



RADIANT GLOBALTECH BERHAD

(Registration No.: 200301018877 (621297-A))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2020

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**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2020⁽¹⁾**

	UNAUDITED CURRENT YEAR QUARTER 31.03.20 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.03.19 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.03.20 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31.03.19 RM'000
Revenue	14,144	13,820	14,144	13,820
Cost of sales	<u>(7,781)</u>	<u>(7,557)</u>	<u>(7,781)</u>	<u>(7,557)</u>
Gross profit	6,363	6,263	6,363	6,263
Other income	<u>612</u>	<u>580</u>	<u>612</u>	<u>580</u>
	6,975	6,843	6,975	6,843
Selling and distribution expenses	(206)	(251)	(206)	(251)
Administrative expenses	(1,226)	(1,074)	(1,226)	(1,074)
Staff costs	(5,169)	(4,202)	(5,169)	(4,202)
Other expenses	(476)	(344)	(476)	(344)
Finance costs	(40)	(50)	(40)	(50)
Net impairment losses on financial assets	<u>(116)</u>	<u>(197)</u>	<u>(116)</u>	<u>(197)</u>
(Loss) / Profit before taxation	(258)	725	(258)	725
Income tax expense	<u>(106)</u>	<u>(197)</u>	<u>(106)</u>	<u>(197)</u>
(Loss) / Profit after taxation	(364)	528	(364)	528
Other comprehensive (loss) / income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	<u>13</u>	<u>(19)</u>	<u>13</u>	<u>(19)</u>
Total comprehensive (loss) / income for the financial period	<u>(351)</u>	<u>509</u>	<u>(351)</u>	<u>509</u>
(LOSS) / PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	21	569	21	569
Non-controlling interest	<u>(385)</u>	<u>(41)</u>	<u>(385)</u>	<u>(41)</u>
	<u>(364)</u>	<u>528</u>	<u>(364)</u>	<u>528</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2020⁽¹⁾
(CONT'D)**

	UNAUDITED CURRENT YEAR QUARTER 31.03.20 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.03.19 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.03.20 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31.03.19 RM'000
TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTABLE TO:-				
Owners of the Company	60	550	60	550
Non-controlling interest	(411)	(41)	(411)	(41)
	<u>(351)</u>	<u>509</u>	<u>(351)</u>	<u>509</u>
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.004 ⁽²⁾	0.108	0.004 ⁽²⁾	0.108
- Diluted (Sen)	<u>0.004⁽²⁾</u>	<u>0.108</u>	<u>0.004⁽²⁾</u>	<u>0.108</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 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 March 2020. 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 ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020⁽¹⁾**

	Unaudited 31.03.20 RM'000	Audited 31.12.19 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,759	1,097
Intangible assets	2,652	2,304
Right of use assets	11,320	11,500
Deferred tax assets	1,146	925
	<u>16,877</u>	<u>15,826</u>
CURRENT ASSETS		
Inventories	8,066	5,642
Trade receivables	19,789	31,057
Other receivables, deposits and prepayments	4,749	3,128
Amount owing by related parties	4	-
Current tax assets	2,092	1,680
Short-term investment	2,104	2,089
Fixed deposits with licensed banks	19,046	18,789
Cash and bank balances	17,881	18,531
	<u>73,731</u>	<u>80,916</u>
TOTAL ASSETS	<u>90,608</u>	<u>96,742</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(206)	(245)
Retained profits	29,475	29,454
Shareholders' fund	63,741	63,681
Non-controlling interest	1,181	885
TOTAL EQUITY	<u>64,922</u>	<u>64,566</u>
NON-CURRENT LIABILITIES		
Lease liabilities	404	392
Term loans	546	759
Deferred revenue	97	475
Deferred tax liabilities	47	112
	<u>1,094</u>	<u>1,738</u>
CURRENT LIABILITIES		
Trade payables	7,756	16,554
Other payables and accruals	10,641	12,539
Amount owing to related parties	2,870	4
Amount owing to directors	97	106
Banker's acceptance	2,000	-
Lease liabilities	325	440
Term loans	690	641
Current tax liabilities	213	154
	<u>24,592</u>	<u>30,438</u>
TOTAL LIABILITIES	<u>25,686</u>	<u>32,176</u>
TOTAL EQUITY AND LIABILITIES	<u>90,608</u>	<u>96,742</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020⁽¹⁾
(CONT'D)**

