



RADIANT GLOBALTECH BERHAD

(Company No. 621297-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018

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RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018⁽¹⁾

	CURRENT YEAR QUARTER 30.06.18 RM'000	PRECEDING YEAR QUARTER ⁽²⁾ 30.06.17 RM'000	CURRENT YEAR TO DATE 30.06.18 RM'000	PRECEDING YEAR TO DATE ⁽²⁾ 30.06.17 RM'000
Revenue	18,772	N/A	32,580	N/A
Cost of sales	(9,726)	N/A	(17,829)	N/A
Gross profit	9,046	N/A	14,751	N/A
Other income	(1)	N/A	413	N/A
	9,045	N/A	15,164	N/A
Selling and distribution expenses	170	N/A	30	N/A
Administrative expenses	(1,172)	N/A	(2,439)	N/A
Staff costs	(4,471)	N/A	(8,410)	N/A
Other expenses	(999)	N/A	(1,345)	N/A
Finance costs	(147)	N/A	(284)	N/A
Share of net losses of equity accounted in an associate	(21)	N/A	(36)	N/A
Profit before taxation	2,405	N/A	2,680	N/A
Income tax expenses	(630)	N/A	(716)	N/A
Profit after taxation	1,775	N/A	1,964	N/A
Other comprehensive income/(expenses), net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	55	N/A	(15)	N/A
Total comprehensive income for the financial period	1,830	N/A	1,949	N/A
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	1,775	N/A	1,964	N/A
	1,775	N/A	1,964	N/A
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	1,830	N/A	1,949	N/A
	1,830	N/A	1,949	N/A

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018⁽¹⁾ (CONT'D)

	CURRENT YEAR QUARTER 30.06.18 RM'000	PRECEDING YEAR QUARTER ⁽²⁾ 30.06.17 RM'000	CURRENT YEAR TO DATE 30.06.18 RM'000	PRECEDING YEAR TO DATE ⁽²⁾ 30.06.17 RM'000
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.45 ⁽³⁾	N/A	0.49 ⁽³⁾	N/A
- Diluted (Sen)	0.45 ⁽³⁾	N/A	0.49 ⁽³⁾	N/A

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.
- (2) No comparative figures for the preceding year's quarter and year-to-date is available as this is the first interim financial report on the consolidated results for the second quarter ended 30 June 2018 announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").
- (3) Based on the Company's weighted average number of ordinary shares as at 30 June 2018.
- N/A Not applicable

	30.06.18 Unaudited RM'000	31.12.17 Audited RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	306	342
Property, plant and equipment	10,982	11,107
Deferred tax asset	1,026	490
	<u>12,314</u>	<u>11,939</u>
CURRENT ASSETS		
Inventories	7,101	9,698
Trade receivables	17,621	22,903
Other receivables, deposits and prepayments	1,706	2,102
Amount owing by related parties	1	53
Current tax assets	722	904
Fixed deposits with licensed banks	1,526	1,524
Cash and bank balances	13,330	10,285
	<u>42,007</u>	<u>47,469</u>
TOTAL ASSETS	<u>54,321</u>	<u>59,408</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	19,856	19,856
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(256)	(241)
Retained profits	23,390	21,426
TOTAL EQUITY	<u>29,309</u>	<u>27,360</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	583	667
Term loans	7,687	8,258
Deferred revenue	601	542
	<u>8,871</u>	<u>9,467</u>
CURRENT LIABILITIES		
Trade payables	4,663	12,084
Other payables and accruals	9,349	9,006
Amount owing to related parties	33	49
Bankers' acceptance	663	-
Hire purchase payables	166	161
Term loans	1,156	1,113
Current tax liabilities	111	168
	<u>16,141</u>	<u>22,581</u>
TOTAL LIABILITIES	<u>25,012</u>	<u>32,048</u>
TOTAL EQUITY AND LIABILITIES	<u>54,321</u>	<u>59,408</u>
Number of issued shares ('000)	397,120	397,120
Net asset per share (Sen)	<u>7.38</u>	<u>6.89</u>

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.

