



RADIANT GLOBALTECH BERHAD

(Company No. 621297-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2019

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RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2019⁽¹⁾

	CURRENT YEAR QUARTER 31.03.19 RM'000	PRECEDING YEAR QUARTER 31.03.18 RM'000	CURRENT YEAR TO DATE 31.03.19 RM'000	PRECEDING YEAR TO DATE 31.03.18 RM'000
Revenue	13,820	13,808	13,820	13,808
Cost of sales	(7,557)	(8,103)	(7,557)	(8,103)
Gross profit	6,263	5,705	6,263	5,705
Other income	599	414	599	414
	6,862	6,119	6,862	6,119
Selling and distribution expenses	(251)	(140)	(251)	(140)
Administrative expenses	(1,074)	(1,267)	(1,074)	(1,267)
Staff costs	(4,202)	(3,939)	(4,202)	(3,939)
Other expenses	(560)	(346)	(560)	(346)
Finance costs	(50)	(137)	(50)	(137)
Share of net losses of equity accounted in an associate	-	(15)	-	(15)
Profit before taxation	725	275	725	275
Income tax expense	(197)	(86)	(197)	(86)
Profit after taxation	528	189	528	189
Other comprehensive (loss) / income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(19)	(70)	(19)	(70)
Total comprehensive income for the financial period	509	119	509	119
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	569	189	569	189
Non-controlling interest	(41)	-	(41)	-
	528	189	528	189

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 31 MARCH 2019⁽¹⁾ (CONT'D)

	CURRENT YEAR QUARTER 31.03.19 RM'000	PRECEDING YEAR QUARTER 31.03.18 RM'000	CURRENT YEAR TO DATE 31.03.19 RM'000	PRECEDING YEAR TO DATE 31.03.18 RM'000
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	550	119	550	119
Non-controlling interest	(41)	-	(41)	-
	<u>509</u>	<u>119</u>	<u>509</u>	<u>119</u>
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.11 ⁽²⁾	0.05	0.11 ⁽²⁾	0.05
- Diluted (Sen)	<u>0.11⁽²⁾</u>	<u>0.05</u>	<u>0.11⁽²⁾</u>	<u>0.05</u>

Notes:

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

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019⁽¹⁾

	Unaudited 31.03.19 RM'000	Audited 31.12.18 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	13,580	11,167
Right of use assets	356	-
Deferred tax asset	920	611
Goodwill on acquisition	232	-
	<u>15,088</u>	<u>11,778</u>
CURRENT ASSETS		
Inventories	7,912	6,079
Trade receivables	10,825	13,188
Other receivables, deposits and prepayments	2,547	5,061
Amount owing by related parties	-	187
Current tax assets	1,837	1,972
Fixed deposits with licensed banks	18,611	18,611
Cash and bank balances	19,330	17,023
	<u>61,062</u>	<u>62,121</u>
Non-current assets classified as held for sale	-	202
	<u>61,062</u>	<u>62,323</u>
TOTAL ASSETS	<u>76,150</u>	<u>74,101</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(253)	(234)
Retained profits	24,952	24,383
Shareholders' fund	59,171	58,621
Non-controlling interest	480	-
TOTAL EQUITY	<u>59,651</u>	<u>58,621</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	469	497
Lease liabilities	183	-
Term loans	1,271	1,415
Deferred revenue	479	586
	<u>2,402</u>	<u>2,498</u>
CURRENT LIABILITIES		
Trade payables	4,722	4,010
Other payables and accruals	7,341	7,888
Amount owing to related parties	135	16
Amount owing to directors	221	162
Bankers' acceptances	748	-
Hire purchase payables	156	170
Lease liabilities	176	-
Term loans	592	592
Current tax liabilities	6	144
	<u>14,097</u>	<u>12,982</u>
TOTAL LIABILITIES	<u>16,499</u>	<u>15,480</u>
TOTAL EQUITY AND LIABILITIES	<u>76,150</u>	<u>74,101</u>
Number of issued shares ('000)	525,200	525,200
Net asset per share (Sen)	<u>11.27</u>	<u>11.16</u>