	Unaudited 31.03.20	Audited 31.12.19
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>12.14</u>	<u>12.13</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 2019 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 1.1.19	48,153	(13,681)	(234)	24,383	58,621	-	58,621
Profit after taxation	-	-	-	5,596	5,596	285	5,881
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	(11)	-	(11)	-	(11)
Total comprehensive income for the financial year	-	-	(11)	5,596	5,585	285	5,870
Distribution to owners of the Company:							
- Dividends	-	-	-	(525)	(525)	-	(525)
Non-controlling interest on acquisition of a subsidiary company	-	-	-	-	-	600	600
Balance as at 31.12.19 (Audited)	48,153	(13,681)	(245)	29,454	63,681	885	64,566
Balance as at 1.1.20	48,153	(13,681)	(245)	29,454	63,681	885	64,566
Loss after taxation	-	-	-	21	21	(385)	(364)
Other comprehensive loss for the financial period:							
- Foreign currency translation differences	-	-	39	-	39	(26)	13
Total comprehensive loss for the financial period	-	-	39	21	60	(411)	(351)
Non-controlling interest on acquisition of a subsidiary company	-	-	-	-	-	707	707
Balance as at 31.03.20 (Unaudited)	48,153	(13,681)	(206)	29,475	63,741	1,181	64,922

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 2019 and the accompanying explanatory notes attached to this interim financial report.

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-
TO-DATE ENDED 31 MARCH 2020⁽¹⁾**

	CURRENT YEAR TO DATE 31.03.20 RM'000	PRECEDING YEAR TO DATE 31.03.19 RM'000
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(258)	725
Adjustments for:		
Amortisation of intangible assets	185	-
Depreciation of property, plant and equipment	111	199
Depreciation of right-of-use assets	180	39
Gain on disposal of an associate	-	(298)
Interest income	(221)	(204)
Interest expenses	40	50
Inventories written back	(305)	-
Impairment losses on trade receivables	152	216
Unrealised (gain) / loss on foreign exchange	(28)	106
Reversal of impairment losses on trade receivables	(36)	(19)
Operating (loss)/profit before working capital changes	(180)	814
Increase in inventories	(2,120)	(1,856)
Decrease in trade and other receivables	9,838	4,379
(Decrease) / Increase in trade and other payables	(10,522)	103
(Increase) / Decrease in amount owing by related parties	(4)	186
Increase in amount owing to related parties	1,595	143
CASH (FOR) / FROM OPERATIONS	(1,393)	3,769
Income tax paid	(361)	(506)
NET CASH (FOR) / FROM OPERATING ACTIVITIES	(1,754)	3,263
CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(23)	(2)
Interest received	221	204
Placement of fixed deposits with tenure more than 3 months	(190)	-
Acquisition of subsidiaries, net of cash	-	(2,034)
Disposal of an associate, net of cash	-	500
NET CASH FROM / (FOR) INVESTING ACTIVITIES	8	(1,332)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to directors	(9)	-
Dividend paid	(525)	-
Net changes of banker's acceptance	2,000	748
Interest paid	(40)	(50)
Repayment of term loans	(164)	(144)
Repayment of lease liabilities	(103)	(78)
NET CASH FROM FINANCING ACTIVITIES	1,159	476

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-
TO-DATE ENDED 31 MARCH 2020⁽¹⁾ (CONT'D)**

	CURRENT YEAR TO DATE 31.03.20 RM'000	PRECEDING YEAR TO DATE 31.03.19 RM'000
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(587)	2,407
EFFECT OF FOREIGN EXCHANGE TRANSLATION	19	(99)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	26,871	24,192
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>26,303</u>	<u>26,500</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISES:		
Short-term investment	2,104	2,029
Cash and bank balances	17,881	17,301
Fixed deposits with licensed banks	19,046	18,612
	<u>39,031</u>	<u>37,942</u>
Less: Fixed deposits pledged to licensed banks	(459)	(442)
Fixed deposits with tenure of more than 3 months	<u>(12,269)</u>	<u>(11,000)</u>
	<u>26,303</u>	<u>26,500</u>

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 2019 and the accompanying explanatory notes attached to this interim financial report.

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 2019. 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 2019.

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 2019 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 2020 and are applicable for the Group’s interim financial report for the quarter and year-to-date ended 31 March 2020, as disclosed below:

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

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendment to References to the Conceptual Framework in MFRS Standards

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.

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 2020:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods on or after
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101: Classification of liabilities as current or non-current	1 January 2022

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 2019.

