Applied Accounting from Oxford Brookes University in United Kingdom since 2015.

She does not hold directorship in any public company and listed issuer.

YEAP CHEE KEONG

Head of Technical

Malaysian ▸ Male ▸ Aged 54

Mr. Yeap Chee Keong is the Group's Head of Technical. His responsibility is to lead the Technical and Helpdesk team in troubleshooting technical issues, as well as offering guidance of the Group's hardware and software solutions to customers located in Malaysia.

With a Certificate in Data Processing from Politeknik Sultan Haji Ahmad Shah, he started his career world in IT industry at Computer Applied Systems & Engineering Sdn. Bhd. as a System Analyst Programmer. Following a brief employment, he decided to pursue further study at The Institute of Data Processing Management (currently known as The Institute for the Management of Information Systems) in the United Kingdom. He earned his Diploma in Information Systems Management in 1993.

In 1992, he started working as a Programmer at Berjaya Kawat Manufacturing Sdn. Bhd. (now known as Southern Wire Industries (M) Sdn. Bhd.). His experience prompted him to join Business Solution Company (China) Ltd. in 1996 as the System Manager, overseeing the Technical Support Division. He successively became the Head of the MIS Department at NCK Wire Products Sdn. Bhd.

His industry knowledge enables him to enter Malayan United Management Sdn. Bhd. in 2001 to take up the role of Project Manager. In 2007, he progressed further and became the Manager of System Management at the CCI Systems (M) Sdn. Bhd. (now known as Wincor Nixdorf Retail Solutions (M) Sdn. Bhd.).

Bringing with him 20 years of experience in IT industry, he joined the Group in 2012 as the Customer Service Manager. Thereafter, he became the Group's Technical Manager and Head of Technical in 2015 and 2017 respectively.

He does not hold directorship in any public company and listed issuer.

Notes:

1. None of the Key Senior Management personnel have any family relationships with any Directors and/or major shareholders 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 offenses, 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 2022.

Management Discussion & Analysis

OPERATIONS REVIEW

Radiant Globaltech Berhad and/or its subsidiaries ("Group") has implemented three key strategies to improve the operational side of the business, including broadening the customer base and sector coverage, growing the solutions presence overseas, and creating strong recurring income from both software solutions and support and services.

We have acquired quite a few strategic businesses in recent past, and we are now ready to capitalise on growth opportunities from these acquisitions.

Management Discussion & Analysis

> We have also broadened our technological capabilities, such as **Onlines to Offline ("O2O") solution for omnichannel operations and web/ smartphone-based management portals**

These are the operational highlights for the financial year ended 31 December 2022 ("FY2022"):

Broadened technological capabilities

We saw a positive outcome from the acquisitions we made over the last two years. We have not only broadened our client base to include industrial, enterprise, and small-to-medium-sized businesses, but we have also broadened our technological capabilities, such as O2O solutions for omnichannel operations and web/smartphone-based management portals. In FY2022, we focused more on integrating our solutions so that we could provide a one-stop solution for our clients.

Acquired new customer base – healthcare and public sectors

During the financial year under review, the Group further strengthened its business by acquiring new customers in the healthcare and public sectors. Our ability to penetrate the new market segments demonstrates the versatility of our products and business model. Furthermore, it serves as a benchmark for us to further expand our business presence into other sectors.

Moving forward, Radiant intends to maintain our focus on our business expansion strategy by acquiring new customers while also retaining our existing customers.

Management Discussion & Analysis

FINANCIAL OVERVIEW

Due to full withdrawal of movement restrictions, followed by the transition to the endemic phase, 2022 saw a recovery in the economy, resulting in a rebound across all sectors. The recovery in all sectors has a positive impact on our business as we serve clients from a wide-ranging industries.

Group revenue for FY2022 increased by 2.7% to RM137.6 million from RM134.0 million in the previous financial year.

The hardware segment continued to be the largest revenue contributor among our three (3) operational segments, accounting for 63.4% of total revenue. Segment revenue declined slightly from RM91.5 million in financial year ended 31 December 2021 ("FY2021") to RM87.2 million in FY2022. The marginal decrease was due to a delay in deployment caused by supply chain issues.

The software segment, which includes both third-party and in-house software solutions, accounted for 15.7% of Group revenue in FY2022, with revenue increasing by 46.9% to RM21.6 million in FY2022 from RM14.7 million previously. This was due to increased software project implementation, increased contributions from customers on board for our retail software solutions, and partial contributions from recently acquired companies.

On the other hand, maintenance and technical support services segment saw a slight increase in revenue to RM28.8 million this year versus RM27.8 million previously. This segment has consistently benefited from the recurring income contribution.

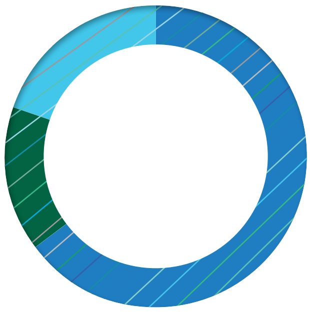
This steady growth, combined with a favourable mix, resulted in a 9.5% increase in gross profit to RM49.7 million in FY2022, up from RM45.4 million previously. Group profit before tax increased to RM12.4 million from RM12.0 million a year ago, while net profit attributable to shareholders largely maintained at RM7.5 million.

The Group's basic earnings per share improved slightly to 1.42 sen in FY2022 from 1.40 sen in the previous year.

FY2022 REVENUE

RM137.6 million

FY2022 REVENUE BREAKDOWN



Hardware **63.4%**

Software **15.7%**

Services **20.9%**

FY2022 SOFTWARE REVENUE INCREASE

+46.9%

FY2022 GROSS PROFIT

RM49.7 million

Management Discussion & Analysis

ASSETS, LIABILITIES AND EQUITY

Total assets increased by 17.3% to RM127.5 million in FY2022 from RM108.7 million, primarily due to a significant increase in cash and bank balances to RM26.9 million from RM13.1 million the previous year, coupled with an increase in inventories of RM8.7 million on hardware purchased for project roll-out in 2023.

Meanwhile, total liabilities rose to RM46.5 million in FY2022 from RM34.1 million in the previous year, notably due to increase in accruals and payables on advances received from customers.

Correspondingly, net asset per share stood at 15.4 sen as at FY2022 versus 14.2 sen previously.

There is no borrowing as at FY2022 as it was fully pared down in FY2021 while shareholders' equity rose 6.7% to RM77.6 million in FY2022 from RM72.7 million in the previous year, on higher retained earnings.

As a result, the Group maintained a healthy net cash position as at FY2022, allowing for potential organic and inorganic growth.

TOTAL ASSETS

RM127.5 million

Management Discussion & Analysis

ANTICIPATED OR KNOWN RISKS

There are potential risks and uncertainties that may negatively affect our Group's business, financial performance, and the results of our operations:

i Currency risk

Radiant is exposed to foreign currency risk on sales and purchases that are denominated in foreign currency other than the functional currency of Ringgit ("RM"). The uncertainty on the movement of the US Dollar against RM poses a material threat to the Group's earnings, performance, financial condition and liquidity. However, we mitigate this risk with hedging mechanism that aims to monitor currency fluctuation to maintain the Group's profitability.

ii Talent acquisition and retention

Retaining talent and the right people in a technology organisation like Radiant is critical, as human capital accounts for an increasing share of operating costs and is a major determinant of business performance. Therefore, our Group is concerned about issues such as a shortage of key skills, rising labour costs, employee acquisition and retention, and evolving labour reforms.

To mitigate the risk, our human resource team is developing effective retention strategies through several key employee retention drivers across every talent segment in the organisation, such as investing in talents through skill training and performance-based skill-oriented remunerations, in accordance with our goal of reducing employee turnover. We also emphasise modern approaches, such as new automation technology to improve process efficiency, which will go a long way toward driving business and process excellence.

iii Risk of slow economic, retail, and industrial sector growth

The Group's biggest challenge would be a dampened retail sentiment due to the possibility of rising living costs, as a significant portion of our customers are retail industry players such as department stores, supermarkets, hypermarkets, and convenience stores. Market uncertainties, such as supply headwinds and labour shortages, will also have an impact on our industrial clients.

Nonetheless, creating awareness of the importance of implementing technology into their operations will help to mitigate the risk. Adoption of technology is critical for businesses as it may reduce costs, increase productivity, save time, and improve customer experience.

iv Change in consumer behaviour towards online retail purchases

In the aftermath of COVID-19, retailers are increasingly facing competition pressures as consumers purchase goods via e-commerce platforms for convenience. Consequently, traditional retailers with only physical storefronts may face greater challenges in the future, as consumers prefer to interact with businesses that offer an omnichannel experience.

To minimise these risks, the Group is continuing to improve the software solutions, such as the integration of e-commerce solutions for businesses, especially for Small Medium Business. This allows us to be ahead of the curve in catering to the most recent changes in consumer behaviour and supporting businesses' evolving needs.

v Cybersecurity risks and data breaches

As business operations become more reliant on internet-based services, the Group is exposed to a variety of information technology risks, including network security risk, data protection risk, and cyber security risk. Data loss due to hacking or corporate espionage could have a negative impact on our operations and customers, as well as a significant reputational impact.

Our Group has implemented practices such as Personal Data Protection Act ("PDPA") and Non-Disclosure Agreement ("NDA") signing with all employees, as well as two-factor authentication on our process and leading third-party services with robust security infrastructure and protection measures.

Management Discussion & Analysis

OUTLOOK AND GROWTH STRATEGIES

Although the economy has gradually recovered since the transition to the endemic phase, the prospects of the global and domestic economies remain uncertain due to ongoing geopolitical risks that may impact supply chains, rising inflation that invariably results in rising costs of living, and the possibility of a recession.

After an unprecedented expansion of 33.3% retail sales in 2022, we anticipate slower growth in the retail sector in 2023. Due to the challenges of rising inflation and living costs, Retail Group Malaysia forecasted a slower 3.5% growth in the retail industry in 2023.

Simultaneously, potential headwinds will affect not only the retail sector, but also the industrial sector. Nonetheless, amid the challenging economic sentiment, we remain cautiously optimistic about our business outlook in 2023. We expect that demand for retail and industrial automation solutions will remain strong, driven by businesses' desire to increase digitalisation and automation to increase their overall revenue and business value.

Management Discussion & Analysis

Demand for retail and industrial automation solutions will remain strong

To capture this promising potential, the Group will undertake the following:

i. Expanding customer base

Radiant provides comprehensive retail and industrial solutions to customers ranging from hardware and maintenance to software and cloud portals, as well as warehouse management systems to customers in a variety of industries including the fast-moving consumer goods ("FMCG"), manufacturing, transportations and logistics, and utilities companies. We intend to expand our customer base to various other industries, leveraging our strong track record with prominent retailers and industrial companies.

We also plan to integrate our hardware and software solutions for both industrial and retail markets into more robust and customizable offerings that will fulfil enterprises' increasingly demanding technology needs. As businesses adapt to a more digital world, e-commerce, mobile, and supply chain management solutions will be the solutions for our clientele to future proof their business.

ii. Growing our solutions presence in overseas markets

We have so far established a presence in Vietnam, Cambodia, and Thailand. As international borders reopen, we will focus our efforts on securing and implementing business enhancement solutions for our existing customers in the region, as well as capturing new market share. In FY2022, we remained resilient and continued to make gradual headway in new customer acquisition.

Going forward, we expect the economic reopening in various countries to allow us to enhance our sales and marketing efforts in line with our goal to be a leading integrated solution provider across South East Asia (SEA).

iii. Building strong recurring income via software solutions as well as support and services activities

To date, the hardware segment continues to be the group's largest revenue contributor. However, moving forward, for our earnings to be sustainable, we are putting more efforts into building our recurring income via software segment.

In this regard, we will continue to increase our customer base for subscription model solutions, as well as maintenance and technical support services.

Sustainability Statement

Radiant Group is dedicated to achieving sustainability, as well as fulfilling its obligation by managing the businesses in a responsible manner. Sustainability has been engraved on our company's foundation as one of the main pillars for our long-term business growth as a provider of integrated technology solutions.

While we are prepared to actively alleviate the problems facing our industry and business, we are also dedicated to lowering our carbon footprint and promoting social advancement by providing job opportunities and delivering quality products to the community. We are convinced that balancing business profitability with sustainability will increase stakeholder confidence in our Group and further establish our reputation within the sector.

REPORTING FRAMEWORK

The scope of this Sustainability Statement discusses the efforts pertaining to sustainability practices and policies of Radiant Globaltech Berhad ("Radiant Group" or "Our Group") throughout the financial year ended 31 December 2022 ("FY2022"). This Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad.

This sustainability report outlines the efforts made by our Group during the financial year under review in areas where our Group's expertise and resources can benefit both the present and the future generations. It provides comprehensive details of our Group's sustainability activities in relation to the three core areas, namely Economic, Environmental and Social ("EES") aspects.

Economic

Environmental

Social

Sustainability Statement

STAKEHOLDER ENGAGEMENT TABLE

Radiant Group recognises the value of regular communication with stakeholders to better understand their needs and address their concerns. This, in our view, is an essential component to achieving results and moving forward in our sustainability journey. The table below demonstrates our Group's initiatives in stakeholder engagement:

Stakeholder	Expectations & Interests	Engagement Methods
Investors	▸ Financial performance ▸ Sustainable financial returns ▸ Business strategy ▸ Sustainable dividend policy ▸ Corporate governance	▸ Annual general meetings ▸ Annual reports ▸ Quarterly financial reports ▸ Corporate website
Customers	▸ Good relationship rapport ▸ Ensure timely service and product delivery ▸ Resolving complaints efficiently ▸ Compliant to health and safety standard operating procedure (SOP) when attending meetings	▸ Actively engage and build relationship ▸ Regular meetings and feedback ▸ Participation in industry networking events
Local Communities	▸ Impact of operations ▸ Interaction with local communities ▸ Building good relationships	▸ Corporate Social Responsibility
Regulatory Agencies	▸ Compliance with corporate governance ▸ Compliance with all local laws and regulations ▸ Compliance with labour, environmental and health & safety regulations	▸ Annual reports ▸ Compliance to relevant government laws and regulations ▸ Participation in seminars and information sessions conducted by the authorities ▸ Regular updates from company secretary on latest development and changes

Sustainability Statement

STAKEHOLDER ENGAGEMENT TABLE (CONTINUED)

Stakeholder	Expectations & Interests	Engagement Methods
Suppliers	▸ Transparent procurement practices & pricing ▸ Regular payment schedule ▸ Timely delivery	▸ Timely payments ▸ Vendor registration (as needed) ▸ Contract engagement (as needed)
Industry Peers	▸ Industry best practices	▸ Participation in industry networking events
Employees	▸ Training and development ▸ Occupational health and safety ▸ Competitive remuneration and rewards	▸ Training and development programmes ▸ Safety training and awareness ▸ Annual appraisals ▸ Whistle-blowing policy

Sustainability Statement

ECONOMICAL SUSTAINABILITY MATTERS

Radiant Group provides total retail technology solutions along with maintenance and technical support services, enabling our customers to digitalise their operations, and connect people, processes, and technology. With our solutions, we are able to help our customers to simplify their business by allowing them to operate faster, more efficiently, and at a lower cost.

Accordingly, our Group undertakes the following measures to ensure business sustainability:

Cost efficiency

As an integrated retail technology player, our Group is dedicated to developing solutions that are as resource-efficient, eco-friendly, and as energy-efficient as possible. By thinking and acting sustainably, our Group enables customers' businesses to operate faster, more efficiently, and at a lower cost by increasing resource efficiency and establishing cost advantages.

Operations and cash flow management

Our Group maintained a healthy level of cash and cash equivalents for FY2022, at RM41.3 million, compared to RM35.0 million in the previous year, with no borrowings due to it being fully pared down in FY2021. The steady cash flow allows us to withstand economic fluctuations. In order to monitor and ensure that our Group's operations run smoothly and that we maintain healthy cash flow throughout the financial year, our Board of Directors work closely with Key Management.

Job creation and livelihood of employees

Radiant has always believed that creating jobs with competitive wages will promote economic growth, social inclusion, and environmental protection. Our Group generates job opportunities in Malaysia, Vietnam, Cambodia, and Thailand. The Group intends to upskill our workforce in line with our continued expansion.

Customer satisfaction

Radiant's priority will always be customer satisfaction. We strive to provide solutions that not only meet but also exceed our customers' expectations by being proactive in addressing their ever-changing needs in tandem with the industry's rapid growth. Furthermore, we are committed to meeting with our customers on a regular basis to maintain engagement and gather feedback.

Employee Remuneration and Retention

Our human resource team is working on effective retention strategies through several key employee retention drivers across every talent segment in the organisation, such as investing in talents by way of skill training, as well as performance-based and skill-oriented remunerations. We also emphasise on modern approaches through new automation technology to mitigate the labour intensive process which will go a long way in driving business and process excellence.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY MATTERS

Reduce, Reuse, Recycle

Our Group adopts the three Rs of sustainability – reduce, reuse and recycle, as part of our corporate culture. We regard efficient use and preservation of other resources – raw material, paper, water, and recycling and reusing of plastic materials. We carry out the disposal of unusable parts from our hardware and support services business segments in a responsible and environmentally acceptable manner by rerouting them to local recycling companies. Furthermore, our Group encourages all our employees to turn off power and electricity when they leave the office or workstation and to bring their own tableware or utensils rather than use disposable tableware.