	Share Capital	←----- Non-Distributable -----→		Distributable Retained Profits	Attributable to Owners of the Company
		Merger Deficit	Foreign Exchange Translation Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.17	1,675	-	(147)	21,816	23,344
Profit after taxation	-	-	-	7,110	7,110
Other comprehensive income/(expense) for the financial year	-	-	(94)	-	(94)
- Foreign currency translation differences					
Total comprehensive income for the financial year	-	-	(94)	7,110	7,016
Contribution by and distribution to owners of the Company:					
- Bonus issue	4,500	-	-	(4,500)	-
- Issuance of shares	15,206	-	-	-	15,206
- Dividends	-	-	-	(3,000)	(3,000)
- Adjustment on the acquisition of RG Malaysia and its subsidiary, RG Solutions and RG Cambodia	(1,525)	(13,681)	-	-	(15,206)
	18,181	(13,681)	-	(7,500)	(3,000)
Balance as at 31.12.17 (Audited)	19,856	(13,681)	(241)	21,426	27,360
Balance as at 1.1.18	19,856	(13,681)	(241)	21,426	27,360
Profit after taxation	-	-	-	1,964	1,964
Other comprehensive income/(expense) for the financial year	-	-	(15)	-	(15)
- Foreign currency translation differences					
	-	-	(15)	1,964	1,949
Balance as at 30.06.18 (Unaudited)	19,856	(13,681)	(256)	23,390	29,309

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018⁽¹⁾

	CURRENT YEAR TO DATE 30.06.18 RM'000	PRECEDING YEAR TO DATE 30.06.17⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,680	N/A
Adjustments for:		
Depreciation of property, plant and equipment	327	N/A
Interest income	(20)	N/A
Interest expenses	284	N/A
Impairment losses on trade receivables	69	N/A
Share of net losses of equity accounted in an associate	36	N/A
Unrealised loss on foreign exchange	138	N/A
Writeback of impairment losses on trade receivable	(281)	N/A
Operating profit before working capital changes	<u>3,233</u>	<u>N/A</u>
Decrease in inventories	2,624	N/A
Decrease in trade and other receivables	7,004	N/A
Decrease in trade and other payables	(7,104)	N/A
Decrease in amount owing by related parties	52	N/A
Decrease in amount owing to related parties	(38)	N/A
CASH FROM OPERATIONS	<u>5,771</u>	<u>N/A</u>
Income tax paid	(1,126)	N/A
Interest paid	(284)	N/A
NET CASH FROM OPERATING ACTIVITIES	<u>4,361</u>	<u>N/A</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(200)	N/A
Interest received	20	N/A
Increase in pledged fixed deposits with licensed bank	-	N/A
NET CASH FOR INVESTING ACTIVITIES	<u>(180)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptance	663	N/A
Payment of listing expenses	(1,073)	N/A
Repayment of term loans	(528)	N/A
Repayment of hire purchase obligations	(80)	N/A
NET CASH FOR FINANCING ACTIVITIES	<u>(1,018)</u>	<u>N/A</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>3,163</u>	<u>N/A</u>
EFFECT OF FOREIGN EXCHANGE TRANSLATION	<u>(116)</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>10,861</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>13,908</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018⁽¹⁾

(2) No comparative figures for the preceding year's corresponding period is available as this is the first interim financial report on the consolidated results for the second quarter ended 30 June 2018 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Financial Reporting Standards (“IFRS”) 34, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements.