A4. Seasonal or Cyclical Factors

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

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

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

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

The Board of Directors has declared an interim single-tier dividend of 0.1 sen per ordinary share in respect of the financial year ended 31 December 2019 which was paid on 8 January 2020 to shareholders whose names appear on the Record of Depositors on 18 December 2019.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2020 (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 31 March 2020			
Revenue			
External revenue	11,716	2,428	14,144
Inter-segment revenue	177	38	215
	<u>11,893</u>	<u>2,466</u>	<u>14,359</u>
Consolidation adjustments			(215)
Consolidated revenue			<u>14,144</u>
Results			
Segmental loss before interest and taxation	(50)	(389)	(439)
Interest income			221
Finance costs			(40)
Consolidated loss before taxation			(258)
Income tax expense			(106)
Consolidated loss after taxation			<u>(364)</u>
Preceding year quarter 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>
Consolidation 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>

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

On 8 January 2020, the Company entered into a Shareholders Agreement with Simat Technologies Public Company Limited, Phenpuk Chintanapat, Thammanoon Korkiatwanich and Thanapoom Khetraksa to jointly form a new company in Thailand as the Special Purpose Vehicle to undertake the business of sale of hardware, software, network equipment, development of information technology solutions and maintenance services in Thailand.

A12. Fair Value of Financial Instruments

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

A13. Capital Commitments

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

A14. Contingent Liabilities

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

A15. Related Party Transactions

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

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

B1. Review of Group Performance

For the quarter ended 31 March 2020 (1Q20)

For the first quarter ended 31 March 2020 (1Q20), the Group reported 2.32% stronger revenue of RM14.14 million from RM13.82 million in the preceding year corresponding quarter ended 31 March 2019 (1Q19).

RM11.72 million or 82.89% of the revenue in 1Q20 was contributed by the Hardware and Maintenance segment, while the remaining RM2.42 million or 17.11% was derived from the Software segment.

As a comparison, RM11.77 million or 85.17% of the Group's revenue in 1Q19 was derived from the Hardware and Maintenance segment, while the remaining RM2.05 million or 14.83% was from the Software Segment.

The Group recorded 1.60% higher gross profit to RM6.36 million in 1Q20 from RM6.26 million in 1Q19. Notwithstanding the higher gross profit, overall gross profit margin reduced to 44.98% in 1Q20 from 45.30% in 1Q19.

The Group recorded loss before taxation of RM0.26 million in 1Q20 as compared to a profit before taxation of RM0.73 in 1Q19. This was mainly due to business losses attributable to the newly incorporated subsidiary in Thailand amounted to RM0.60mil in the Hardware and Maintenance segment and increase in staff costs in Software segment due to expansion in Software segment from preceding financial year.

B2. Comparison with Immediate Preceding Quarter Results

	Quarter Ended		<---- Changes ---->	
	31.03.20 RM'000	31.12.19 RM'000	RM'000	%
Revenue	14,144	29,759	(15,615)	(52.47)
(Loss) / Profit before taxation	<u>(258)</u>	<u>3,064</u>	<u>(3,322)</u>	<u>(108.42)</u>

The Group's revenue of RM14.14 million for the current quarter under review was 52.47% lower than the RM29.76 million recorded in the previous quarter due to lower revenue contribution from Software segment, as well as completion of goods delivered from Hardware and Maintenance segment in preceding quarter.

The Group recorded a loss before taxation of RM0.26 million in the current quarter as compared to the profit before taxation of RM3.06 million achieved in the previous quarter. This was mainly due to business losses attributable to the newly incorporated subsidiary in Thailand amounted to RM0.60mil in the Hardware and Maintenance segment and lower revenue generated from Hardware and Maintenance segment on completion of goods delivered in preceding quarter.

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

B3. Prospects

The prospects of the retail industry in the local and regional spheres are expected to remain challenging in the financial year ending 31 December 2020 (FY2020). The ongoing Covid-19 pandemic has significantly impacted the operating hours of essential services, the continued optimisation of non-essential services, and has also changed consumer purchase behaviour.

During the period of Movement Control Order (MCO), the Group was unable to deliver goods to customers due to the MCO restrictions. However, we managed to obtain MITI approval letter to operate at 50% on 22 April 2020.

Nonetheless, backed by its strong balance sheet and robustness of its retail management portal AX Retail B2B in supporting physical outlets and e-commerce platforms, the Group is optimistic of its long-term prospects and will continue to strive to strengthen its customer base.

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

Having already set foot in Cambodia and Vietnam, the Group had on 8 January 2020 entered into a joint venture with Thailand's Simat Technologies Public Company Limited ("Simat Technologies") to provide point of sales equipment and retail software solutions to retailers in Thailand. This is the first time the Group penetrate into Thailand's F&B sector. The Group aims to tap into Thailand's huge retail market with this venture and ride the gradual rebound of the retail sector in Thailand.

Whilst the Government has gradually eased the MCO restriction and businesses are allowed to operate under strict Standard Operating Procedures ("SOP"), the recovery of our economy, as well as the return to our normal social behaviour will require more time and efforts from all stakeholders.