Digital Transformation

Employees, suppliers, and customers are encouraged to fully leverage the benefits of digitalisation in line with the Group's commitment to reduce carbon footprint. For example, for internal and external communications, our Group's employees and management at all levels use email and instant messaging.

Electronic Filing System

Radiant will continue to be focused on providing solutions that assist our customers and us in lowering the environmental impact. To reduce the use of paper in day-to-day business operations, we have implemented digitalisation of various operating procedures such as customer signup and feedback forms. We are committed to continuing to provide digitalisation solutions that support customers' back-end operations and point of sale in the future.

Sustainability Statement

SOCIAL SUSTAINABILITY MATTERS

Code of Conduct

Anti-bribery and corruption policy, corporate disclosure policy, whistle blowing policy, and board charter are all in place at Radiant Group and are all posted on our website. These policies are applicable to all employees of the Group, and it reflects the underlying shared values that we uphold.

Employees

Recognising that our employees are our greatest asset, Radiant takes a proactive approach to develop and sustain employee engagement and foster positive relationships, through get-together dinners and annual dinner. With the reopening of international borders, we also visit all the regional offices to engage with the team for alignment of goals. We also provided financial assistance to employees suffering from serious illnesses, reflecting Radiant's commitment to protecting and supporting our employees.

Workplace

Radiant Group remains steadfast in improving the workplace in regard to performance, productivity, and culture. To create a well-diversified workforce, our Group has enhanced our recruitment practices by hiring a diverse array of individuals from different cultural backgrounds and with different philosophies and perspectives. We also want to provide our employees with a safe working environment by taking stringent precautions, while safeguarding our operations to ensure that we continue to support our customers.

Community

Our Group is committed to contributing to the community's wellbeing and helping one another in times of need, starting with small gestures that can make a big difference in bringing our community together. We provided flood assistance in the form of monetary support for flood-affected employees in the first quarter of 2022 and made monetary donations to charity homes on several occasions through our business partners.

CONCLUSION

Our Group is dedicated to conducting business in an ethical, environmentally and socially responsible manner that brings out the core values of the Radiant Group to the benefit of the earth in which we live, our shareholders, our business partners, our customers, our employees and the society in general. Our organisation is always looking for new ways to incorporate sustainability practices into our daily operations. We intend to continue operating responsibly by optimising our Group's resources and reducing waste generation.

To achieve this, our Group's sustainability efforts are centred on improving value propositions for our stakeholders and customers through the implementation of best practices. Our Group will monitor industry trends and adapt accordingly to remain at the forefront and relevant to our stakeholders.

Corporate Governance Overview Statement

The Board of Directors ("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. As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("Group") to enhance shareholders' value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("MCCG").

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report 2022 ("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 MCCG throughout the financial year ended 31 December 2022 ("FY2022"). 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 which includes practising a high level of good governance to ensure the 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 Board's duties and responsibilities. The Board also delegates certain responsibilities to the following Board Committees, all of which operate within their respective Terms of Reference which can be accessed via the Company's website, **www.rgtech.com.my**:

a. Audit and Risk Management Committee ("ARMC"); and
b. Nomination and Remuneration Committee ("NRC").

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 the 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 the performance of the Management;
- 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 and managing of appropriate risks;
- set the risk appetite within which the Board expects the 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

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART I – BOARD RESPONSIBILITIES (continued)

1. Board's Leadership on Objective and Goals (continued)

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 for 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 comply 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 in a timely manner.

(ix) Together with the Vice Chairman and Senior Executive Director, to represent the Company and/or Group to external parties such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

The Chairman does not assume the position of chairman of the Board Committees but as a member of the Board Committees. Nevertheless, the Chairman also does not chair these Board Committees. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committees' reports has not been diminished in any way.

1.3 During the FY2022, the position of the Chairman and Vice Chairman and Senior Executive Director are held by two different individuals and each has an 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 ensuring the Board operates efficiently and effectively, promoting constructive deliberation of relevant matters. The Vice Chairman and Senior Executive Director provides guidance to the Group CEO and oversees overall operations. The Group CEO is responsible for the day-to-day management of the business, implementation of Board policies and decisions, and reports to the Vice Chairman and Senior Executive Director.

On 1 April 2022, Mr. Cheng Ping Liong was appointed as the Group CEO, while Mr. Yap Ban Foo was re-designated to assume the role of Vice Chairman and Senior Executive Director of the Company.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART I – BOARD RESPONSIBILITIES (continued)

1. Board's Leadership on Objective and Goals (continued)

1.4 The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn. Bhd. ("CMS").

The Board is supported by a qualified and experienced Company Secretary nominated by CMS. She is a member of the Malaysian Association of Company Secretaries and holds a professional certificate as a qualified Company Secretary under the Companies Act 2016. She possesses over 29 years of experience in corporate secretarial practices.

The Company Secretary and her team have:

(i) together with Management, managed all Board and Board Committee meeting logistics;
(ii) attended and recorded minutes of all Board and Board Committee meetings and facilitated Board communications;
(iii) advised the Board on its roles and responsibilities;
(iv) advised the Board on corporate disclosures and compliance with the Companies Act 2016 and Securities Commission's regulations and ACE Market LR; and
(v) monitored corporate governance developments and advised the Board on the adoption of corporate governance practices.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretary and her team to the Board in the discharge of her duties and functions.

1.5 To facilitate the Directors' time planning, an 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 deliberation 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.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

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

2.1 The Board Charter sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors with regards to the respective roles and responsibilities of the Board, Board Committees, Chairman and Vice Chairman and Senior Executive Director, as well as issues and decisions reserved for the Board, the Board's governance structure and Board's authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

The Board Charter of the Company 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.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART I – BOARD RESPONSIBILITIES (continued)

3. Good Business Conduct and Healthy Corporate Culture

3.1 All Directors and employees of the Group are to adhere to the Code of Ethics and Conduct and make a necessary declaration if there is any conflict of interests. 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 Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate.

3.2 The Group had adopted a Whistle Blowing Policy 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, alleged breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, safely and confidentially.

3.3 In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place Anti-Bribery and Corruption Policy and Procedures ("ABC Policy") to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the ACE Market LR of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company. The ABC Policy is published on the Company's website, **www.rgtech.com.my**.

3.4 In line with the new Rule 15.01A of the ACE Market LR, the Board had on 27 May 2022 adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is published on the Company's website at **www.rgtech.com.my**.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

3.5 The Board believes that sustainable business practices are essential to the creation of long-term value and that responsibly running the business is inherently tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board has conducted a review of the relevant amendments, and after considering the assessment of the Board's understanding of sustainability issues critical to the Company's performance, the amendments were revised and approved as part of the annual performance evaluation.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

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	Vice Chairman and Senior Executive Director
3. Yap Sin Sang	Senior Executive Director
4. Tevanaigam Randy Chitty	Independent Non-Executive Director
5. Mashitah Binti Osman	Independent Non-Executive Director

4.2 The Board acknowledges the recent amendments to the ACE Market LR by Bursa Securities on 19 January 2022. According to the new regulations, the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years effective on or after 1 June 2023. Furthermore, if the Board intends to retain an Independent Non-Executive Director who has served the Board a cumulative term of more than nine (9) years, it must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting as recommended by the MCCG.

During the financial year under review, none of our Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by each Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

4.3 The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Non-Executive Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are 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 via 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 the correct mix of skills, business and professional experience that should be added to the Board annually or as and when required.

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

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

<u>Objectives/Principles</u>

a. The Company acknowledges the importance to promote gender diversity at the Board level and will actively work towards having more female Directors on the Board. To avoid any mismatch and ineffective appointment of 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, the required mix of skills, experience, independence and other qualities, including core competencies, commitment, integrity and/or other commitments to the Board.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART II – BOARD COMPOSITION (continued)

4. Board's Objectivity (continued)

4.5 The Board has established and adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board level. (continued)

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 the 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 for ensuring that the 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 discrimination to attract and retain women's participation at the Board level.

d. The Company will undertake the following strategies to promote gender diversity at the 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 in the recruitment and selection adopting processes to encourage gender diversity; and
- any other strategies the Board may develop from time to time.

The Board practises non-gender discrimination, 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, Pn. Mashitah Binti Osman.

Where and when appropriate, the Board, through the NRC, will priortise the female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skillsets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

4.6 The NRC leverages on various sources to 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 candidates from external sources available, such as industry and professional associations, as well as independent search firms.

4.7 The NRC is chaired by Pn. Mashitah Binti Osman, an Independent Non-Executive Director of the Company. The NRC Chairperson 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 the following members, all being Independent and Non-Executive as identified by the Board:-

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

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART II – BOARD COMPOSITION (continued)

4. Board's Objectivity (continued)

4.7 The activities undertaken by the NRC during the FY2022 were as follows:-

(i) Reviewed and recommended to the Board for the adoption of the annual performance evaluation forms of the individual Director, Independent Directors, Group CEO, ARMC, NRC and the Board and Board Committees as a whole.

(ii) Assessed and evaluated the independence of the Independent Directors.

(iii) 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 Committee 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.

(iv) Assessed and evaluated the performance of the Executive Directors and Group CEO 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.

(v) Reviewed and assessed the performance of the ARMC.

(vi) Reviewed and assessed the performance of the NRC.

(vii) Reviewed the succession planning of the Independent Non-Executive Directors of the Company.

(viii) Reviewed and recommended to the Board the re-election of Mr. Yap Sin Sang and Mr. Tevanaigam Randy Chitty who were due for retirement by rotation pursuant to Clause 85 of the Company's Constitution at the last Annual General Meeting ("AGM") held on 24 June 2022.

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 FY2022:-

(i) Performance of Executive Directors;
(ii) Performance of Group CEO;
(iii) Performance of Non-Executive Directors;
(iv) Independence of the Independent Directors;
(v) Performance of the ARMC;
(vi) Performance of the NRC; and
(vii) Effectiveness of the Board and Board Committees as a whole.

Based on the evaluations conducted in the FY2022, the NRC and the Board were satisfied with the performance of the individual Directors, Group CEO, the 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

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART II – BOARD COMPOSITION (continued)

5. Overall Effectiveness of the Board and Individual Directors (continued)

5.1 **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. During the FY2022, the Board met five (5) times 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 number of meetings held and attended by each member of the Board and the Board Committees during the FY2022 are as follows:-

	Attendance		
Name of Directors (Designations)	**Board**	**ARMC**	**NRC**
Dato' Siow Kim Lun *(Independent Non-Executive Chairman)*	5/5	5/5	2/2
Yap Ban Foo *(Vice Chairman and Senior Executive Director)*	5/5	–	–
Yap Sin Sang *(Senior Executive Director)*	5/5	–	–
Tevanaigam Randy Chitty *(Independent Non-Executive Director)*	5/5	5/5	2/2
Mashitah Binti Osman *(Independent Non-Executive Director)*	5/5	5/5	2/2

Directors' Training

During the FY2022, all Directors had attended the following training programmes in compliance with Rule 15.08 of the ACE Market LR of Bursa Securities:-

Name of Directors	Training attended
Dato' Siow Kim Lun	· BNM-FIDE Forum MyFintech Week · Becoming A Boardroom Star · Amendments to the ACE Market LR of Bursa Securities in relation to Director Appointment, Independence and other amendments · Corruption Risk Management & Organisational Anti-Corruption Plan · ESG Investing: Perspective for the Stockbroking Industry · Anti-Corruption Empowerment · Invest ASEAN 2022: Framing a Future · Webinar on the Audit Committee · Sustainability and impact on organisations: What directors need to know · ASEAN Sustainability Summit 2022 · RMIT: Sharing of insights and discussions on the strategic aspects of IT risks · SIDC Webinar on dissecting environmental factors in sustainability investments · Webinar – What Should Investor Relations know about Section 17A-MACC Act 2009 · Audit Oversight Board's Conversation with Audit Committees · Amendments to ACE Market LR of Bursa Securities in relation to the enhanced sustainability reporting framework

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART II – BOARD COMPOSITION (continued)

5. Overall Effectiveness of the Board and Individual Directors (continued)

5.1 **Directors' Training (continued)**

During the FY2022, all Directors had attended the following training programmes in compliance with Rule 15.08 of the ACE Market LR of Bursa Securities:- (continued)

Name of Directors	Training attended
Yap Ban Foo	· Amendments to the ACE Market LR of Bursa Securities in relation to Director Appointment, Independence and other amendments · MACC Act & S17A Corporate Liability Provision, Guidelines on Adequate Procedures · Complimentary Bursa Malaysia Webinar: Strengthening Stakeholder Management & Investor Relations (Guidebook 3 of PLC Transformation Programme) · Amendments to ACE Market LR of Bursa Securities in relation to the enhanced sustainability reporting framework
Yap Sin Sang	· Amendments to the ACE Market LR of Bursa Securities in relation to Director Appointment, Independence and other amendments · Everything Investor Relations Managers Need to Know About ESG Reporting · Building Sustainability · MACC Act & S17A Corporate Liability Provision, Guidelines on Adequate Procedures · Complimentary Bursa Malaysia Webinar: Strengthening Stakeholder Management & Investor Relations (Guidebook 3 of PLC Transformation Programme) · Amendments to ACE Market LR of Bursa Securities in relation to the enhanced sustainability reporting framework
Tevanaigam Randy Chitty	· Amendments to the ACE Market LR of Bursa Securities in relation to Director Appointment, Independence and other amendments · Positioning Corporate Malaysia for a sustainable future · Everything Investor Relations Managers Need To Know About ESG Reporting · MACC Act & S17A Corporate Liability Provision, Guidelines on Adequate Procedures · Amendments to ACE Market LR of Bursa Securities in relation to the enhanced sustainability reporting framework
Mashitah Binti Osman	· Amendments to the ACE Market LR of Bursa Securities in relation to Director Appointment, Independence and other amendments · MACC Act & S17A Corporate Liability Provision, Guidelines on Adequate Procedures · MSWG Webinar on Cyber Security for Finance and Accounting Professionals · Amendments to ACE Market LR of Bursa Securities in relation to the enhanced sustainability reporting framework · Invitation to the SC's Audit Oversight Board Conversation with Audit Committees

The Board will regularly assess and address the training needs of each Director, ensuring they stay informed about the state of the economy, technological advancements, regulatory updates, management strategies, and other aspects of the business environment. This will enhance the skills and knowledge of the Board, enabling them to better fulfill their responsibilities.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART III – REMUNERATION

6. Level and Composition of Remuneration

6.1 The Board had 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:-

(i) 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;

(ii) 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;

(iii) 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

(iv) 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 a 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

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART III – REMUNERATION (continued)

7. Remuneration of Directors and Senior Management

7.1 The remuneration payable to the Directors on the Company and the Group basis for the FY2022 is as follows:-

__The Company__

Name of Directors	Fees RM	Meeting Allowance RM	Salary RM	Bonus RM	Benefits-in-kind RM	Other emoluments RM	Total RM
Executive Directors							
Yap Ban Foo	-	-	52,019	6,367	-	6,429	64,815
Yap Sin Sang	-	-	52,019	6,367	-	6,429	64,815
Non-Executive Directors							
Dato' Siow Kim Lun	56,000	1,800	-	-	-	-	57,800
Tevanaigam Randy Chitty	49,750	1,800	-	-	-	-	51,550
Mashitah Binti Osman	49,750	1,800	-	-	-	-	51,550
TOTAL	**155,500**	**5,400**	**104,038**	**12,734**	**-**	**12,858**	**290,530**

__The Group__

Name of Directors	Fees RM	Meeting Allowance RM	Salary RM	Bonus RM	Benefits-in-kind RM	Other emoluments RM	Total RM
Executive Directors							
Yap Ban Foo	-	-	831,085	52,093	28,000	87,743	998,921
Yap Sin Sang	-	-	765,109	52,093	23,950	87,571	928,723
Non-Executive Directors							
Dato' Siow Kim Lun	56,000	1,800	-	-	-	-	57,800
Tevanaigam Randy Chitty	49,750	1,800	-	-	-	-	51,550
Mashitah Binti Osman	49,750	1,800	-	-	-	-	51,550
TOTAL	**155,500**	**5,400**	**1,596,194**	**104,186**	**51,950**	**175,314**	**2,088,544**

Note:
[#] *Other benefits include Defined Contribution Benefits, 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

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

PART III – REMUNERATION (continued)

7. Remuneration of Directors and Senior Management (continued)

7.2 The Board is of the view that the disclosure of the Top Five (5) Key Senior Management's remuneration components on a named basis would not be in the best interests of the Company as it may be detrimental to the Company's human resource management due to the competitive nature of talents within the industry.

The Board also took into consideration the sensitivity and security of the remuneration package of Top Five (5) Key Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Top Five (5) Key Senior Management.