Note:

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

	<---- Non-Distributable ---->			Distributable	Attributable	Non-	Total
	Share	Merger	Foreign	Retained	to	controlling	Equity
	Capital	Deficit	Exchange	Profits	Owners of	interest	
			Translation		the		
			Reserve		Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01.01.18	19,856	(13,681)	(241)	21,426	27,360	-	27,360
Changes in accounting policies	-	-	-	(41)	(41)	-	(41)
Balance at 1.1.2018 (restated)	19,856	(13,681)	(241)	21,385	27,319	-	27,319
Profit after taxation	-	-	-	2,998	2,998	-	2,998
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	7	-	7	-	7
Total comprehensive income for the financial year	-	-	7	2,998	3,005	-	3,005
Contribution by and distribution to owners of the Company:							
- Issuance of shares	28,297	-	-	-	28,297	-	28,297
Balance as at 31.12.18 (Audited)	48,153	(13,681)	(234)	24,383	58,621	-	58,621
Balance as at 01.01.19	48,153	(13,681)	(234)	24,383	58,621	-	58,621
Profit after taxation	-	-	-	569	569	(41)	528
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	(19)	-	(19)	-	(19)
Total comprehensive income / (loss) for the financial period	-	-	(19)	569	550	(41)	509
Contribution by and distribution to owners of the Company:							
- Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	521	521
Balance as at 31.03.19 (Unaudited)	48,153	(13,681)	(253)	24,952	59,171	480	59,651



RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2019⁽¹⁾
(CONT'D)**

Note:

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

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2019⁽¹⁾

	CURRENT YEAR TO DATE 31.03.19 RM'000	PRECEDING YEAR TO DATE 31.03.18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	725	275
Adjustments for:		
Depreciation of property, plant and equipment	238	162
Gain on disposal of an associate	(298)	-
Interest income	(204)	(10)
Interest expenses	50	137
Impairment losses on trade receivables	216	-
Share of net losses of equity accounted in an associate	-	15
Unrealised loss on foreign exchange	106	184
Writeback of impairment losses on trade receivable	(19)	(239)
Operating profit before working capital changes	814	524
(Increase) / Decrease in inventories	(1,856)	159
Decrease in trade and other receivables	4,379	7,164
Increase / (Decrease) in trade and other payables	103	(4,182)
Decrease / (Increase) in amount owing by related parties	186	(308)
Increase / (Decrease) in amount owing to related parties	143	(30)
CASH FROM OPERATIONS	3,769	3,327
Income tax paid	(506)	(595)
Interest paid	(50)	(137)
NET CASH FROM OPERATING ACTIVITIES	3,213	2,595
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	(184)
Interest received	204	10
Acquisition of subsidiaries, net of cash	(2,034)	-
Disposal of an associate, net of cash	500	-
Decrease in pledged fixed deposits with licensed banks	-	(577)
NET CASH FOR INVESTING ACTIVITIES	(1,332)	(751)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptance	748	628
Repayment of term loans	(144)	(266)
Repayment of hire purchase obligations	(42)	(40)
Repayment to lease liabilities	(36)	-
NET CASH FROM FINANCING ACTIVITIES	526	322
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,407	2,166
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(99)	(197)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	24,192	10,861
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	26,500	12,830

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-
TO-DATE ENDED 31 MARCH 2019⁽¹⁾**

Note:

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

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2019

A1. Basis of Preparation

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

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

A2. Changes in Accounting Policies

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

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

IC Interpretation 23 Uncertainty over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

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

Annual Improvements to MFRS Standards 2015 - 2017 Cycles

MFRS 16 Leases

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

A2. Changes in Accounting Policies (Cont'd)

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

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

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

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

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

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period ended 31 March 2019:-