This is the second interim financial report on the Company’s consolidated results for the second quarter ended 30 June 2018 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 28 June 2018.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted in the audited financial statements for financial year ended 31 December 2017 except for the adoption of the following Malaysian Financial Reporting Standards (“MFRS”) and Amendments to MFRS which came into effect for annual periods beginning on or after 1 January 2018 and are applicable for the Group’s interim financial report for the quarter and year-to-date ended 30 June 2018, as disclosed below:

MFRSs and/or Interpretations (including the Consequential Amendments)

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

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

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

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

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles:

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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) include MFRS 9 and MFRS 15 which is summarised below on the financial performance and position of the Group upon their initial application.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018 (CONT'D)

A2. Changes in Accounting Policies (Cont'd)

MFRS 9 (IFRS issued by IASB in July 2014) replaces the existing guidance in MFRS 139 bringing together all three aspects of accounting for financial instruments as below while retaining certain principles in MFRS 139:

- classification and measurement of financial assets;
- a forward-looking impairment model; and
- a new approach for hedge accounting.

Based on the preliminary assessment of the adoption of MFRS 9, there is no material impact on the financial statements of the Group upon its application of the new impairment model in relation to the Group's financial assets which comprise mainly receivables. The assessment takes into consideration the Group's historical exposure to credit risk as well as the economic environment in which the Group is operating.

MFRS 15 establishes a single comprehensive model for revenue recognition and replaces the guidance in MFRS 111: Construction Contracts, MFRS 118: Revenue, IC Interpretation 13: Customer Loyalty Programmes, IC Interpretation 15: Agreements for Construction of Real Estate, IC Interpretation 18: Transfer of Assets from Customers and IC Interpretation 131: Revenue - Barter Transactions involving Advertising Services. MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. Based on the preliminary assessment of the adoption of MFRS 15, there is no material impact on the financial statements of the adoption of MFRS 15 of the Group upon its application.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year ending 31 December 2018:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective for annual periods on or after
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021

A2. Changes in Accounting Policies (Cont'd)

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

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2017.

A4. Seasonal or Cyclical Factors

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

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

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

A6. Changes in Estimates

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

A7. Debt and Equity Securities

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

A8. Dividends Paid

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

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018 (CONT'D)
A9. Segmental Reporting

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

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
Current year quarter ended 30 June 2018			
Revenue			
External revenue	16,044	2,728	18,772
Inter-segment revenue	213	585	798
	<u>16,257</u>	<u>3,313</u>	<u>19,570</u>
Consolidated adjustments			(798)
Consolidated revenue			<u>18,772</u>
Results			
Segmental profit before interest and taxation	2,685	(122) ⁽¹⁾	2,563
Interest income			10
Share of net losses of equity accounted in an associate			(21)
Finance costs			<u>(147)</u>
Consolidated profit before taxation			2,405
Income tax expense			<u>(630)</u>
Consolidated profit after taxation			<u>1,775</u>
	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
Current year to date ended 30 June 2018			
Revenue			
External revenue	28,571	4,009	32,580
Inter-segment revenue	374	711	1,085
	<u>28,945</u>	<u>4,720</u>	<u>33,665</u>
Consolidated adjustments			(1,085)
Consolidated revenue			<u>32,580</u>
Results			
Segmental profit before interest and taxation	2,905	75 ⁽¹⁾	2,980
Interest income			20
Share of net losses of equity accounted in an associate			(36)
Finance costs			<u>(284)</u>
Consolidated profit before taxation			2,680
Income tax expense			<u>(716)</u>
Consolidated profit after taxation			<u>1,964</u>

Note:

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

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018 (CONT'D)

A9. Segmental Reporting (cont'd)

No comparative figures for the preceding year's quarter is available as this is the first interim financial report on the consolidated results for the second quarter ended 30 June 2018 announced by the Company in compliance with the Listing Requirements.

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

Save as disclosed in Note B6 "Status of Corporate Proposals", there were no other significant events subsequent to 30 June 2018.

A11. Changes in the Composition of the Group

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

A12. Fair Value of Financial Instruments

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

A13. Capital Commitments

The capital commitments for the current financial quarter under review are as follows:-

	Unaudited 30.06.18 RM'000	Audited 31.12.17 RM'000
Purchase of property, plant and equipment	209	N/A

A14. Operating Lease Commitment

The future minimum lease payments under non-cancellable operating leases are as follows:-

	Unaudited 30.06.18 RM'000	Audited 31.12.17 RM'000
Not later than 1 year	147	N/A
Later than 1 year and not later than 5 years	35	N/A
	182	N/A

A15. Contingent Liabilities

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

A16. Related Party Transactions

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

B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

For the second quarter ended 30 June 2018 (2Q18), the Group reported revenue of RM18.8 million and profit before tax of RM2.4 million. These results included an amount of approximately RM0.811 million in relation to IPO expenses.