Alternatively, the Board is of the view that the disclosure of Top Five (5) Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Top Five (5) Key Senior Management of the Group for the FY2022 are as follows:-

Range of Remuneration	No. of Senior Management Officer
RM150,001 to RM200,000	1
RM250,001 to RM300,000	1
RM400,001 to RM450,000	1
RM450,001 to RM500,000	1
RM1,750,001 to RM1,800,000	1
TOTAL	**5**

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

8. Effective and Independent ARMC

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

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

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

The ARMC has in place a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. The policy had been codified in the Terms of Reference of ARMC of the Company.

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

PART I – ARMC (continued)

8. Effective and Independent ARMC

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

The ARMC 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.

The ARMC carried out an annual performance assessment of the External Auditors and requested the Executive Directors and Financial Controller to join the assessment.

The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company. Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

8.4 The ARMC 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).

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

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

The ARMC 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. 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 ARMC.

9.2 The ARMC 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 could be affecting the achievement of the Group's business objectives. The Internal Auditors report directly to the ARMC and the internal audit plans are tabled to the ARMC 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.

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

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL (continued)

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 ARMC in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes.

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 FY2022 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 is free from any relationship or conflict of interest, which could impair their objectivity and independence.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL 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 had been adopted. A copy of the policy is published on the Company's website at **www.rgtech.com.my**.

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

Corporate Governance Overview Statement

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (continued)

PART II – CONDUCT OF GENERAL MEETINGS

12. Shareholders' Participation at General Meetings

12.1 **Conduct of General Meetings**

The Board will ensure that the Notice of the forthcoming AGM is sent out at least 28 days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

In line with Practice 13.1 of MCCG, the notice convening the Nineteenth AGM ("19th AGM") of the Company was issued to shareholders at least 28 days before the 19th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 19th AGM or to appoint a proxy to attend and vote on their behalf.

During the proceedings of the 19th AGM convened on 24 June 2022, the Chairman ensured that shareholders are allowed to comment or raise issues and questions whether pertaining to issues on the agenda, the annual report, Group's strategy or developments in the Group. All questions raised by the shareholders were answered and addressed accordingly.

The Company has always made the necessary preparation for poll voting for all resolutions tabled at the AGM. The Company will explore the suitability and feasibility of employing electronic means for poll voting.

12.2 **Effective Communication and Proactive Engagement**

All Directors attended the 19th AGM and be accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group at the 19th AGM.

The External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders. From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback.

The Board welcomes questions and feedback from the shareholders during the shareholders' meetings and ensures their queries are responded to properly and systematically. The summary of the key matters discussed at the AGM will be made public on the Company's website for the shareholders' information.

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 MCCG, the relevant chapters of the ACE Market LR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FY2022. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

Audit and Risk Management Committee Report

A. OBJECTIVES

The primary objective of the Audit and Risk Management Committee ("ARMC") is to assist the Board of Directors ("the Board") in fulfilling its fiduciary duties and responsibilities in accordance with its Terms of Reference, providing 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 ARMC

The ARMC comprises the following members, all being Independent Non-Executive Directors:-

ARMC Members	Designation	Directorship
Mr. 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
Pn. Mashitah Binti Osman *(Appointed on 7 August 2017)*	Member	Independent Non-Executive Director

The Company has complied with Rule 15.09(1)(a) and (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practice 9.1 and Practice 9.4 under the Principle B of the Malaysia Code of Corporate Governance 2021 as the ARMC members fulfil the requirements as prescribed.

The ARMC Chairman, Mr. Tevanaigam Randy Chitty is a member of the Malaysian Institute of Accountants of Certified Public Accountants. Accordingly, the composition of ARMC members complies with Rule 15.09(1)(c)(i) of the ACE Market Listing Requirements of Bursa Securities.

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

C. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 ("FY2022")

During the financial year under review, the ARMC convened five (5) meetings and the details of attendance of each of the ARMC members to the meetings are as follows:-

ARMC Members	Attendance
Mr. Tevanaigam Randy Chitty, Chairman	5/5
Dato' Siow Kim Lun, Member	5/5
Pn. Mashitah Binti Osman, Member	5/5

The presence of the External Auditors and/or the Internal Auditors at the ARMC meetings will be requested if required by the ARMC. 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 ARMC.

Audit and Risk Management Committee Report

C. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 ("FY2022") (continued)

The summary of the activities undertaken by the ARMC during FY2022, amongst others, included the following:-

i. Reviewed the unaudited consolidated quarterly financial results and annual audited financial statements of the Company including the announcements pertaining thereto. Discussion focused particularly on any changes in accounting policy and practices, significant and unusual events and compliance with accounting standards and other legal requirements before recommending to the Board for approval and making of the announcement to Bursa Securities;

ii. Reviewed with the External Auditors the Audit Planning Memorandum covering findings on the results and issues arising from their audit of the financial statements and their resolutions of such issues highlighted in their report to the ARMC;

iii. Reviewed with the External Auditors, the Audit Review Memorandum in respect of the audit of the Group's financial statements for FY2022 to ensure that the scope of the external audit is comprehensive;

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;

v. Reviewed the internal audit plan proposed by the Internal Auditors for FY2022;

vi. Reviewed the risk registers on the Group's business operations to ensure that appropriate action is being taken by the Management to mitigate the key risks of the Group;

vii. Considered and recommended the re-appointment of Crowe Malaysia PLT as External Auditors and their audit fees of the Group to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the External Auditors during their audit;

viii. Reviewed the ARMC Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement to ensure adherence to legal and regulatory reporting requirement before recommending to the Board for approval for inclusion in the Annual Report;

ix. 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 interests of the Company;

x. Self-appraised the performance of the ARMC for FY2022 and submit the evaluation to the Nomination and Remuneration Committee for assessment; and

xi. Evaluated the performance of the External Auditors and Internal Auditors of the Company.

Audit and Risk Management Committee Report

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 ARMC, 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

The internal audit plan for the Group was presented to the ARMC by Sterling for discussion and approval. The ARMC 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 ARMC 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 Group 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 ARMC on the status of Management-agreed action plans.

iii. Total costs incurred for the financial year

The total costs incurred for the internal audit function of the Group for FY2022 was RM64,520.

iv. Review of internal audit function

For FY2022, the ARMC 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.

Additional Compliance Information

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Radiant Globaltech Berhad ("Radiant Globaltech" or "the Company") did not raise any funds through any corporate proposal during the financial year ended 31 December 2022 ("FY2022"). Therefore, there was no utilisation of proceeds for the FY2022.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the External Auditors by the Company and its subsidiaries ("the Group") for the FY2022 are as follows:-

	Fee (RM)	
	Company RM'000	**Group RM'000**
i. Audit		
- Current Year	72	279
- Under-provision in prior year	–	5
ii. Non-audit	6	6
Total	78	290

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

There were no material contracts entered into by the Group involving the interest of the Company's Directors and/or major shareholders, either still subsisting at the end of the FY2022, or which were entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE AND/OR TRADING NATURE

The details of the Proposed Shareholders' Mandate for the RRPT are as set out in the Circular to Shareholders dated 28 April 2023 which is available on the website of the Company and Bursa Malaysia Securities Berhad.

Details of RRPT of a Revenue or Trading Nature are disclosed in Note 37 to the Financial Statements pages 121 to 122 of this Annual Report.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") acknowledges that the Company and its subsidiaries ("the Group") cannot achieve its objectives and sustain its success without effective governance, risk management and internal control processes. Effective governance, risk management and internal control processes will guide the Group to achieve a proper balance between the risks incurred and potential returns to shareholders in accordance with the Group's acceptable risk appetite.

The Board is pleased to provide the following Statement on Risk Management and Internal Control ("Statement") of the Group for the financial year ended 31 December 2022. 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") and "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

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' interests 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 the operational and compliance aspect 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 of the Group's corporate 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 underlying objective of an effective risk management framework is to contribute to good corporate governance which will enable the Group to achieve its corporate objectives. Risk management shall be an integral part of the Group's culture and embedded into the day-to-day management of operations, processes and structures. Thus, it should be extensively applied in all decision-making and strategic planning.

The Group's Risk Management Committee was established on 7 August 2017 and merged with the Audit Committee as a single committee and known as the Audit and Risk Management Committee ("ARMC") with effect from 16 August 2021 and its members are appointed by the Board. In particular, the roles and responsibilities of the ARMC in relation to risk management are as follows:

i. to recommend the Group's risk appetite and its policy for risk management to the Board;

ii. to recommend and review the implementation of the Group's internal controls and risk management framework;

iii. to review the processes and procedures for ensuring that all material business risks are properly identified and those appropriate systems of monitoring and control are in place;

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 the risks of any findings highlighted by the internal auditor (if any) or any independent reviews carried out for the Group.

Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK (CONT'D)

The Board recognises that risk management should be an integral part of business operations. On a day-to-day basis, the respective Key Senior Management team is responsible for managing risks related to their functions or departments. The ARMC relies on the Key Senior Management team to support in terms of:

i. managing the risks of business processes under his/her control;

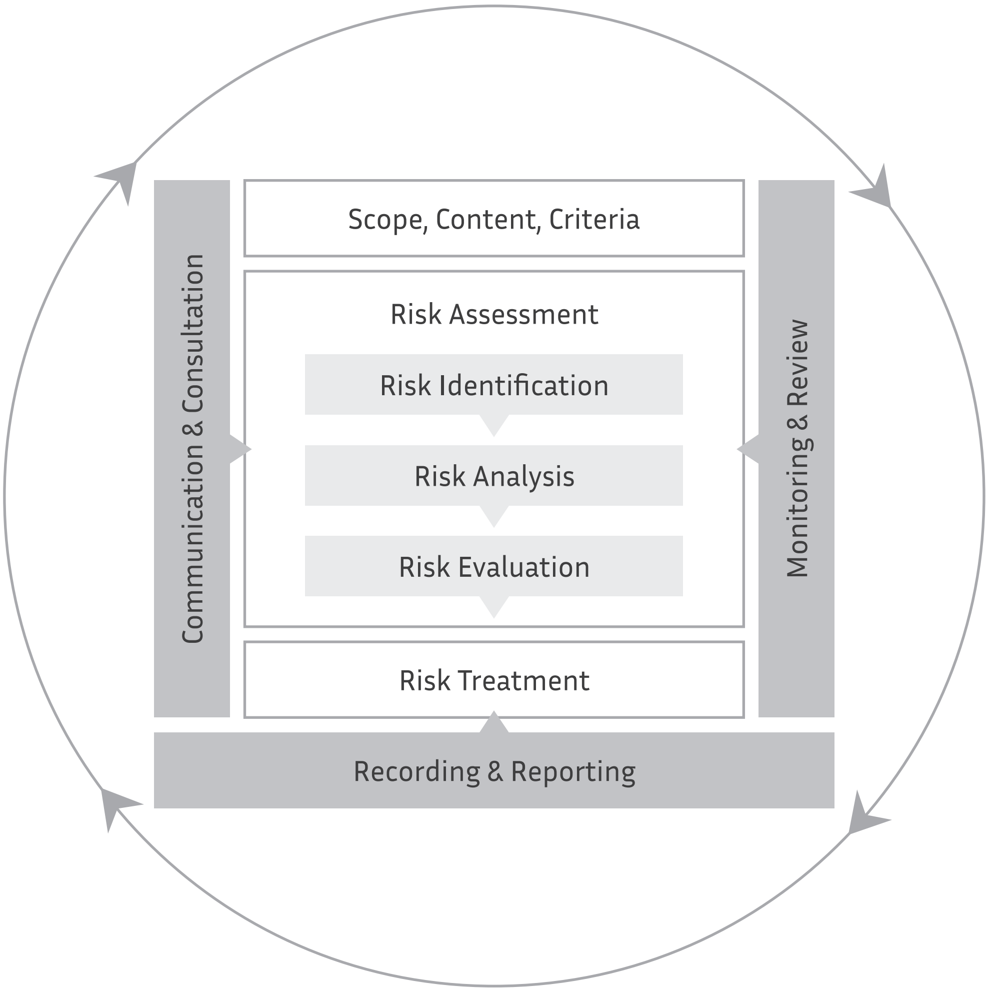
ii. identifying risks and evaluating existing risk controls;

iii. reporting significant risks to the ARMC 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 ARMC 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 Group's risk management process can be briefly summarised as follows:



During the ARMC meetings held on 27 May 2022 and 23 November 2022, the ARMC had reviewed the Risk Management Report on the Group's business operations, amongst others, the risk parameters, financial and non-financial impact, risk treatment options and the existing risk ratings of the Group.

Statement on Risk Management and Internal Control

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to an external independent professional consulting firm to assist the Board and ARMC in ascertaining the adequacy and effectiveness of the Group's internal control system.

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

The Internal Auditors use the Committee of Sponsoring Organisations 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 recommends possible improvements to the internal control process. The internal audit plan is reviewed and approved by the ARMC, to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

On a quarterly basis, the Internal Auditors report to the ARMC on areas for possible improvement and the Management's response to such recommendations. Follow-up audits were also carried out and the outcome was reported to the ARMC to ensure weaknesses identified have been or are being addressed.

The internal audit function assists the Board in providing an 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 are carried out through interviews and discussions with key management staffs, review of the relevant established policies and procedures, authority limits, and observing and testing of the internal controls on a sampling 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 ARMC, who in turn reports these matters to the Board. Any highlighted issues are followed up closely to determine the extent of the recommendation that has been implemented by the Management.

During the financial year ended 31 December 2022, four (4) internal audit reviews and four (4) follow-up reviews had been carried out and reported by Internal Auditors:

Reporting Month	Name of Entity Audited	Audited Areas
February 2022	· Adaptive POS Sdn. Bhd.	· Project Management and Quality Assurance · Research and Development Follow up actions on previously reported audited findings
May 2022	· Grand-Flo Spritvest Sdn. Bhd.	· Human Resources Follow up actions on previously reported audited findings
August 2022	· ARMS Software International Sdn. Bhd.	· Finance and Accounts Follow up actions on previously reported audited findings
November 2022	· World POS Sdn. Bhd.	· Project Management · Research and Development · Management Information Systems/Information Technology Follow up actions on previously reported audited findings

Statement on Risk Management and Internal Control

INTERNAL CONTROL

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

The Group's Key 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 the 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 the Board meetings and any significant fluctuation or exception noted will be analysed and acted in a timely manner.

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

- Organisational and Reporting Structure

  A formal organisational structure has also been put in place with well-defined scope of responsibilities, clear lines of accountability and appropriate level of delegated authority. The Group has also put in place consistent human resource practices throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skills and experience in order to carry out their duties and responsibilities effectively and efficiently.

- Policies and Procedures

  The Group has established internal policies and procedures covering key business units and operations. These policies and procedures are regularly reviewed and updated to ensure it is relevant in addressing the changing environment, operational requirements and changes of risk. Information pertaining to internal control policies, procedures and processes which are critical to the achievement of the Group's corporate objectives are communicated through established reporting lines across the Group via electronic mail system, internal meetings and briefings. Further, the Group also maintains documented policies, procedures and process flows for its key business operations with the appropriate level of delegated authority. The documented internal policies, procedures and processes are in place to ensure compliance with the internal control and relevant laws and regulations.

- Internal Audit Function

  Periodic management meetings are held to discuss and review the Group's financial data, and operational performance of various operating units according to the internal audit plan approved by the ARMC. Issues and/or matters that require the Board and Key Senior Management team's attention will be highlighted, deliberated and decided upon on a timely manner. Periodic reviews of adequacy and integrity of selected areas of internal control systems are carried out and reported to the Board for deliberation, decision making and further action. Follow-ups on status of implementation of agreed action plans are also conducted to ensure corrective actions are implemented accordingly. Audit reviews were carried out quarterly.

ANTI-BRIBERY AND CORRUPTION POLICY

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an anti-bribery and corruption policy which prohibits all forms of bribery and corruption practices. All employees are required to read and understand the policy and to take an assessment test. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group's anti-bribery and corruption policy. The said policy is also made available at the Company's website.

Statement on Risk Management and Internal Control

WHISTLE BLOWING POLICY

The Group has put in place a whistle blowing policy which allows, supports and encourages its employees to report and disclose any improper, alleged or illegal activities within the Group. The whistle blowing policy is made available at the Company's website.

ASSURANCE

The Group Chief Executive Officer of the Company has provided assurance to the Board 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 under 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 to be set out, nor is it factually inaccurate.

CONCLUSION

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.