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

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

A3. Auditors' Report

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

A4. Seasonal or Cyclical Factors

The business operations of the Group during the current financial quarter under review 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 31 MARCH 2019 (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 to date ended 31 March 2019			
Revenue			
External revenue	11,772	2,048	13,820
Inter-segment revenue	51	135	186
	<u>11,823</u>	<u>2,183</u>	<u>14,006</u>
Consolidated adjustments			(186)
Consolidated revenue			<u>13,820</u>
Results			
Segmental profit before interest and taxation	432	139	571
Interest income			204
Finance costs			(50)
Consolidated profit before taxation			725
Income tax expense			(197)
Consolidated profit after taxation			<u>528</u>
Preceding year to date ended 31 March 2018			
Revenue			
External revenue	12,527	1,281	13,808
Inter-segment revenue	161	126	287
	<u>12,688</u>	<u>1,407</u>	<u>14,095</u>
Consolidated adjustments			(287)
Consolidated revenue			<u>13,808</u>
Results			
Segmental profit before interest and taxation	220	197	417
Interest income			10
Share of net losses of equity accounted in an Associate			(15)
Finance costs			(137)
Consolidated profit before taxation			275
Income tax expense			(86)
Consolidated profit after taxation			<u>189</u>

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

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

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review other than below:

- a) The company had on 2 January 2019 entered into a Share Sale Agreement (“SSA”) with Incredible QR Sdn. Bhd. to dispose 500,000 ordinary shares in Symple Apps Sdn. Bhd. (“SASB”) for a total cash consideration of RM500,000. The transaction was completed on 13 February 2019. Upon completion of the disposal, SASB ceased to be an associate company of Radiant Globaltech Berhad (“RGTECH”).
- b) The company had on 19 December 2018 entered into a SSA with Chong Jen Tsin to acquire 650,000 ordinary shares in Infoconnect Commerce Sdn. Bhd. (“ICSB”) for a total cash consideration of RM650,000. The transaction was completed on 7 January 2019. Upon completion of the acquisition, ICSB became a wholly-owned subsidiary of RGTECH.
- c) The company had on 19 December 2018 entered into a SSA with Iconpos Sdn. Bhd. to acquire 1,400,000 ordinary shares in Adaptive POS Sdn. Bhd. (“APSB”) for a total cash consideration of RM1,400,000. The transaction was completed on 7 January 2019. Upon completion of the acquisition, APSB became a 70% owned subsidiary of RGTECH.

A12. Fair Value of Financial Instruments

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

A13. Capital Commitments

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

A14. Contingent Liabilities

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

A15. Related Party Transactions

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

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

B1. Review of Group Performance

For the first quarter ended 31 March 2019 (1Q19), the Group reported revenue of RM13.82 million, relatively unchanged from RM13.81 million reported in the preceding year corresponding quarter ended 31 March 2018 (1Q18).

Of total 1Q19 revenue, RM11.77 million or 85.17% was contributed by the Hardware and Maintenance segment, while the balance RM2.05 million or 14.83% was derived from the Software segment.

As a comparison, RM12.53 million or 90.73% of the Group's revenue in 1Q18 was supported by the Hardware and Maintenance segment, while the remaining RM1.28 million or 9.27% was derived from Software Segment.

The Group recorded 9.63% higher gross profit to RM6.26 million in 1Q19 from RM5.71 million in 1Q18, on the Group's stronger product mix. Similarly, the Group recorded profit before tax of RM0.73 million in 1Q19, from RM0.28 million in 1Q18.

B2. Comparison with Immediate Preceding Quarter Results

	Quarter Ended		<--- Changes --->	
	31.03.19 RM'000	31.12.18 RM'000	RM'000	%
Revenue	13,820	14,350	(530)	(3.69)
Profit before tax	<u>725</u>	<u>219</u>	<u>506</u>	<u>231.05</u>

The Group's revenue of RM13.82 million for the current quarter under review was 3.69% lower than the RM14.35 million recorded in the previous quarter due to lower revenue contribution from the Hardware and Maintenance segment. This was partially offset by marginal increase in the revenue from Software segment.

However, the Group's profit before tax of RM0.73 million increased more than 2 times from RM0.22 million achieved in the previous quarter. This was mainly due to lower expenses incurred in this current quarter as well as gain on disposal of an associate (in current quarter).