RM16.1 million or 85.6% of 2Q18 revenue was contributed by the Hardware and Maintenance segment, while the balance RM2.7 million was derived from the Software segment.

There are no comparative figures for the quarter and cumulative period in the previous year, as this is the Group's first interim financial report on consolidated results for the second quarter ended 30 June 2018 announced in compliance with the Listing Requirements of Bursa Securities.

B2. Comparison with Immediate Preceding Quarter Results

	Quarter Ended		Changes	%
	30.06.18 RM'000	31.03.18 RM'000		
Revenue	18,772	13,808	4,964	36.0
Profit before tax	<u>2,405</u>	<u>275</u>	<u>2,130</u>	<u>774.5</u>

The Group's revenue of RM18.8 million for the current quarter under review was 36.0% higher than the RM13.8 million recorded in the previous quarter. The Group's profit before tax of RM2.4 million increased more than 7 times from RM0.3 million achieved in the previous quarter. The growth in revenue and profit before tax in 2Q18 were mainly due to higher sales of hardware products as well as increased sales of software products which yields higher margins.

B3. Prospects

The Board is optimistic of its prospects in the future, driven by a two-pronged strategy of expanding its regional footprint and increasing customer base.

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

The Group also intends to diversify its customer base to different retail customer types such as shopping centre retailers, airport retailers and utility retailers. The Group is also hopeful of securing opportunities to serve food and beverage (F&B) retail chains directly, leveraging on its current scope of services provided through third parties. This move would allow the Group to grow alongside the recession-proof sector and cement its position in the retail technology solutions sector.

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

B4. Profit Forecast

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

B5. Income Tax Expense

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	30.06.18 ⁽³⁾	30.06.17 ⁽¹⁾	30.06.18 ⁽³⁾	30.06.17 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Income tax expense	921	N/A	1,252	N/A
Deferred tax assets	(291)	N/A	(536)	N/A
	<u>630</u>	<u>N/A</u>	<u>716</u>	<u>N/A</u>
Effective tax rate (%) ⁽²⁾	<u>26.20</u>	<u>N/A</u>	<u>26.72</u>	<u>N/A</u>

Notes:

- (1) No comparative figures for the preceding year's quarter and year-to-date is available as this is the first interim financial report on the consolidated results for the second quarter ended 30 June 2018 announced by the Company in compliance with the Listing Requirements.
- (2) The Group's effective tax rate for the second quarter ended 30 June 2018 of 26.20% is higher than the statutory tax rate of 24.00% and is mainly due to non-deductible expenses.
- (3) Income tax expense is recognised based on management's best estimate.

N/A Not applicable

B6. Status of Corporate Proposals

During the financial quarter, the Company was in the process of listing its entire enlarged issued share capital of RM49.31 million comprising 525,200,000 shares on the ACE Market of Bursa Securities. In conjunction with the Initial Public Offering ("IPO") and listing of Radiant Globaltech on the ACE Market of Bursa Securities in accordance with its Prospectus dated 28 June 2018, the following listing scheme was undertaken by the Company:-

- (a) Public issue of 128,080,000 new shares at an issue price of RM0.23 per share in the following manner:-
 - 11,000,000 new shares made available for application by the Malaysian Public;
 - 21,100,000 new shares made available for application by our eligible Directors, employees and persons who have contributed to the success of the Group; and
 - 95,980,000 new shares made available by way of placement to selected investors
- (b) Offer for sale of 12,000,000 existing shares by way of placement to selected investors.