Statement of Directors' Responsibilities in the Preparation of Financial Statements

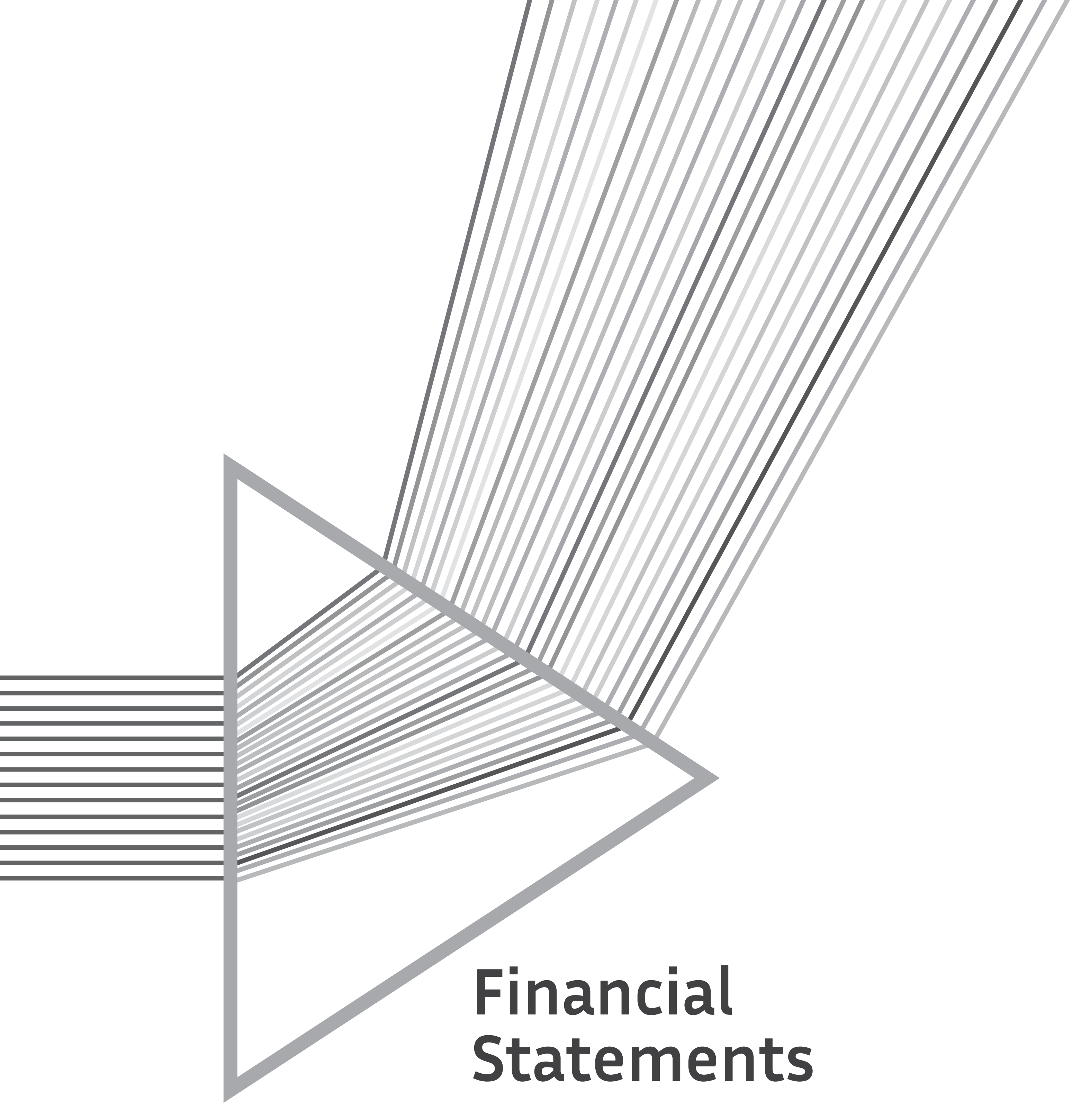
The Board of Directors of the Company is required by the Companies Act 2016 ("CA 2016") to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries ("Group") at the end of the financial year and of the financial performance of the Group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

In preparing the financial statements for the financial year ended 31 December 2022, 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 will continue in business.

The Directors are responsible for ensuring that the Group maintain accounting records that disclose with reasonable accuracy, the financial position of the Group, 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, 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 2022.

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.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	9,069,073	288,653
Attributable to:-		
Owners of the Company	7,467,746	288,653
Non-controlling interests	1,601,327	-
	9,069,073	288,653

DIVIDEND

Dividend paid or declared by the Company since 31 December 2021 are as follows:-

	RM
Ordinary Share	
In respect of the financial year 31 December 2022	
A first interim Single-tier dividend of 0.5 sen per ordinary share, paid on 7 June 2022	2,626,000
In respect of the financial year 31 December 2023	
A first interim single-tier dividend of 0.5 sen per ordinary share, paid on 30 March 2023	2,626,000
	5,252,000

For the interim single-tier dividend paid on 30 March 2023, the financial statements for the current financial year do not reflect this interim single-tier dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2023.

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) there were no changes in the issued and paid-up share capital of the Company; and

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

Directors' Report

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

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

Tran Phu Vinh
Lim Kiat Hin
Wong Wei Ming
Cheng Ping Liong
Yap Poh Keong
Chu Zer-Min

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 1.1.2022	**Bought**	**Sold**	**At 31.12.2022**
The Company				
Direct Interests				
Dato' Siow Kim Lun @ Siow Kim Lin	500,000	-	-	500,000
Tevanaigam Randy Chitty	1,430,000	710,000	-	2,140,000
Mashitah Binti Osman	100,000	-	-	100,000
Indirect Interests				
Yap Ban Foo*	129,968,800	-	-	129,968,800
Yap Sin Sang#	97,947,200	-	-	97,947,200

* *Deemed interested by virtue of his interest in Global Merits Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*
\# *Deemed interested by virtue of his interest in Practical Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

By virtue of their shareholdings in the Company, Yap Ban Foo and Yap Sin Sang 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 of the Companies Act 2016.

Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 37 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 as follows:-

	The Group RM	The Company RM
Fees	155,500	155,500
Salaries, bonuses, incentives, allowances and other benefits	3,740,304	124,176
Defined contribution plans	373,543	10,854
	4,269,347	290,530

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM5,000,000 and RM12,900 respectively.

SUBSIDIARIES

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 40 to the financial statements.

Directors' Report

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	278,568	72,000
Non-audit fees	6,000	6,000
	284,568	78,000

Signed in accordance with a resolution of the directors dated 28 April 2023.

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 66 to 143 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 2022 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 28 April 2023.

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 66 to 143 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 28 April 2023

Lee Sook Kuan

Before me

Datin Hajah Raihela Wanchik (No. W-275)
Commissioner for Oaths

Independent Auditors' Report

To The Members of Radiant Globaltech Berhad

(Incorporated in Malaysia)
Registration No: 200301018877 (621297 - A)

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 of the Group and of the Company as at 31 December 2022, 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 66 to 143.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

Independent Auditors' Report
To The Members of Radiant Globaltech Berhad

(Incorporated in Malaysia)
Registration No: 200301018877 (621297 - A)

Key Audit Matters (Cont'd)

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

Impairment assessment of goodwill Refer to Note 10 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
As at 31 December 2022, the carrying amount of the Group's goodwill from a cash-generating unit ("CGU") amounted to approximately RM11.4 million. We focused on these areas due to the significant amount of the goodwill, and the inherent judgements involved in determining the revenue forecasts, profit margins and discount rates.	Our procedures included, amongst others:- (a) Reviewed management's estimate of the recoverable amount and test of the cash flows forecast for their accuracy; (b) Reviewed the key business drivers underpinning the cash flows forecast prepared to support the recoverable amount; (c) Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business and trend analysis; (d) Performed sensitivity analysis over the key assumptions to understand the impact of changes over the valuation model; and (e) Assessing the adequacy of disclosure of goodwill in the financial statements.

Independent Auditors' Report
To The Members of Radiant Globaltech Berhad

(Incorporated in Malaysia)
Registration No: 200301018877 (621297 - A)

Key Audit Matters (Cont'd)

Recoverability of trade receivables
Refer to Notes 13 and 39.1(b)(iii) to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
The trade receivables of the Group amounted to approximately RM30.1 million of which approximately RM9.4 million exceeded their credit terms. 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.	Our procedures included, amongst others:- (a) Obtained an understanding of:- • the Group's control over the trade receivables collection process; • how the Group identifies and assesses the impairment of trade receivables; and • how the Group makes the accounting estimates for impairment. (b) Reviewed the ageing analysis of trade receivables and tested its reliability; (c) Reviewed subsequent cash collections for major trade receivables and overdue amounts; (d) Made inquiries of management regarding the action plans to recover overdue amounts; (e) Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collection; (f) Examined other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules; and (g) Evaluated the reasonableness and tested the adequacy of the impairment losses recognised for identified exposures on trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.

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.

Independent Auditors' Report
To The Members of Radiant Globaltech Berhad

(Incorporated in Malaysia)
Registration No: 200301018877 (621297 - A)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- 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.

Independent Auditors' Report
To The Members of Radiant Globaltech Berhad

(Incorporated in Malaysia)
Registration No: 200301018877 (621297 - A)

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

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, actions taken to eliminate threats or safeguards applied.

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.

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
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Gerald Lau Beng Tong
03523/08/2024 J
Chartered Accountant

Kuala Lumpur

28 April 2023

Statements of Financial Position
as at 31 December 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	32,556,122	32,556,122
Property, plant and equipment	6	6,109,239	1,639,513	285,163	331,399
Investment property	7	-	-	3,960,528	-
Right-of-use assets	8	10,661,043	11,068,198	4,011,224	4,101,164
Intangible assets	9	602,488	1,181,508	-	-
Goodwill	10	11,447,012	11,447,012	-	-
Deferred tax assets	11	684,267	718,327	-	-
		29,504,049	26,054,558	40,813,037	36,988,685
CURRENT ASSETS					
Inventories	12	16,289,526	7,575,472	-	-
Trade receivables	13	31,346,826	31,280,728	1,859,698	1,851,687
Other receivables, deposits and prepayments	14	3,797,663	3,870,681	131,002	136,580
Amount owing by subsidiaries	15	-	-	5,219,269	4,066,522
Amount owing by related parties	16	565,167	1,109,707	-	-
Current tax assets		3,495,369	2,597,598	314,196	267,793
Short-term investments	17	14,417,587	21,955,548	4,249,296	11,069,153
Fixed deposits with licensed banks	18	1,191,774	1,161,743	-	-
Cash and bank balances		26,892,943	13,078,793	976,614	1,087,365
		97,996,855	82,630,270	12,750,075	18,479,100
TOTAL ASSETS		127,500,904	108,684,828	53,563,112	55,467,785

Statements of Financial Position as at 31 December 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	48,153,374	48,153,374	48,153,374	48,153,374
Merger deficit	20	(13,680,805)	(13,680,805)	-	-
Foreign exchange translation reserve	21	(155,414)	(192,841)	-	-
Retained profits		43,233,870	38,392,124	3,306,086	5,643,433
Equity attributable to owners of the Company		77,551,025	72,671,852	51,459,460	53,796,807
Non-controlling interests	5	3,477,996	1,890,699	-	-
TOTAL EQUITY		81,029,021	74,562,551	51,459,460	53,796,807
NON-CURRENT LIABILITIES					
Provision	22	428,369	374,565	-	-
Lease liabilities	23	261,610	401,581	-	-
Hire purchase payables	24	129,392	163,276	-	-
Deferred revenue	25	104,568	258,339	-	-
Deferred tax liabilities	11	27,000	14,300	-	-
		950,939	1,212,061	-	-
CURRENT LIABILITIES					
Trade payables	26	13,070,512	12,731,691	733,988	441,995
Other payables and accruals	27	28,753,278	16,755,327	1,341,122	1,228,983
Amount owing to subsidiaries	15	-	-	28,542	-
Amount owing to related parties	16	2,337,594	2,280,553	-	-
Amount owing to directors	28	606,000	511,782	-	-
Lease liabilities	23	338,604	369,149	-	-
Hire purchase payables	24	33,884	181,054	-	-
Current tax liabilities		381,072	80,660	-	-
		45,520,944	32,910,216	2,103,652	1,670,978
TOTAL LIABILITIES		46,471,883	34,122,277	2,103,652	1,670,978
TOTAL EQUITY AND LIABILITIES		127,500,904	108,684,828	53,563,112	55,467,785

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 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
REVENUE	29	137,631,716	134,024,628	8,337,489	6,756,765
COST OF SALES		(87,931,919)	(88,613,470)	(5,386,601)	(4,073,355)
GROSS PROFIT		49,699,797	45,411,158	2,950,888	2,683,410
OTHER INCOME		1,200,049	1,246,089	517,330	314,171
		50,899,846	46,657,247	3,468,218	2,997,581
SELLING AND DISTRIBUTION EXPENSES		(1,635,267)	(1,321,842)	(28,000)	-
ADMINISTRATIVE EXPENSES		(34,501,433)	(31,139,628)	(2,718,224)	(2,338,515)
OTHER EXPENSES		(1,942,429)	(2,109,712)	(188,879)	(163,085)
FINANCE COSTS		(75,500)	(113,732)	-	-
NET (IMPAIRMENT LOSSES)/ REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	30	(384,219)	2,568	20,800	195,079
PROFIT BEFORE TAXATION	31	12,360,998	11,974,901	553,915	691,060
INCOME TAX EXPENSE	32	(3,291,925)	(3,899,408)	(265,262)	(491,506)
PROFIT AFTER TAXATION		9,069,073	8,075,493	288,653	199,554
OTHER COMPREHENSIVE INCOME					
Item that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		23,397	140,843	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		9,092,470	8,216,336	288,653	199,554
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		7,467,746	7,337,648	288,653	199,554
Non-controlling interests		1,601,327	737,845	-	-
		9,069,073	8,075,493	288,653	199,554
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		7,505,173	7,428,240	288,653	199,554
Non-controlling interests		1,587,297	788,096	-	-
		9,092,470	8,216,336	288,653	199,554
EARNINGS PER SHARE (SEN)					
Basic	33	1.42	1.40		
Diluted	33	1.42	1.40		

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

Statements of Changes In Equity
For The Financial Year Ended 31 December 2022

			← Non-distributable	→	Distributable			
	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group								
Balance at 1.1.2021		48,153,374	(13,680,805)	(283,433)	31,054,476	65,243,612	1,220,466	66,464,078
Profit after taxation for the financial year		-	-	-	7,337,648	7,337,648	737,845	8,075,493
Other comprehensive income for the financial year:								
- Foreign currency translation differences		-	-	90,592	-	90,592	50,251	140,843
Total comprehensive income for the financial year		-	-	90,592	7,337,648	7,428,240	788,096	8,216,336
Acquisition of subsidiaries	34	-	-	-	-	-	(117,863)	(117,863)
Balance at 31.12.2021		48,153,374	(13,680,805)	(192,841)	38,392,124	72,671,852	1,890,699	74,562,551
Balance at 31.12.2021/1.1.2022		48,153,374	(13,680,805)	(192,841)	38,392,124	72,671,852	1,890,699	74,562,551
Profit after taxation for the financial year		-	-	-	7,467,746	7,467,746	1,601,327	9,069,073
Other comprehensive income/(expenses) for the financial year:								
- Foreign currency translation differences		-	-	37,427	-	37,427	(14,030)	23,397
Total comprehensive income for the financial year		-	-	37,427	7,467,746	7,505,173	1,587,297	9,092,470
Dividend paid	35	-	-	-	(2,626,000)	(2,626,000)	-	(2,626,000)
Balance at 31.12.2022		48,153,374	(13,680,805)	(155,414)	43,233,870	77,551,025	3,477,996	81,029,021

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

Statements of Changes In Equity
For The Financial Year Ended 31 December 2022

	Note	Share Capital RM	Distributable Retained Profits RM	Total Equity RM
The Company				
Balance at 1.1.2021		48,153,374	5,443,879	53,597,253
Profit after taxation/Total comprehensive income for the financial year		-	199,554	199,554
Balance at 31.12.2021/1.1.2022		48,153,374	5,643,433	53,796,807
Profit after taxation/Total comprehensive income for the financial year		-	288,653	288,653
Dividend paid	35	-	(2,626,000)	(2,626,000)
Balance at 31.12.2022		48,153,374	3,306,086	51,459,460

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2022

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	12,360,998	11,974,901	553,915	691,060
Adjustments for:-				
Amortisation of intangible assets	579,034	578,756	-	-
Bad debts written off	15,551	10,523	15,551	-
Depreciation of property, plant and equipment	559,829	651,316	48,188	45,881
Depreciation of right-of-use assets	663,983	721,088	89,940	89,940
Depreciation of investment property	-	-	33,282	-
Unrealised (gain)/loss on foreign exchange	(103,510)	41,378	(6,658)	(5,134)
Interest expense on lease liabilities	57,609	47,305	-	-
Interest expenses	22,465	66,427	-	-
Impairment losses:				
- trade receivables	650,338	269,337	-	-
- amount owing by related parties	-	11,500	-	-
Property, plant and equipment written off	30,900	-	-	-
Provision made during the financial year	42,136	42,660	-	-
Inventories written down	267,652	730,860	-	-
Inventories written off	145,420	-	-	-
Interest income	(242,161)	(345,724)	(14,566)	(176,865)
Reversal of impairment losses:				
- trade receivables	(254,619)	(283,405)	(20,800)	(195,079)
- related party	(11,500)	-	-	-
Loss/(Gain) on disposal of property, plant and equipment	13	(4,500)	-	-
Operating profit before working capital changes	14,784,138	14,512,422	698,852	449,803
Increase in inventories	(9,127,126)	(763,567)	-	-
(Increase)/Decrease in trade and other receivables	(300,840)	(3,939,350)	9,474	197,832
Increase/(Decrease) in trade and other payables	12,183,001	(6,915,975)	404,132	(2,494,037)
Increase in amount owing by subsidiaries	-	-	(1,152,747)	(967,891)
Increase/(Decrease) in amount owing to subsidiaries	-	-	28,542	(350,788)
Decrease in amount owing by related parties	556,040	423,656	-	-
Increase/(Decrease) in amount owing to related parties	57,041	(1,121,207)	-	-
CASH FROM/(FOR) OPERATIONS	18,152,254	2,195,979	(11,747)	(3,165,081)
Interest paid	(5,000)	(5,146)	-	-
Income tax paid	(3,842,524)	(2,279,574)	(311,665)	(519,999)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	14,304,730	(88,741)	(323,412)	(3,685,080)