B3. Prospects

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

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

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

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

B3. Prospects (Cont'd)

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

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

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

B4. Profit Forecast

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

B5. Income Tax Expense

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	31.03.19 RM'000	31.03.18 RM'000	31.03.19 RM'000	31.03.18 RM'000
Income tax expense	577	331	577	331
Over provision in previous financial year	(8)	(245)	(8)	(245)
Deferred tax assets	(372)	-	(372)	-
	<u>197</u>	<u>86</u>	<u>197</u>	<u>86</u>
Effective tax rate (%) ⁽¹⁾	<u>27.17</u>	<u>31.27</u>	<u>27.17</u>	<u>31.27</u>

Notes:

- (1) The Group's effective tax rate for the first quarter ended 31 March 2019 of 27.17% is higher than the statutory tax rate of 24.00% and is mainly due to non-deductible expenses.
- (2) Income tax expense is recognised based on management's best estimate.

B6. Status of Corporate Proposals

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

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)

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

The gross proceeds raised from the IPO of RM29.46 million and status of utilisation as at 31 March 2019 is disclosed in the following table:

No.	Purpose	Proposed utilisation		Deviation ⁽¹⁾		Actual utilisation RM'000	Intended timeframe for utilisation (from the listing date)
		RM'000	%	RM'000	RM'000		
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	-	-	-	
ii.	Working capital:-	4,757	16.15	417	48	48	Within 24 months
	- <i>Operating expenses</i>	1,457	4.95	417	-	-	
	- <i>Payment of inventories</i>	1,500	5.09	-	-	-	
	- <i>Payroll expenses</i>	1,800	6.11	-	48	48	
iii.	Expansion of retail software business:-	3,000	10.18	-	223	223	Within 24 months
	- <i>Advertising and marketing costs</i>	1,200	4.07	-	-	-	
	- <i>Payroll expenses</i>	1,800	6.11	-	223	223	
iv.	Repayment of bank borrowings:-	6,601	22.41	(132)	6,469	6,469	Within 6 months
v.	Estimated listing expenses	3,500	11.88	(285)	3,215	3,215	Within 3 months
	Total	29,458	100.00	-	9,955	9,955	

Note:

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

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

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 31 March 2019 are as follows:

	Unaudited 31.03.19 RM'000	Audited 31.12.18 RM'000
Current:		
Bankers' acceptances	748	-
Hire purchase payables	156	170
Term loans	592	592
	<u>1,496</u>	<u>762</u>
Non-current:		
Hire purchase payables	469	497
Term loans	1,271	1,415
	<u>1,740</u>	<u>1,912</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

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

B10. Dividend

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

B11. Earnings Per Share

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

	Quarter Ended		Year-To-Date Ended	
	31.03.19 RM'000	31.03.18 RM'000	31.03.19 RM'000	31.03.18 RM'000
Profit after tax attributable to owners of the Company	<u>569</u>	<u>189</u>	<u>569</u>	<u>189</u>
	Quarter Ended		Year-To-Date Ended	
	31.03.19	31.03.18	31.03.19	31.03.18
Weighted average number of ordinary shares ('000)	<u>525,200</u>	<u>397,120</u>	<u>525,200</u>	<u>397,120</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	
	31.03.19	31.03.18	31.03.19	31.03.18
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.11	0.05	0.11	0.05
- Diluted ⁽²⁾ (Sen)	<u>0.11</u>	<u>0.05</u>	<u>0.11</u>	<u>0.05</u>

Notes:

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 March 2019.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

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

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

	Quarter Ended		Year-To-Date Ended	
	31.03.19 RM'000	31.03.18 RM'000	31.03.19 RM'000	31.03.18 RM'000
Depreciation	238	162	238	162
Interest income	(204)	(10)	(204)	(10)
Interest expenses	50	137	50	137
Realised gain on foreign exchange	(70)	(158)	(70)	(158)
Unrealised loss on foreign exchange	106	184	106	184
Writeback of impairment losses on trade receivable	<u>(19)</u>	<u>(239)</u>	<u>(19)</u>	<u>(239)</u>

BY ORDER OF THE BOARD