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

B6. Status of Corporate Proposals (Cont'd)

The listing of and quotation of the Company's entire enlarged issued share capital of RM49.31 million comprising 525,200,000 shares on the ACE Market of Bursa Securities was completed on 24 July 2018.

B7. Use of Proceeds Raised from IPO

The gross proceeds from the IPO of RM29.46 million is intended to be used in the following manner:

No.	Purpose	Proposed utilisation RM'000	%	Intended timeframe for utilisation (from the listing date)
i.	Business and Capital expansion:-	11,600	39.38	Within 24 months
	- <i>Malaysia operation</i>	10,000	33.95	
	- <i>RG Vietnam's business</i>	1,600	5.43	
iii.	Working capital:-	4,757	16.15	Within 24 months
	- <i>Operating expenses</i>	1,457	4.95	
	- <i>Payment of inventories</i>	1,500	5.09	
	- <i>Payroll expenses</i>	1,800	6.11	
iii.	Expansion of retail software business:-	3,000	10.18	Within 24 months
	- <i>Advertising and marketing costs</i>	1,200	4.07	
	- <i>Payroll expenses</i>	1,800	6.11	
iv.	Repayment of bank borrowings:-	6,601	22.41	Within 6 months
	- <i>Commodity murabahah term financing: Purchase of Vertical Business Suite 03-08</i>	2,442	8.29	
	- <i>Term loan: Refinancing of Shamelin Office</i>	1,836	6.23	
	- <i>Term loan: Purchase of Vertical Business Suite 03-06</i>	1,651	5.61	
	- <i>Term loan: Purchase of Vertical Business Suite 03-07</i>	672	2.28	
v.	Estimated listing expenses	3,500	11.88	Within 3 months
	Total	29,458	100.00	

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

The IPO was completed on 24 July 2018 and hence, there has been no use of the proceeds during the current quarter under review.

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

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2018 are as follows:

	Unaudited 30.06.18 RM'000	Audited 31.12.17 RM'000
Current:		
Bankers' acceptances	663	-
Hire purchase payables	166	161
Term loans	1,156	1,113
	<u>1,985</u>	<u>1,274</u>
Non-current:		
Hire purchase payables	583	667
Term loans	7,687	8,258
	<u>8,270</u>	<u>8,925</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

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

B10. Dividend

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

B11. Earnings Per Share

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

	Quarter Ended		Year-To-Date Ended	
	30.06.18 RM'000	30.06.17⁽³⁾ RM'000	30.06.18 RM'000	30.06.17⁽³⁾ RM'000
Profit after tax attributable to owners of the Company	<u>1,775</u>	<u>N/A</u>	<u>1,964</u>	<u>N/A</u>
Weighted average number of ordinary shares at 1 January / 30 June ('000)	<u>397,120</u>	<u>N/A</u>	<u>397,120</u>	<u>N/A</u>

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

B11. Earnings Per Share (Cont'd)

	Quarter Ended		Year-To-Date Ended	
	30.06.18	30.06.17 ⁽³⁾	30.06.18	30.06.17 ⁽³⁾
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.45	N/A	0.49	N/A
- Diluted ⁽²⁾ (Sen)	0.45	N/A	0.49	N/A

Notes:

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 June 2018.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.
- (3) No comparative figures for the preceding year's quarter and year-to-date is available as this is the first interim financial report on the consolidated results for the second quarter ended 30 June 2018 announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

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

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

	Quarter Ended		Year-To-Date Ended	
	30.06.18	30.06.17 ⁽¹⁾	30.06.18	30.06.17 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Depreciation	165	N/A	327	N/A
Interest income	(10)	N/A	(20)	N/A
Interest expenses	147	N/A	284	N/A
Realised loss/(gain) on foreign exchange	64	N/A	(94)	N/A
Unrealised (gain)/loss on foreign exchange	(46)	N/A	138	N/A
Writeback of impairment losses on trade receivable	(42)	N/A	(281)	N/A

Notes:

- (1) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the second quarter ended 30 June 2018 announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

BY ORDER OF THE BOARD