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

Statements of Cash Flows
For The Financial Year Ended 31 December 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of subsidiaries	34(b)	-	(2,484,140)	-	(3,020,001)
Proceeds from disposal of plant and equipment		32	4,500	-	-
Purchase of plant and equipment		(5,054,793)	(143,959)	(1,952)	(53,022)
Purchase of intangible assets		-	(1,556)	-	-
Purchase of investment property		-	-	(3,993,810)	-
Interest received		242,161	345,724	14,566	176,865
Additions of fixed deposits with tenure more than 3 months		(22,277)	(110,483)	-	-
Increase in pledged fixed deposits with licensed banks		(7,754)	(11,099)	-	-
NET CASH FOR INVESTING ACTIVITIES		(4,842,631)	(2,401,013)	(3,981,196)	(2,896,158)
CASH FLOWS FOR FINANCING ACTIVITIES					
Interest paid	36(b)	(70,500)	(104,779)	-	-
Dividend paid	35	(2,626,000)	-	(2,626,000)	-
Repayment of term loan	36(b)	-	(720,574)	-	-
Repayment of lease liabilities	36(b)	(427,497)	(502,467)	-	-
Repayment of hire purchase payables	36(b)	(181,054)	(202,386)	-	-
Advances from/(Repayment to) directors	36(b)	94,218	(405,500)	-	-
Repayment of bankers' acceptances	36(b)	-	(728,000)	-	-
NET CASH FOR FINANCING ACTIVITIES		(3,210,833)	(2,663,706)	(2,626,000)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,251,266	(5,153,460)	(6,930,608)	(6,581,238)
EFFECT OF FOREIGN EXCHANGE TRANSLATION		24,923	157,204	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		35,034,341	40,030,597	12,156,518	18,737,756
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36(c)	41,310,530	35,034,341	5,225,910	12,156,518

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

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

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 28 April 2023.

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.

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)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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.

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, Investment Property and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment, investment property and right-of-use assets 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, investment property and right-of-use assets 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 amounts of property, plant and equipment, investment property and right-of-use assets as at the reporting date are disclosed in Notes 6, 7 and 8 to the financial statements respectively.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Amortisation of Intangible Assets

The estimates for the residual values, useful lives and related amortisation charges for the intangible assets 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 intangible assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation 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 amortisation charges could be revised. The carrying amount of intangible assets as at the reporting date is disclosed in Note 9 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Note 10 to the financial statements.

(d) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset are less than its carrying amount. The evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 8 to the financial statements respectively.

(e) 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 12 to the financial statements.

(f) Impairment of Trade Receivables and Amount Owing by Related Parties

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and amount owing by related parties. 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 values of trade receivables and amount owing by related parties. The carrying amounts of trade receivables and amount owing by related parties as at the reporting date are disclosed in Notes 13 and 16 to the financial statements respectively.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Impairment of Non-Trade Receivables and Amount Owing by Subsidiaries

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. 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 and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 14 and 15 to the financial statements respectively.

(h) 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:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax assets	3,495,369	2,597,598	314,196	267,793
Current tax liabilities	381,072	80,660	-	-

(i) 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 11 to the financial statements.

(j) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Company accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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 2022

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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

(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 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

(c) Foreign Operations

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

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion 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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 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 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.

(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).

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(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 fair value changes do not include interest or dividend income.

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 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 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 (excluding interest expense) 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 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 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.

4.7 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:-

Freehold building	2%
Motor vehicles	16% - 20%
Furniture and fittings	8% - 25%
Office equipment	10% - 40%
Renovation	8% - 10%
Computers	20% - 33%
Tools and equipment	10%
Point-of-sale ("POS") equipment	17% - 25%

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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 INVESTMENT PROPERTY

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 INTANGIBLE ASSETS

Intangible asset is measured at cost less accumulated amortisation and impairment losses, if any.

The intangible asset is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the intangible asset is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

Notes To The Financial Statements For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 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 price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 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.

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.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 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 immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) 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 discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.15 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.

(c) Defined Benefit Plans

The Group makes contributions to the Company's retirement benefit plan, a funded defined benefit plan. In addition, the Group also provides for a post-retirement medical plan for certain employees, which is unfunded.

The liability or asset recognised in the statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The present value of the defined benefit obligation is calculated using the projected unit credit method by independent actuaries annually, determined by discounting the estimated future benefits that employees have earned in the current and prior periods, using market yields of private corporate debt securities which have currency and terms to maturity approximating the terms of the related obligation.

The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The net interest expense or income is recognised in profit or loss under the staff costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and will not be reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 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.

4.17 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.

4.18 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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 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.

4.20 DEFERRED REVENUE

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

4.21 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.

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of 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.

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 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 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) Sales of Maintenance and Technical Support Services

Revenue is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

4.23 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Interest Income

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

(b) Rental income

Rental income from investment property is accounted for on a straight-line method over the lease term.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022	2021
	RM	RM
Unquoted shares, at cost	32,556,122	32,556,122

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
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. ("RGS")	Malaysia	100	100	Provision of retail technology software solutions.
Infoconnect Commerce Sdn. Bhd. ("ICC")	Malaysia	100	100	Provision of computer consultancy, computer programming activities and wholesale of a variety of goods without any particular specialisation.
Adaptive POS Sdn. Bhd. ("ADP")	Malaysia	70	70	Provision of computer consultancy, computer programming activities and wholesale of a variety of goods without any particular specialisation.
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.
Rgtech Simat Co. Ltd ("RGSIMAT") #	Thailand	49	49	IT services business, hardware distribution, software development and maintenance.
Grand-Flo Spritvest Sdn. Bhd. ("GFS")	Malaysia	80	80	Provision of information technology solutions specialising in automated data collection processes and mobile computing.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2022 %	2021 %	Principal Activities
Subsidiaries of the Company (Cont'd)				
Arms Software International Sdn. Bhd. ("ARMS")	Malaysia	70	70	Developing and selling of software systems, providing web designing services and dealing in all kinds of computer accessories and peripherals.
World Portal Sdn. Bhd. ("WPORTAL")	Malaysia	70	70	Computer programming activities and other information technology service activities.
World Pos Sdn. Bhd. ("WPOS") ^	Malaysia	70	70	Business of management consultancy services, computer programming activities and activities of holding companies.
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.
Rgtech International Pte. Ltd ("RGSG") *	Singapore	100	-	Retail sale of computer hardware and peripheral equipment, and computer software and development of software and applications.
Subsidiary of RGS				
RG Posconnect Sdn. Bhd. ("RGP") ^	Malaysia	70	70	Provision of retail technology software solutions.
Subsidiary of ICC				
RG Gateway Sdn. Bhd. ("RGGW") ^	Malaysia	70	70	Business of retail technology solutions provider.

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

^ *The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiaries.*

* *The consolidation was done based on the management's financial statements.*

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) On 21 April 2021, the Company has entered into a Share Sale Agreement ("SSA") with Mr. Lee Thiam Sew and Mr. Teh How Kiat for the proposed acquisition of 210,000 ordinary shares in ARMS, representing 70% of the issued share capital of ARMS for a consideration of RM1,900,000.

On 18 May 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed. The details of the acquisition are disclosed in Note 34 to the financial statements.

(b) On 4 August 2021, the Company has entered into a SSA with Mr. Yap Poh Keong for the proposed acquisition of 179,900 ordinary shares in WPORTAL, representing 70% of the issued share capital of WPORTAL for a consideration of RM1,120,000.

On 23 September 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed. The details of the acquisition are disclosed in Note 34 to the financial statements.

(c) On 4 August 2021, the Company has entered into a SSA with Jejak Menang Sdn. Bhd. for the proposed acquisition of 2,100,000 ordinary shares in WPOS, representing 70% of the issued share capital of WPOS for a consideration of RM1.

On 23 September 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed. The details of the acquisition are disclosed in Note 34 to the financial statements.

(d) On 10 November 2022, RGM, a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary known as RGSG with an issued paid-up share capital of Singapore Dollar ("SGD") 10,000 comprising of 10,000 ordinary shares.

(e) Although the Company owns less than half of the voting power in RGSIMAT, the Company controls this subsidiary by virtue of an agreement with other investor of RGSIMAT. Consequently, the Company consolidates its investment in this subsidiary.

(f) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022	2021	2022	2021
	%	%	RM	RM
ADP	30	30	194,907	326,251
RGSIMAT	51	51	(774,351)	(822,865)
GFS	20	20	3,908,478	2,500,067
Other individually immaterial subsidiaries	30	30	148,962	(112,754)
			3,477,996	1,890,699

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(g) The summarised financial information (before intra-group elimination and fair value adjustment) for each subsidiary that has non-controlling interest that is material to the Group is as follows:-

	ADP 2022 RM	RGSIMAT 2022 RM	GFS 2022 RM
At 31 December			
Non-current assets	1,127,679	479,407	272,668
Current assets	1,062,126	3,426,409	40,285,586
Non-current liabilities	-	(282,382)	(87,703)
Current liabilities	(1,610,121)	(5,141,769)	(20,928,159)
Net assets/(liabilities)	579,684	(1,518,335)	19,542,392
Financial Year Ended 31 December			
Revenue	1,977,532	5,242,099	65,948,338
(Loss)/Profit for the financial year	(391,469)	122,635	7,042,056
Total comprehensive (expenses)/income	(391,469)	95,125	7,042,056
Total comprehensive (expenses)/income attributable to non-controlling interests	(117,441)	48,514	1,408,411
Net cash flows from operating activities	690,747	448,963	5,191,668
Net cash flows (for)/from investing activities	(769,148)	(3,138)	105,564
Net cash flows for financing activities	-	(88,371)	(116,760)

Notes To The Financial Statements For The Financial Year Ended 31 December 2022

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(g) The summarised financial information (before intra-group elimination and fair value adjustment) for each subsidiary that has non-controlling interest that is material to the Group is as follows:- (Cont'd)

	ADP 2021 RM	RGSIMAT 2021 RM	GFS 2021 RM
At 31 December			
Non-current assets	805,000	700,874	279,408
Current assets	889,983	3,535,694	19,853,698
Non-current liabilities	-	(266,614)	(76,126)
Current liabilities	(723,830)	(5,583,414)	(7,556,644)
Net assets/(liabilities)	971,153	(1,613,460)	12,500,336
Financial Year Ended 31 December			
Revenue	1,331,639	4,809,117	61,437,702
(Loss)/Profit for the financial year	(879,688)	(549,951)	6,563,928
Total comprehensive (expenses)/income	(879,688)	(451,419)	6,563,928
Total comprehensive (expenses)/income attributable to non-controlling interests	(263,906)	(230,224)	1,312,786
Net cash flows (for)/from operating activities	(52,428)	40,160	95,308
Net cash flows (for)/from investing activities	-	(29,912)	73,979
Net cash flows for financing activities	-	(43,404)	(1,028,108)

Summarised financial information of other non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2022 RM	Additions RM	Disposals RM	Write Off RM	Depreciation Charges RM	Exchange Fluctuation Differences RM	At 31.12.2022 RM
2022							
Carrying Amount							
Freehold building	-	3,993,810	-	-	(33,282)	-	3,960,528
Motor vehicles	253,357	-	-	(2)	(96,316)	600	157,639
Furniture and fittings	261,766	17,518	-	(91)	(47,329)	54	231,918
Office equipment	220,081	127,724	(43)	(12,766)	(77,786)	279	257,489
Renovation	463,467	211,252	-	(17,666)	(91,035)	85	566,103
Computers	90,410	13,356	(2)	(375)	(39,767)	-	63,622
Tools and equipment	350,432	3,099	-	-	(132,835)	4,689	225,385
POS equipment	-	688,034	-	-	(41,479)	-	646,555
	1,639,513	5,054,793	(45)	(30,900)	(559,829)	5,707	6,109,239

The Group	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	Acquisition of Subsidiaries (Note 34) RM	Exchange Fluctuation Differences RM	At 31.12.2021 RM
2021						
Carrying Amount						
Motor vehicles	322,270	-	(240,671)	169,877	1,881	253,357
Furniture and fittings	260,430	27,844	(45,027)	18,586	(67)	261,766
Office equipment	184,761	66,960	(70,790)	40,055	(905)	220,081
Renovation	506,764	13,016	(82,439)	26,337	(211)	463,467
Computers	64,367	21,830	(39,294)	43,507	-	90,410
Tools and equipment	539,819	14,309	(173,095)	-	(30,601)	350,432
	1,878,411	143,959	(651,316)	298,362	(29,903)	1,639,513

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Freehold building	3,993,810	(33,282)	3,960,528
Motor vehicles	1,754,531	(1,596,892)	157,639
Furniture and fittings	548,717	(316,799)	231,918
Office equipment	783,753	(526,264)	257,489
Renovation	1,516,286	(950,183)	566,103
Computers	622,376	(558,754)	63,622
Tools and equipment	726,640	(501,255)	225,385
POS equipment	688,034	(41,479)	646,555
	10,634,147	(4,524,908)	6,109,239
2021			
Motor vehicles	2,033,049	(1,779,692)	253,357
Furniture and fittings	554,864	(293,098)	261,766
Office equipment	714,160	(494,079)	220,081
Renovation	1,366,573	(903,106)	463,467
Computers	642,238	(551,828)	90,410
Tools and equipment	710,710	(360,278)	350,432
	6,021,594	(4,382,081)	1,639,513

The Company	At 1.1.2022 RM	Additions RM	Depreciation Charges RM	At 31.12.2022 RM
2022				
Carrying Amount				
Furniture and fittings	128,530	-	(19,586)	108,944
Office equipment	50,974	-	(5,439)	45,535
Renovation	151,895	-	(23,065)	128,830
Computer	-	1,952	(98)	1,854
	331,399	1,952	(48,188)	285,163

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	At 31.12.2021 RM
2021				
Carrying Amount				
Furniture and fittings	148,116	-	(19,586)	128,530
Office equipment	1,182	53,022	(3,230)	50,974
Renovation	174,960	-	(23,065)	151,895
	324,258	53,022	(45,881)	331,399

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Furniture and fittings	195,860	(86,916)	108,944
Office equipment	54,391	(8,856)	45,535
Renovation	230,646	(101,816)	128,830
Computer	1,952	(98)	1,854
	482,849	(197,686)	285,163
2021			
Furniture and fittings	195,860	(67,330)	128,530
Office equipment	54,391	(3,417)	50,974
Renovation	230,646	(78,751)	151,895
	480,897	(149,498)	331,399

(a) 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 (2021 - RM1).

(b) Included in the property, plant and equipment of the Group were motor vehicles with a total carrying amount of RM145,605 (2021 - RM187,317) held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 24 to the financial statements.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

7. INVESTMENT PROPERTY

	The Company	
	2022	2021
	RM	RM
Cost:-		
At 1 January	-	-
Additions	3,993,810	-
At 31 December	3,993,810	-
Accumulated depreciation:-		
At 1 January	-	-
Depreciation during the financial year	(33,282)	-
At 31 December	(33,282)	-
	3,960,528	-
Represented by:-		
Freehold building	3,960,528	-
Fair value	4,051,877	-

(a) The investment properties of the Company are leased to customers under operating leases with rental payables monthly. The leases contain initial non-cancellable periods of 1 year.