The Group has laid down and embarked on a series of future plans. With the current uncertainty in the global and local economy due to the Covid-19 virus outbreak, the performance of the Group for the current financial year ending 31 December 2020 will remain challenging. However, the Board will monitor the potential impact of the Covid-19 virus pandemic and will continue to manage the business of our Group with vigilance during this period of uncertainty.

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 under review.

B5. Income Tax Expense

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Income tax expense	390	577	390	577
Under provision in previous financial year	-	(8)	-	(8)
Deferred tax	(284)	(372)	(284)	(372)
	<u>106</u>	<u>197</u>	<u>106</u>	<u>197</u>
Effective tax rate (%) ⁽¹⁾	<u>41.09</u>	<u>27.17</u>	<u>41.09</u>	<u>27.17</u>

Notes:

- (1) The Group's effective tax rate for the first quarter ended 31 March 2020 of 41.09% is higher than the statutory tax rate of 24.00% mainly due to business losses from subsidiaries.
- (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 ((REGISTRATION NO.: 200301018877 (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 2020 is disclosed in the following table:

No.	Purpose	Proposed utilisation		Deviation ⁽¹⁾		Actual utilisation	Balance to be utilised	Intended timeframe for utilisation (from the listing date 24 Jul 2018)
		RM'000	%	RM'000	RM'000	RM'000		
i.	Business and Capital expansion:-	11,600	39.38	-	-	1,711	9,889	Within 24 months
	- <i>Malaysia operation</i>	10,000	33.95	-	-	1,644	8,356	
	- <i>RG Vietnam's business</i>	1,600	5.43	-	-	67	1,533	
ii.	Working capital:-	4,757	16.15	417	417	4,642	532	Within 24 months
	- <i>Operating expenses</i>	1,457	4.95	417 ⁽¹⁾	-	1,874	-	
	- <i>Payment of inventories</i>	1,500	5.09	-	-	1,500	-	
	- <i>Payroll expenses</i>	1,800	6.11	-	-	1,268	532	
iii.	Expansion of retail software business:-	3,000	10.18	-	-	946	2,054	Within 24 months
	- <i>Advertising and marketing costs</i>	1,200	4.07	-	-	-	1,200	
	- <i>Payroll expenses</i>	1,800	6.11	-	-	946	854	
iv.	Repayment of bank borrowings:-	6,601	22.41	(132) ⁽¹⁾	-	6,469	-	Within 6 months
v.	Estimated Listing expenses	3,500	11.88	(285) ⁽¹⁾	-	3,215	-	Within 3 months
	Total	29,458	100.00	-	-	16,983	12,475	

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 amounting to RM0.42 million will be used for working capital purposes. Subsequently, the said deviation has been fully utilised for the Group's operating expenses as at the date of this report.

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 2020 are as follows:

	Unaudited 31.03.20 RM'000	Audited 31.12.19 RM'000
Current:		
Banker's acceptance	2,000	-
Lease liabilities	325	440
Term loans	690	641
	<u>3,015</u>	<u>1,081</u>
Non-current:		
Lease liabilities	404	392
Term loans	546	759
	<u>950</u>	<u>1,151</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	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company	<u>21</u>	<u>569</u>	<u>21</u>	<u>569</u>
	Quarter Ended		Year-To-Date Ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Weighted average number of ordinary shares ('000)	<u>525,200</u>	<u>525,200</u>	<u>525,200</u>	<u>525,200</u>

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

B11. Earnings Per Share (Cont'd)

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	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.004	0.108	0.004	0.108
- Diluted ⁽²⁾ (Sen)	<u>0.004</u>	<u>0.108</u>	<u>0.004</u>	<u>0.108</u>

Notes:

- (1) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 March 2020.
- (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

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

	Quarter Ended		Year-To-Date Ended	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Amortisation of intangible assets	185	-	185	-
Depreciation of property, plant and equipment	111	199	111	199
Depreciation of right-of-use assets	180	39	180	39
Gain on disposal of an associate	-	(298)	-	(298)
Interest income	(221)	(204)	(221)	(204)
Interest expenses	40	50	40	50
Realised gain on foreign exchange	(4)	(70)	(4)	(70)
Unrealised (gain) / loss on foreign exchange	(28)	106	(28)	106
Inventories write back	(305)	-	(305)	-
Reversal of impairment losses on trade receivables	(36)	(19)	(36)	(19)
Impairment losses on trade receivables	<u>152</u>	<u>216</u>	<u>152</u>	<u>216</u>

BY ORDER OF THE BOARD