(b) The fair values of the investment property are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

(c) Investment property of the Company comprise freehold building that is leased to companies within the Group to earn rental income. They are accounted for as property, plant and equipment at the group.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

8. RIGHT-OF-USE ASSETS

	At 1.1.2022 RM	Additions (Note 36) RM	Modification of Lease Liabilities (Note 36) RM	Depreciation Charges RM	Exchange Fluctuation Differences RM	At 31.12.2022 RM
The Group						
2022						
Carrying Amount						
Leasehold land and building	3,208,418	-	-	(66,842)	-	3,141,576
Office buildings	7,106,063	-	-	(159,096)	-	6,946,967
Offices	753,717	248,849	(8,804)	(438,045)	16,783	572,500
	11,068,198	248,849	(8,804)	(663,983)	16,783	10,661,043

	At 1.1.2021 RM	Additions (Note 36) RM	Modification of Lease Liabilities (Note 36) RM	Depreciation Charges RM	Exchange Fluctuation Differences RM	Acquisition of Subsidiaries (Note 34) RM	At 31.12.2021 RM
The Group							
2021							
Carrying Amount							
Leasehold land and building	3,275,260	-	-	(66,842)	-	-	3,208,418
Office buildings	7,265,160	-	-	(159,097)	-	-	7,106,063
Offices	476,070	671,390	63,001	(495,149)	1,886	36,519	753,717
	11,016,490	671,390	63,001	(721,088)	1,886	36,519	11,068,198

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

8. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2022 RM	Depreciation Charge RM	At 31.12.2022 RM
The Company			
2022			
Carrying Amount			
Office buildings	4,101,164	(89,940)	4,011,224

	At 1.1.2021 RM	Depreciation Charge RM	At 31.12.2021 RM
2021			
Carrying Amount			
Office buildings	4,191,104	(89,940)	4,101,164

(a) The Group and the Company leases leasehold land and building, office buildings and various offices of which the leasing activities are summarised below:-

(i) Leasehold land and building — The Group has entered into a non-cancellable operating lease agreement for the use of land. The lease is for a period of 75 (2021 - 75) years with no renewal or purchase option included in the agreement. The lease do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

(ii) Office buildings — The Group and the Company has entered into 4 and 2 (2021 - 4 and 2) non-cancellable operating lease agreements for the use of office buildings respectively. The leases are for a period of 99 (2021 - 99) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the office building. A tenancy is, however, allowed with the consent of the lessor.

(iii) Offices — The Group has leased a number of offices that run between 2 to 5 years (2021 - 2 to 3 years), with an option to renew the lease after that date. The Group is not allowed to sublease certain offices.

(b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

9. INTANGIBLE ASSETS

	The Group	
	2022	**2021**
	RM	**RM**
Cost:-		
At 1 January	3,393,974	3,428,631
Additions during the financial year	-	1,556
Exchange fluctuation difference	9,023	(36,213)
At 31 December	3,402,997	3,393,974
Accumulated amortisation:-		
At 1 January	(1,812,623)	(1,241,107)
Amortisation during the financial year	(579,034)	(578,756)
Exchange fluctuation difference	(1,812)	7,240
At 31 December	(2,393,469)	(1,812,623)
Accumulated impairment losses:-		
At 1 January	(399,843)	(428,768)
Exchange fluctuation difference	(7,197)	28,925
At 31 December	(407,040)	(399,843)
	602,488	1,181,508

The intangible assets are in respect of computer software and customer list and belong to the Group's software and hardware and maintenance reportable segment respectively. Their amortisation charges and impairment loss are recognised in profit or loss under the "Other Expenses" line item.

10. GOODWILL

	The Group	
	2022	**2021**
	RM	**RM**
Cost:-		
At 1 January	11,447,012	8,151,995
Acquisition of subsidiaries (Note 34)	-	3,295,017
At 31 December	11,447,012	11,447,012

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

10. GOODWILL (CONT'D)

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2022	2021
	RM	RM
GFS	8,151,995	8,151,995
ARMS	1,652,757	1,652,757
WPORTAL	1,156,576	1,156,576
WPOS	485,684	485,684
	11,447,012	11,447,012

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amount of the cash-generating unit is determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 3 to 5 (2021 - 5) years. The key assumptions used in the determination of the recoverable amount is as follows:-

	Average Gross Margins		Average Net Margins		Discount Rates		Average Growth Rates	
	2022	2021	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%	%	%
GFS	31	25	-	-	14	15	5	5
ARMS	68	70	-	-	14	15	14	7
WPORTAL	-	-	40	21	14	15	24	35
WPOS	-	-	15	8	14	15	-	34

(i)	Budgeted gross and net margins	Average gross and net margin achieved on past experience and actual operating results increased for expected efficiency improvements and cost saving measures.
(ii)	Discount rates (pre-tax)	The rate reflects specific risks relating to the relevant cash-generating unit.
(iii)	Growth rates	Based on the expected projection of the hardware, maintenance and software reportable segments. There is no growth rate in perpetuity to arrive at terminal value.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and are based on internal historical data.

(c) The directors believe that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

11. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2022	2021
	RM	RM
Deferred tax assets		
At 1 January	718,327	601,140
Recognised in profit or loss (Note 32)	(40,429)	127,482
Exchange fluctuation difference	6,369	(10,295)
At 31 December	684,267	718,327
Deferred tax liabilities		
At 1 January	(14,300)	(44,500)
Recognised in profit or loss (Note 32)	(12,700)	34,648
Acquisition of subsidiaries (Note 34)	-	(4,448)
At 31 December	(27,000)	(14,300)

The deferred tax assets 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.

12. INVENTORIES

	The Group	
	2022	2021
	RM	RM
Finished goods	9,187,319	7,382,740
Goods-in-transit	7,102,207	192,732
	16,289,526	7,575,472
Recognised in profit or loss:-		
Inventories recognised as cost of sales	77,707,399	82,579,537
Inventories written off	145,420	-
Inventories written down	267,652	730,860
Reversal of inventories previously written down	(78,056)	(172,114)

The reversal of write-down was in respect of inventories sold above their carrying amounts during the financial year.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

13. TRADE RECEIVABLES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade receivables	31,012,561	30,412,509	1,258,678	1,374,868
Unbilled receivables	1,796,903	2,162,430	695,020	591,619
	32,809,464	32,574,939	1,953,698	1,966,487
Allowance for impairment losses	(1,462,638)	(1,294,211)	(94,000)	(114,800)
	31,346,826	31,280,728	1,859,698	1,851,687
Allowance for impairment losses:-				
At 1 January	(1,294,211)	(1,306,388)	(114,800)	(309,879)
Acquisition of subsidiaries	-	(49,536)	-	-
Addition during the financial year (Note 30)	(650,338)	(269,337)	-	-
Reversal during the financial year (Note 30)	254,619	283,405	20,800	195,079
Written off during the financial year	231,953	35,448	-	-
Exchange fluctuation differences	(4,661)	12,197	-	-
At 31 December	(1,462,638)	(1,294,211)	(94,000)	(114,800)

(a) The Group's normal trade credit terms range from 7 to 90 days (2021 - 7 to 90 days) and the Company's normal trade credit terms range from 7 to 30 days (2021 - 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.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other receivables:-				
Third parties	133,885	67,650	390	-
Advances to suppliers	59,846	262,246	50,000	-
Value added tax, goods and services tax recoverable	20,725	32,255	-	-
	214,456	362,151	50,390	-
Deposits	457,513	1,362,786	57,677	45,431
Prepayments	3,125,694	2,145,744	22,935	91,149
	3,797,663	3,870,681	131,002	136,580

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 2022

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

16. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2022 RM	2021 RM
Amount owing by:-		
Trade balance	565,167	1,121,207
Allowance for impairment losses	-	(11,500)
	565,167	1,109,707
Allowance for impairment losses:-		
At 1 January	(11,500)	-
Addition during the year (Note 30)	-	(11,500)
Reversal during the year (Note 30)	11,500	-
At 31 December	-	(11,500)
Amount owing to:-		
Trade balance	(2,337,594)	(2,280,553)

The trade balance is subject to the normal credit term of 30 days (2021 - 30 days). The amount owing is to be settled in cash.

17. SHORT-TERM INVESTMENTS

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

18. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.60% to 2.85% (2021 - 1.60% to 1.85%) per annum. The fixed deposits have maturity periods ranging from 365 (2021 - 365) days for the Group.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM492,380 (2021 - RM484,626) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

19. SHARE CAPITAL

	The Group/The Company			
	2022	2021	2022	2021
	Number Of Shares		RM	RM
Issued and Fully Paid-up				
Ordinary Shares				
At 1 January/31 December	525,200,000	525,200,000	48,153,374	48,153,374

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.

20. 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.

21. 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.

22. PROVISION

	The Group	
	2022	2021
	RM	RM
At 1 January	374,565	336,203
Provision made during the financial year	42,136	42,660
Unwinding of discount factor	4,574	3,807
Exchange fluctuation difference	7,094	(8,105)
At 31 December	428,369	374,565

The provision is related to employee benefits. The provision is based on the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the group through the service period up to the retirement age and the amount is discounted to determine the present value.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

23. LEASE LIABILITIES

	The Group	
	2022	**2021**
	RM	**RM**
At 1 January	770,730	498,360
Additions	248,849	671,390
Acquisition of subsidiaries (Note 34)	-	38,063
Changes due to lease modification	(8,804)	63,001
Interest expense recognised in profit or loss	57,609	47,305
Repayment of principal	(427,497)	(502,467)
Repayment of interest expense	(57,609)	(47,305)
Exchange fluctuation difference	16,936	2,383
At 31 December	600,214	770,730
Analysed by:-		
Current liabilities	338,604	369,149
Non-current liabilities	261,610	401,581
	600,214	770,730

24. HIRE PURCHASE PAYABLES

	The Group	
	2022	**2021**
	RM	**RM**
Current liabilities	33,884	181,054
Non-current liabilities	129,392	163,276
At 31 December	163,276	344,330

The interest rate profile of the borrowings of the Group are summarised below:-

	Interest rate	*Effective Interest Rate*	
		The Group	
		2022	**2021**
Hire purchase payables	Fixed	2.69% to 5.62%	2.69% to 5.62%

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

25. DEFERRED REVENUE

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current liabilities (Note 27)	3,570,105	3,142,952	9,555	-
Non-current liabilities	104,568	258,339	-	-
	3,674,673	3,401,291	9,555	-

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

(b) The changes to deferred revenue balances during the financial year are summarised below:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At 1 January	3,401,291	2,781,812	-	-
Acquisition of subsidiaries	-	384,203	-	-
Deferred revenue at the beginning of financial year recognised as revenue	(3,207,670)	(2,410,160)	-	-
Performance obligations performed	(44,107,202)	(36,928,904)	(8,337,489)	(6,756,765)
Amounts billed for unfulfilled performance obligations	47,581,424	39,562,728	8,347,044	6,756,765
Exchange fluctuation differences	6,830	11,612	-	-
At 31 December	3,674,673	3,401,291	9,555	-

(c) Revenue expected to be recognised in the future relating to performance obligations that are partially or unsatisfied as at the reporting date is summarised below:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Within 1 year	3,566,977	3,142,952	9,555	-
Between 1 and 2 years	75,409	206,552	-	-
More than 2 years	32,287	51,787	-	-
	3,674,673	3,401,291	9,555	-

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

26. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 7 to 60 days (2021 - 7 to 60 days) and the normal trade credit term granted to the Company is 60 days (2021 - 60 days).

27. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other payables:-				
Third parties	11,001,311	218,013	69,486	110,782
Advances from customers	104,490	136,429	20,000	129,186
Goods and service tax payable	19,873	-	-	-
Sales and services tax payable	991,862	913,519	138,376	138,680
	12,117,536	1,267,961	227,862	378,648
Accruals	12,419,885	11,966,765	1,057,455	849,585
Deposits received	645,752	377,649	46,250	750
Deferred revenue (Note 25)	3,570,105	3,142,952	9,555	-
	28,753,278	16,755,327	1,341,122	1,228,983

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

28. 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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

29. REVENUE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Recognised at a point in time				
- Sales of hardware	87,252,543	91,544,347	-	-
- Sales of software	3,064,301	3,141,217	-	-
Recognised over time				
- Sales of software	18,564,391	11,544,596	8,337,489	6,756,765
- Sales of maintenance and technical support services	28,750,481	27,794,468	-	-
	137,631,716	134,024,628	8,337,489	6,756,765

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 38.2 to the financial statements.

(b) The information on the unsatisfied performance obligations is disclosed in Note 25(c) to the financial statements.

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Impairment losses:				
- trade receivables (Note 13)	(650,338)	(269,337)	-	-
- amount owing by a related party (Note 16)	-	(11,500)	-	-
Reversal of impairment losses:				
- trade receivables (Note 13)	254,619	283,405	20,800	195,079
- amount owing by a related party (Note 16)	11,500	-	-	-
	(384,219)	2,568	20,800	195,079

Notes To The Financial Statements For The Financial Year Ended 31 December 2022

31. PROFIT BEFORE TAXATION

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- current financial year	278,568	285,522	72,000	72,000
- underprovision in the previous financial year	5,143	3,000	-	-
- non-audit fees	6,000	6,000	6,000	6,000
Director's fee	155,500	137,400	155,500	137,400
Directors' non-fee emoluments:				
- salaries, bonuses, incentives, allowances and other benefits	3,740,304	3,529,638	124,176	177,611
- defined contribution plans	373,543	383,790	10,854	21,204
Material Expenses/(Income)				
Amortisation of intangible assets	579,034	578,756	-	-
Bad debts written off	15,551	10,523	15,551	-
Depreciation:				
- property, plant and equipment	559,829	651,316	48,188	45,881
- investment property	-	-	33,282	-
- right-of-use assets	663,983	721,088	89,940	89,940
Inventories written down	267,652	730,860	-	-
Inventories written off	145,420	-	-	-
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- term loan	-	24,662	-	-
- hire purchase payables	12,891	18,764	-	-
- bankers' acceptances	-	14,048	-	-
- overdraft	5,000	5,146	-	-
- unwinding of discounts on provisions	4,574	3,807	-	-
Interest expense on lease liabilities (Note 23)	57,609	47,305	-	-
Provision made during the financial year	42,136	42,660	-	-
Property, plant and equipment written off	30,900	-	-	-
Loss/(Gain) on foreign exchange:				
- realised	85,027	119,514	1,918	27,264
- unrealised	(103,510)	41,378	(6,658)	(5,134)
Lease expenses:				
- short term leases	452,863	229,830	60,000	60,000
- low-value assets	132,757	81,770	35,354	27,884
Staff costs (including other key management personnel as disclosed in Note 37(c)):				
- salaries, bonuses, incentives, allowances and other benefits	26,467,463	24,588,267	3,147,434	2,566,144
- defined contribution plans	2,940,372	2,695,253	333,470	290,827
Loss/(Gain) on disposal of property, plant and equipment	13	(4,500)	-	-
Interest income	(242,161)	(345,724)	(14,566)	(176,865)
Reversal of inventories previously written down	(78,056)	(172,114)	-	-
Rental income	(172,000)	(77,400)	(88,967)	(36,000)
Direct operating expenses on investment property	-	-	46,967	-

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

32. INCOME TAX EXPENSE

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Income tax:				
- for the financial year	3,207,669	3,634,368	272,701	263,800
- under/(over) provision in the previous financial year	31,127	427,170	(7,439)	227,706
	3,238,796	4,061,538	265,262	491,506
Deferred tax (Note 11):				
- origination and reversal of temporary differences	71,729	(220,230)	-	-
- (under)/overprovision of deferred taxation in the previous financial year	(18,600)	58,100	-	-
	53,129	(162,130)	-	-
	3,291,925	3,899,408	265,262	491,506

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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit before taxation	12,360,998	11,974,901	553,915	691,060
Tax at the statutory tax rate of 24% (2021 - 24%)	2,966,640	2,873,976	132,940	165,854
Tax effects of:-				
Differential in tax rates	14,359	42,966	-	-
Tax-exempt income	(132,666)	(56,044)	-	-
Non-deductible expenses	561,300	464,920	139,761	156,026
Deferred tax assets not recognised during the financial year	226,680	363,360	-	-
Utilisation of deferred tax assets previously not recognised	(312,720)	(275,040)	-	(58,080)
Utilisation of tax incentives	(44,195)	-	-	-
(Under)/Overprovision of deferred taxation in the previous financial year	(18,600)	58,100	-	-
Under/(Over)provision of current tax in the previous financial year	31,127	427,170	(7,439)	227,706
	3,291,925	3,899,408	265,262	491,506

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

32. INCOME TAX EXPENSE (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Inventories written down	4,102,000	4,161,000	-	-
Impairment losses on trade receivables	994,500	722,000	-	-
Unutilised of tax losses	1,990,000	3,774,000	-	-
Deferred revenue	488,000	116,000	-	-
Accelerated capital allowance	400,000	89,000	-	-
Others	564,000	35,000	-	-
	8,538,500	8,897,000	-	-

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 the unused tax losses for 2019 onwards are allowed to be utilised for 10 (2021 - 7) consecutive years of assessment immediately following that year of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

33. EARNINGS PER SHARE

	The Group	
	2022	2021
Profit after taxation attributable to owners of the Company (RM)	7,467,746	7,337,648
Weighted average number of ordinary shares in issue	525,200,000	525,200,000
Basic earnings per share (sen)	1.42	1.40

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share are equal to the basic earnings per share.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

34. ACQUISITION OF SUBSIDIARIES

On 18 May 2021, the Company acquired 70% equity interests in ARMS for a total cash consideration of RM1,900,000.

On 23 September 2021, the Company acquired 70% equity interests in WPORTAL and WPOS for a total cash consideration of RM1,120,000 and RM1 respectively.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(a) Identifiable Assets Acquired and Liabilities Assumed

	The Group 2021 RM
Property, plant and equipment (Note 6)	298,362
Right-of-use assets (Note 8)	36,519
Inventories	51,931
Trade and other receivables	303,289
Current tax assets	12,929
Cash and bank balances	535,861
Deferred tax liabilities (Note 11)	(4,448)
Trade and other payables	(617,379)
Amount owing to a director	(797,282)
Lease liabilities (Note 23)	(38,063)
Hire purchase liabilities	(174,598)
Net identifiable assets acquired	(392,879)
Less: Non-controlling interest measured at the proportionate share of the fair value of the net identifiable assets	117,863
Fair value of net identifiable assets acquired	(275,016)

(b) Cash Flows Arising from Acquisition

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase consideration settled in cash considerations	-	3,020,001	-	3,020,001
Less: Cash and bank balances of subsidiaries acquired (item (a) above)	-	(535,861)	-	-
Net cash outflow from the acquisition of subsidiaries	-	2,484,140	-	3,020,001

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

34. ACQUISITION OF SUBSIDIARIES (CONT'D)

(c) Goodwill Arising from Acquisition

	The Group	
	2022 RM	2021 RM
Total consideration transferred (item (b) above)	-	3,020,001
Less: Fair value of identifiable net assets acquired (item (a) above)	-	392,879
Non-controlling interests (item (c)(i) below)	-	(117,863)
Goodwill from the acquisition of subsidiaries (Note 10)	-	3,295,017

(i) The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

(ii) The goodwill is attributable to the workforce and the high profitability of the acquired business as well as the synergies expected to be achieved from integrating the subsidiaries into the Group's existing hardware, maintenance and software segment. The goodwill is not deductible for tax purposes.

(d) Impact of Acquisition on the Group's Results

The acquired subsidiaries have contributed the following results to the Group:-

	The Group	
	2022 RM	2021 RM
Revenue	-	2,397,486
Profit after taxation	-	325,304

If the acquisition had taken place at the beginning of the previous financial year, the Group's revenue and profit after taxation would have been RM135,599,121 and RM5,322,714 respectively.

There were no acquisitions of new subsidiaries in the current financial year.

35. DIVIDEND

	The Company	
	2022 RM	2021 RM
First interim single-tier dividend of 0.5 sen per ordinary share in respect of the current financial year	2,626,000	-

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

36. CASH FLOW INFORMATION

(a) The cash disbursed for the addition of right-of-use assets is as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Right-of-use assets				
Cost of right-of-use assets acquired (Note 8)	248,849	671,390	-	-
Less: Addition of new lease liabilities	(248,849)	(671,390)	-	-
	-	-	-	-

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

The Group	Amount owing to directors RM	Hire purchase payables RM	Leases liabilities RM	Total RM
2022				
At 1 January	511,782	344,330	770,730	1,626,842
Changes in Financing Cash Flows				
Advances	94,218	-	-	94,218
Repayment of principal	-	(181,054)	(427,497)	(608,551)
Repayment of interests	-	(12,891)	(57,609)	(70,500)
	94,218	(193,945)	(485,106)	(584,833)
Other Changes				
Acquisition of new leases (Note 8)	-	-	248,849	248,849
Modifications of leases (Note 8)	-	-	(8,804)	(8,804)
Interest expense recognised in profit or loss (Note 32)	-	12,891	57,609	70,500
Exchange fluctuation differences	-	-	16,936	16,936
At 31 December	606,000	163,276	600,214	1,369,490

Notes To The Financial Statements For The Financial Year Ended 31 December 2022

36. CASH FLOW INFORMATION (CONT'D)

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

The Group	Amount owing to directors RM	Bankers' acceptances RM	Term loan RM	Hire purchase payables RM	Leases liabilities RM	Total RM
2021						
At 1 January	120,000	728,000	720,574	372,118	498,360	2,439,052
Changes in Financing Cash Flows						
Repayment of principal	(405,500)	(728,000)	(720,574)	(202,386)	(502,467)	(2,558,927)
Repayment of interests	-	(14,048)	(24,662)	(18,764)	(47,305)	(104,779)
	(405,500)	(742,048)	(745,236)	(221,150)	(549,772)	(2,663,706)
Other Changes						
Acquisition of subsidiaries (Note 34)	797,282	-	-	174,598	38,063	1,009,943
Acquisition of new leases (Note 8)	-	-	-	-	671,390	671,390
Modifications of leases (Note 8)	-	-	-	-	63,001	63,001
Interest expense recognised in profit or loss (Note 32)	-	14,048	24,662	18,764	47,305	104,779
Exchange fluctuation differences	-	-	-	-	2,383	2,383
At 31 December	511,782	-	-	344,330	770,730	1,626,842

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

36. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short-term investments	14,417,587	21,955,548	4,249,296	11,069,153
Fixed deposits with licensed banks	1,191,774	1,161,743	-	-
Cash and bank balances	26,892,943	13,078,793	976,614	1,087,365
	42,502,304	36,196,084	5,225,910	12,156,518
Less:				
Fixed deposits pledged to licensed banks (Note 18(b))	(492,380)	(484,626)	-	-
Fixed deposits with tenure of more than 3 months	(699,394)	(677,117)	-	-
	41,310,530	35,034,341	5,225,910	12,156,518

(d) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Payment of short-term leases	452,863	229,830	60,000	60,000
Payment of low-value assets	132,757	81,770	35,354	27,884
Interest paid on lease liabilities	57,609	47,305	-	-
Payment of lease liabilities	427,497	502,467	-	-
	1,070,726	861,372	95,354	87,884

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

37. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Sales to subsidiaries	-	-	-	443,085
Sales to a related party	4,491,054	940,169	-	-
Purchases from a subsidiary	-	-	476,747	127,939
Advances to subsidiaries	-	-	-	243,818
Rental income from subsidiaries	-	-	64,967	36,000
Management fee from a subsidiary	-	-	240,000	-
Rental expenses to a subsidiary	-	-	60,000	60,000
Management fee to a related party	-	389,105	-	-

Notes To The Financial Statements
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37. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key Management Personnel Compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

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

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Directors of the Company				
Short-term employee benefits:				
- fees	155,500	137,400	155,500	137,400
- salaries, bonuses, incentives, allowances and others benefits	1,711,502	1,442,232	124,176	177,611
Defined contribution plans	169,592	172,740	10,854	21,204
	2,036,594	1,752,372	290,530	336,215
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses, incentives, allowances and others benefits	2,028,802	2,087,406	-	-
Defined contribution plans	203,951	211,050	-	-
	2,232,753	2,298,456	-	-
Total directors' remuneration	4,269,347	4,050,828	290,530	336,215

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM51,950 (2021 - RM51,950).

	The Group	
	2022	2021
	RM	RM
Other Key Management Personnel		
Short-term employee benefits	2,399,103	2,240,002
Defined contribution plans	376,954	268,648
	2,776,057	2,508,650

Notes To The Financial Statements For The Financial Year Ended 31 December 2022

38. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Vice Chairman and Senior Executive 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 deferred tax assets/liability, current tax assets/ liabilities, lease liabilities, hire purchase payables and bankers' acceptances.

38.1 BUSINESS SEGMENTS

	Hardware and Maintenance RM	Software RM	Group RM
2022			
Revenue			
External revenue	116,003,024	21,628,692	137,631,716
Inter-segment revenue	2,572,020	4,051,494	6,623,514
	118,575,044	25,680,186	144,255,230
Consolidation adjustments			(6,623,514)
Consolidated revenue			137,631,716
Results			
Segment profit before interest and taxation	10,749,954	1,558,495	12,308,449
Interest income			242,161
Finance costs			(75,500)
Consolidated profit before taxation			12,475,110
Income tax expense			(3,291,925)
Consolidation adjustments			(114,112)
Consolidated profit after taxation			9,069,073

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM	Software RM	Group RM
2022			
Other information			
Interest income	(221,179)	(20,982)	(242,161)
Interest expenses	70,252	5,248	75,500
Bad debts written off	-	15,551	15,551
Depreciation and amortisation	811,593	991,253	1,802,846*
Reversal of impairment losses on trade receivables	(162,660)	(91,959)	(254,619)
Reversal of impairment losses on related parties	-	(11,500)	(11,500)
Impairment losses on trade receivables	320,791	329,547	650,338
Gain on disposal of plant and equipment	3	10	13
Reversal of inventories previously written down	(78,056)	-	(78,056)
Inventories written down	267,652	-	267,652
Inventories written off	145,420	-	145,420
Property, plant and equipment written off	30,900	-	30,900
Unrealised gain on foreign exchange	(44,608)	(58,902)	(103,510)

* *After consolidation adjustments of RM114,112.*

	Hardware and Maintenance RM	Software RM	Group RM
Assets			
Segment assets	95,684,858	68,313,380	163,998,238
Unallocated assets:			
- deferred tax assets			684,267
- current tax assets			3,495,369
Consolidation adjustments			(40,676,970)
Consolidated total assets			127,500,904
Additions to non-current assets other than financial instruments and deferred tax assets are:-			
Property, plant and equipment	54,265	5,000,528	5,054,793
Right-of-use assets	248,849	-	248,849
Liabilities			
Segment liabilities	48,957,825	15,462,656	64,420,481
Unallocated liabilities:			
- deferred tax liabilities			27,000
- lease liabilities			600,214
- hire purchase payables			163,276
- current tax liabilities			381,072
Consolidation adjustments			(19,120,160)
Consolidated total liabilities			46,471,883

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM	Software RM	Group RM
2021			
Revenue			
External revenue	119,338,815	14,685,813	134,024,628
Inter-segment revenue	4,804,597	1,118,978	5,923,575
	124,143,412	15,804,791	139,948,203
Consolidation adjustments			(5,923,575)
Consolidated revenue			134,024,628
Results			
Segment profit/(loss) before interest and taxation	12,544,093	(749,031)	11,795,062
Interest income			345,724
Finance costs			(113,732)
Consolidated profit before taxation			12,027,054
Income tax expense			(3,899,408)
Consolidation adjustments			(52,153)
Consolidated profit after taxation			8,075,493
<u>Other information</u>			
Interest income	(166,120)	(179,604)	(345,724)
Interest expenses	98,446	15,286	113,732
Bad debts written off	10,523	-	10,523
Depreciation and amortisation	1,034,062	917,098	1,951,160*
Reversal of impairment losses on trade receivables	(33,511)	(249,894)	(283,405)
Impairment losses on trade receivables	255,744	13,593	269,337
Impairment losses on related parties	-	11,500	11,500
Gain on disposal of plant and equipment	(4,500)	-	(4,500)
Reversal of inventories previously written down	(172,114)	-	(172,114)
Inventories written down	713,241	17,619	730,860
Unrealised loss/(gain) on foreign exchange	49,606	(8,228)	41,378

* *After consolidation adjustments of RM52,153.*

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM	Software RM	Group RM
2021			
Assets			
Segment assets	69,239,647	64,136,595	133,376,242
Unallocated assets:			
- deferred tax assets			718,327
- current tax assets			2,597,598
Consolidation adjustments			(28,007,339)
Consolidated total assets			108,684,828
<u>Additions to non-current assets other than financial instruments and deferred tax assets are:-</u>			
Property, plant and equipment	45,504	98,455	143,959
Right-of-use assets	671,390	-	671,390
Intangible assets	1,556	-	1,556
Liabilities			
Segment liabilities	30,225,664	9,284,755	39,510,419
Unallocated liabilities:			
- deferred tax liabilities			14,300
- lease liabilities			770,730
- hire purchase payables			344,330
- current tax liabilities			80,660
Consolidation adjustments			(6,598,162)
Consolidated total liabilities			34,122,277

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

38. OPERATING SEGMENTS (CONT'D)

38.2 GEOGRAPHICAL INFORMATION

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

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 and deferred tax assets.

	The Group	
	2022	**2021**
	RM	**RM**
Malaysia	28,252,152	24,373,786
Cambodia	135,783	204,108
Vietnam	152,812	266,555
Thailand	279,035	491,782
	28,819,782	25,336,231

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At A Point in Time		Over Time		Group	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Australia	-	26,870	26,211	-	26,211	26,870
Cambodia	1,004,713	284,729	224,660	264,459	1,229,373	549,188
China	8,790	57,970	-	-	8,790	57,970
Hong Kong	25,504	4,573	337	-	25,841	4,573
Malaysia	80,104,482	86,411,308	45,752,491	37,853,661	125,856,973	124,264,969
Philippines	-	787	56,773	-	56,773	787
Singapore	883,376	867,370	1,032,599	1,062,783	1,915,975	1,930,153
Taiwan	-	8,796	-	-	-	8,796
Thailand	5,359,831	4,921,472	2,537	10,934	5,362,368	4,932,406
Vietnam	2,819,661	2,094,764	95,106	147,227	2,914,767	2,241,991
Brunei	110,487	-	114,700	-	225,187	-
Others*	-	6,925	9,458	-	9,458	6,925
	90,316,844	94,685,564	47,314,872	39,339,064	137,631,716	134,024,628

* *Consists of Saudi Arabia, United Kingdom, Chile, United States, Yemen and Mexican Peso.*

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

38. OPERATING SEGMENTS (CONT'D)

38.3 MAJOR CUSTOMERS

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

	The Group Revenue 2022 RM	The Group Revenue 2021 RM	Segments
Customer A	18,660,369	22,787,220	Hardware and maintenance
Customer B	-	15,610,582	Hardware and maintenance

39. 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.

39.1 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 currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Brunei Dollar ("BND"). 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 currencies 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 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

	USD RM	SGD RM	BND RM	Others* RM	Total RM
The Group					
2022					
Financial assets					
Trade receivables	1,383,267	355,419	54,215	-	1,792,901
Amount owing by related parties	-	218,776	-	-	218,776
Cash and bank balances	1,296,549	97,585	-	-	1,394,134
	2,679,816	671,780	54,215	-	3,405,811
Financial liability					
Trade payables	2,234,959	4,186	-	-	2,239,145
Net financial assets/ Currency exposure	444,857	667,594	54,215	-	1,166,666
2021					
Financial assets					
Trade receivables	1,294,126	578,522	32,866	2,102,641	4,008,155
Cash and bank balances	1,305,279	64,473	-	1,629	1,371,381
	2,599,405	642,995	32,866	2,104,270	5,379,536
Financial liabilities					
Trade payables	1,288,357	16	-	196,404	1,484,777
Net financial assets/ Currency exposure	1,311,048	642,979	32,866	1,907,866	3,894,759

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

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	USD RM	SGD RM	Total RM
The Company			
2022			
Financial asset			
Trade receivables	22,498	267,541	290,039
Net financial asset/Currency exposure	22,498	267,541	290,039
2021			
Financial asset			
Trade receivables	76,364	126,071	202,435
Net financial asset/Currency exposure	76,364	126,071	202,435

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Effects on Profit After Taxation				
USD/RM				
- strengthened by 10%	44,486	131,105	2,250	7,636
- weakened by 10%	(44,486)	(131,105)	(2,250)	(7,636)
SGD/RM				
- strengthened by 10%	66,759	64,298	26,754	12,607
- weakened by 10%	(66,759)	(64,298)	(26,754)	(12,607)
BND/RM				
- strengthened by 10%	5,422	3,287	-	-
- weakened by 10%	(5,422)	(3,287)	-	-
Others/RM				
- strengthened by 10%	-	190,787	-	-
- weakened by 10%	-	(190,787)	-	-

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 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 and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period.

The sensitivity analysis for fixed rate hire purchase payables at the end of the reporting period is not presented as change in interest rate would not have impact to the profit or loss and equity.

(iii) Equity Price Risk

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

(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.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

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

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
Major concentration of credit risk	14%	18%	14%	12%
Number of customers	1	1	1	1

In addition, the Group and the Company also determine concentration of credit risk by monitoring the geographical region of its trade receivables (including related parties) on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Malaysia	29,140,465	29,181,219	1,569,473	1,725,308
Singapore	584,359	563,152	275,957	126,379
Philippines	14,268	-	14,268	-
Indonesia	-	7,855	-	-
Vietnam	392,226	438,425	-	-
Thailand	1,702,687	2,130,869	-	-
Cambodia	40,274	30,378	-	-
Others	37,714	38,537	-	-
	31,911,993	32,390,435	1,859,698	1,851,687

(ii) Maximum 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 statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

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

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due. The Group uses a more lagging past due criterion for trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2021 - 12 months) before the reporting 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 trade receivables to settle their debts. The Group has identified the unemployment rate, inflation rate and Gross Domestic Product ("GDP") as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

<u>Trade Receivables</u> (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
The Group				
2022				
Not past due	20,727,953	-	-	20,727,953
Past due:				
- less than 3 months	7,786,210	-	-	7,786,210
- 3 to 6 months	1,063,160	-	-	1,063,160
- over 6 months	940,474	-	(402,707)	537,767
Credit impaired	1,059,931	(111,910)	(948,021)	-
Trade receivables	31,577,728	(111,910)	(1,350,728)	30,115,090
Unbilled receivables	1,796,903	-	-	1,796,903
	33,374,631	(111,910)	(1,350,728)	31,911,993
2021				
Not past due	19,338,119	-	-	19,338,119
Past due:				
- less than 3 months	8,273,997	-	-	8,273,997
- 3 to 6 months	1,982,453	-	(14,912)	1,967,541
- over 6 months	960,414	-	(312,066)	648,348
Credit impaired	978,733	(698,756)	(279,977)	-
Trade receivables	31,533,716	(698,756)	(606,955)	30,228,005
Unbilled receivables	2,162,430	-	-	2,162,430
	33,696,146	(698,756)	(606,955)	32,390,435

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
The Company				
2022				
Not past due	675,510	-	-	675,510
Past due:				
- less than 3 months	398,227	-	-	398,227
- 3 to 6 months	55,501	-	-	55,501
- over 6 months	48,040	-	(12,600)	35,440
Credit impaired	81,400	-	(81,400)	-
Trade receivables	1,258,678	-	(94,000)	1,164,678
Unbilled receivables	695,020	-	-	695,020
	1,953,698	-	(94,000)	1,859,698
2021				
Not past due	696,457	-	-	696,457
Past due:				
- less than 3 months	434,892	-	-	434,892
- 3 to 6 months	98,996	-	(1,545)	97,451
- over 6 months	94,245	-	(62,977)	31,268
Credit impaired	50,278	(50,278)	-	-
Trade receivables	1,374,868	(50,278)	(64,522)	1,260,068
Unbilled receivables	591,619	-	-	591,619
	1,966,487	(50,278)	(64,522)	1,851,687

The movements in the loss allowances in respect of trade receivables are disclosed in Note 13 to the financial statements.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts. The Group has identified the unemployment rate and Gross Domestic Product ("GDP") as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and 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 loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 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):-

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2022						
Non-derivative Financial Liabilities						
Trade payables	-	13,070,512	13,070,512	13,070,512	-	-
Other payables and accruals	-	23,421,196	23,421,196	23,421,196	-	-
Amount owing to related parties	-	2,337,594	2,337,594	2,337,594	-	-
Amount owing to directors	-	606,000	606,000	606,000	-	-
Lease liabilities	5.42 - 7.42	600,214	639,121	396,541	242,580	-
Hire purchase payables	2.69 - 5.62	163,276	185,473	41,023	97,836	48,158
		40,198,792	40,259,896	39,872,866	340,416	48,158
2021						
Non-derivative Financial Liabilities						
Trade payables	-	12,731,691	12,731,691	12,731,691	-	-
Other payables and accruals	-	12,184,778	12,184,778	12,184,778	-	-
Amount owing to related parties	-	2,280,553	2,280,553	2,280,553	-	-
Amount owing to directors	-	511,782	511,782	511,782	-	-
Lease liabilities	5.42 - 7.42	770,730	860,047	443,282	366,832	49,933
Hire purchases payables	2.69 - 5.62	344,330	384,233	198,040	163,885	22,308
		28,823,864	28,953,084	28,350,126	530,717	72,241

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2022			
Non-derivative Financial Liabilities			
Trade payables	733,988	733,988	733,988
Other payables and accruals	1,126,941	1,126,941	1,126,941
Amount owing to subsidiaries	28,542	28,542	28,542
	1,889,471	1,889,471	1,889,471
2021			
Non-derivative Financial Liabilities			
Trade payables	441,995	441,995	441,995
Other payables and accruals	960,367	960,367	960,367
	1,402,362	1,402,362	1,402,362

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

39.2 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 external borrowings.

There was no change in the Group's approach to capital management during the financial year.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial Assets				
Fair Value Through Profit or Loss				
Short-term investments	14,417,587	21,955,548	4,249,296	11,069,153
Amortised Cost				
Trade receivables	31,346,826	31,280,728	1,859,698	1,851,687
Other receivables	133,885	67,650	390	-
Amount owing by subsidiaries	-	-	5,219,269	4,066,522
Amount owing by related parties	565,167	1,109,707	-	-
Fixed deposits with licensed banks	1,191,774	1,161,743	-	-
Cash and bank balances	26,892,943	13,078,793	976,614	1,087,365
	60,130,595	46,698,621	8,055,971	7,005,574
Financial Liability				
Amortised Cost				
Trade payables	13,070,512	12,731,691	733,988	441,995
Other payables and accruals	23,421,196	12,184,778	1,126,941	960,367
Amount owing to subsidiaries	-	-	28,542	-
Amount owing to related parties	2,337,594	2,280,553	-	-
Amount owing to directors	606,000	511,782	-	-
Hire purchase payables	163,276	344,330	-	-
	39,598,578	28,053,134	1,889,471	1,402,362

39.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	(449,989)	(262,610)	(168,093)	(166,190)
Amortised Cost				
Net losses/(gains) recognised in profit or loss	196,232	(30,480)	(24,555)	(183,624)
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	90,371	138,588	-	-

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 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.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2022								
Financial Asset								
Short-term investments	-	14,417,587	-	-	-	-	14,417,587	14,417,587
Financial Liability								
Hire purchase payables	-	-	-	-	169,066	-	169,066	163,276
2021								
Financial Asset								
Short-term investments	-	21,955,548	-	-	-	-	21,955,548	21,955,548
Financial Liability								
Hire purchase payables	-	-	-	-	384,233	-	384,233	344,330

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (CONT'D)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
The Company								
2022								
Financial Asset								
Short-term investments	-	4,249,296	-	-	-	-	4,249,296	4,249,296
2021								
Financial Asset								
Short-term investments	-	11,069,153	-	-	-	-	11,069,153	11,069,153

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair value of money market fund is determined by reference to statement provided by the respective financial institution, with which the investments were entered into.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of hire purchase payables that carry fixed interest rates is determined by discounting the relevant future contractual cash flow using current market 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	
	2022	**2021**
	%	**%**
Hire purchase payables	5.62	4.63

40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 10 November 2022, RGM, a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary known as RGSG with an issued paid-up share capital of Singapore Dollar ("SGD") 10,000 comprising of 10,000 ordinary shares.

41. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	**As Restated RM**
Consolidated Statement of Financial Position (Extract):-		
Non-current assets		
Property, plant and equipment	1,452,196	1,639,513
Right-of-use assets	11,255,515	11,068,198
Non-current liabilities		
Lease liabilities	564,857	401,581
Hire purchase payables	-	163,276
Current liabilities		
Lease liabilities	550,203	369,149
Hire purchase payables	-	181,054

List of Properties
As At 31 December 2022

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 2022 (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	39	14,738	Office, warehouse and customer support service office	3,142
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 the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	15	2,362	Head office	2,087
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 the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	15	939	Head office	849
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 the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	15	2,659	Head office	2,518

List of Properties
As At 31 December 2022

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 2022 (RM'000)
Radiant Globaltech Berhad Unit 03-01, Level 3, Tower B Vertical Business Suite Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	30.08.2019	An office unit on the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	15	1,445	Head office	1,493
Radiant Globaltech Berhad No. G-9-1, G-9-2 & G-9-3 Lorong Bayan Indah 1 11900 Bayan Lepas Penang	28.07.2022	A ground floor and 1st and 2nd floors office lots within an intermediate unit of three (3)-storey shop office building	Freehold	14	3,939	Office	3,961

Analysis of Shareholdings
As At 31 March 2023

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	1	0.03	12	0.00
100 - 1,000 shares	376	11.46	190,688	0.04
1,001 - 10,000 shares	1,380	42.06	8,685,600	1.65
10,001 - 100,000 shares	1,276	38.89	46,078,600	8.77
100,001 – less than 5% of issued shares	243	7.41	113,712,100	21.65
5% and above of issued shares	5	0.15	356,533,000	67.89
Total	3,281	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.	129,968,800	24.75	-	-
Practical Resources Sdn. Bhd.	97,947,200	18.65	-	-
Global Success Network Sdn. Bhd.	80,905,000	15.40	-	-
AI Capital Sdn. Bhd.	47,712,000	9.08	-	-
Yap Ban Foo	-	-	129,968,800[(a)]	24.75
Yap Sin Sang	-	-	97,947,200[(b)]	18.65
Ng Lee Tieng	1,917,300	0.37	80,905,000[(c)]	15.40
Lee Thiam Wah	-	-	82,822,300[(d)]	15.77
Tan Chuan Hock	-	-	47,712,000[(e)]	9.08

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 her spouse's interest in Global Success Network Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.
(d) Deemed interested by virtue of the shares held by his spouse, Ng Lee Tieng and his interest in Global Success Network Sdn. Bhd. pursuant to Section 8 of the CA 2016.
(e) Deemed interested by virtue of his interest in AI Capital Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.

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	-	-
Tevanaigam Randy Chitty	2,190,000	0.42	-	-
Mashitah Binti Osman	100,000	0.02	-	-
Yap Ban Foo	-	-	129,968,800	24.75
Yap Sin Sang	-	-	97,947,200	18.65

Analysis of Shareholdings
As At 31 March 2023

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.	Practical Resources Sdn. Bhd.	97,947,200	18.65
2.	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Private Wealth Management for Global Merits Sdn. Bhd. (PW-M01057) (423111)*	95,954,133	18.27
3.	IFast Nominees (Tempatan) Sdn. Bhd. *Global Success Network Sdn. Bhd.*	80,905,000	15.40
4.	AI Capital Sdn. Bhd.	47,712,000	9.08
5.	Global Merits Sdn. Bhd.	34,014,667	6.48
6.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Khor Jan Yeow (8083119)*	9,850,300	1.88
7.	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Private Wealth Management for Cheng Ping Liong (PW-M00974) (422098)*	9,500,000	1.81
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chiang Kai Loon (010)*	4,250,000	0.81
9.	Tan Gek Toh	2,500,000	0.48
10.	Yap Keong Wah	2,383,600	0.45
11.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wong Weng Poh (7000353)*	1,940,100	0.37
12.	Keoh Git Ngoo	1,938,900	0.37
13.	Ng Lee Tieng	1,917,300	0.37
14.	HLIB Nominees (Tempatan) Sdn. Bhd. *Hong Leong Bank Bhd for Lim Kean Boon*	1,900,000	0.36
15.	Liew Khin Kheong	1,736,800	0.33
16.	Kueh Chay Seng	1,685,000	0.32
17.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Tan Bak Hong (PB)*	1,637,100	0.31
18.	Tran Phu Vinh	1,516,000	0.29
19.	Tay Eng Hui	1,450,000	0.28
20.	Tevanaigam Randy Chitty	1,400,000	0.27
21.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chin Yong Loon (6000433)*	1,207,400	0.23
22.	Lam Koh Lih	1,200,000	0.23
23.	Pacific Trustees Berhad *Exempt An For Tradeview Capital Sdn. Bhd. (Clients'account)*	1,190,200	0.23
24.	Tran Minh Nhut	1,150,000	0.22
25.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tee Tian Hock (MY4551)*	1,128,000	0.21
26.	Yang Siew Wai	1,100,000	0.21
27.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wong Weng Poh (7000068)*	1,076,900	0.21
28.	Lim Kiat Hin	1,075,000	0.20
29.	Lai Tai Cheang	1,000,000	0.19
30.	Ong Bok Lim	900,000	0.17

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting ("20th AGM" or "Meeting") of RADIANT GLOBALTECH BERHAD ("Radiant Globaltech" or "the Company") will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 23 June 2023 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. **PLEASE REFER TO EXPLANATORY NOTE 1**
2. To approve the payment of Directors' fees and benefits of up to RM450,000.00 for the period from 1 January 2023 until the next Annual General Meeting ("AGM") of the Company. **ORDINARY RESOLUTION 1**
3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution:-
   i. Dato' Siow Kim Lun **ORDINARY RESOLUTION 2**
   ii. Pn. Mashitah Binti Osman **ORDINARY RESOLUTION 3**
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. **ORDINARY RESOLUTION 4**

AS SPECIAL BUSINESS:-

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

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** **ORDINARY RESOLUTION 5**

   "THAT subject always to the Constitution of the Company, the Act, the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

   THAT pursuant to Section 85 of the Act read together with the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND THAT the Board of Directors is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Shares pursuant to the Mandate.

Notice of Annual General Meeting

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT") (CONT'D)**

   AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

6. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")** **ORDINARY RESOLUTION 6**

   "THAT, authority be and is hereby given in line with Rule 10.09 of the Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries ("Group") to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.3 of the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate dated 28 April 2023 which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company;

   AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

   (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or

   (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

   (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

   whichever is earlier.

   AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders' Mandate in the best interest of the Company."

Notice of Annual General Meeting

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

   "THAT the proposed amendments to the Constitution of the Company as set out in "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

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

By order of the Board

TEA SOR HUA (MACS 01324)
(SSM PC No.: 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
28 April 2023

Notes:

a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

b) 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 and vote at the Meeting.

c) 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 its common seal or signed by an officer or attorney duly authorised.

d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint 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.

e) 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.

f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:-

   (i) In hard copy form
   In the case of an appointment made in hard copy form, the proxy form 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 or Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) By electronic form
   The proxy form can be electronically lodged via TIIH Online website at https://tiih.online. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.

Notice of Annual General Meeting

g) 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 15 June 2023. Only members whose names appear in the General Meeting Record of Depositors as at 15 June 2023 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

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

i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

j) Kindly check Bursa Securities' website and the Company's website at www.rgtech.com.my for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2022

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of members for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the period from 1 January 2023 until the next AGM of the Company.

In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for the shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Dato' Siow Kim Lun and Pn. Mashitah Binti Osman will retire by rotation pursuant to Clause 85 of the Company's Constitution ("the Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 20th AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the said retiring Directors are provided in the Directors' Profile of the Company's Annual Report 2022.

Notice of Annual General Meeting

4. **Item 5 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act**

   The Company had at its Nineteenth AGM held on 24 June 2022 ("19th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time. As at the date of the notice, the Company did not issue any shares pursuant to the said mandate.

   The Ordinary Resolution 5 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares 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, unless revoked or varied by the Company at a general meeting, will 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 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).

   Pursuant to Section 85 of the Act and the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution 5, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

5. **Item 6 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate**

   The Ordinary Resolution 6 proposed under item 6 of the Agenda, if passed, will renew the authority given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue and/or trading nature pursuant to Rule 10.09 of the Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

   Please refer to the Circular to Shareholders dated 28 April 2023 for further details.

6. **Item 7 of the Agenda – Proposed Amendments to the Constitution of the Company ("Proposed Amendments")**

   The Proposed Amendments are mainly to streamline the Constitution with the relevant regulatory requirements as well as to enhance administrative efficiency.

   The Proposed Amendments 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 Meeting.

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF RADIANT GLOBALTECH BERHAD ("THE COMPANY")

This is the Appendix A referred to in item 7 of the Agenda of the Notice of Twentieth Annual General Meeting of the Company dated 28 April 2023.

Clause No.	Existing Clause	Proposed Clause
54 *Offer of new Shares*	Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.	Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

Appendix A

Clause No.	Existing Clause	Proposed Clause
54 *Offer of new Shares (Cont'd)*		**For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.** **In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible Securities in proportion to the shareholdings of the existing Members.**
125 *Validity of Electronic / Digital Signature*	New provision	For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature of any of the following persons: (a) a holder of Shares; (b) a Director (including Alternate Director); (c) a committee member; (d) in the case of a corporation, which is a holder of shares, its director or secretary or a duly appointed attorney or duly authorised representative, shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.

PROXY FORM

RADIANT GLOBALTECH BERHAD
[Registration No. 200301018877 (621297-A)]
(Incorporated in Malaysia)

CDS Account No.	No. of Shares Held

I/We *____NRIC/Passport/Registration No.*____
(Full name in block)

of____
(full address)

with email address____________________________________mobile phone no.____

being a member/members* of **RADIANT GLOBALTECH BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Mobile Phone No.			

and / or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twentieth Annual General Meeting ("20th AGM" or "Meeting") of the Company will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 23 June 2023 at 10:00 a.m. or 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 up to RM450,000.00 for the period from 1 January 2023 until the next Annual General Meeting of the Company.		
2.	To re-elect Dato' Siow Kim Lun as a Director of the Company.		
3.	To re-elect Pn. Mashitah Binti Osman as a Director of the Company.		
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
5.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
6.	To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

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

**delete whichever is not applicable*

Dated this__________day of______________2023

____
Signature of Member(s) / Common Seal

Notes:

a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

b) 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 and vote at the Meeting.

c) 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 its common seal or signed by an officer or attorney duly authorised.

d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint 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.

e) 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.

f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:-

(i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form 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 or Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic form
The proxy form can be electronically lodged via TIIH Online website at https://tiih.online. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.

g) 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 15 June 2023. Only members whose names appear in the General Meeting Record of Depositors as at 15 June 2023 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

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

i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

j) Kindly check Bursa Securities' website and the Company's website at www.rgtech.com.my for the latest updates on the status of the Meeting.

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AFFIX
STAMP

The Share Registrar
Tricor Investors & 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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Here

Unit 03-06 & 03-07, Level 3, Tower B,
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