



RADIANT GLOBALTECH BERHAD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 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 DECEMBER
2020⁽¹⁾**

| | UNAUDITED CURRENT YEAR QUARTER 31.12.20 RM'000 | UNAUDITED PRECEDING YEAR QUARTER 31.12.19 RM'000 | UNAUDITED CURRENT YEAR TO DATE 31.12.20 RM'000 | AUDITED PRECEDING YEAR TO DATE 31.12.19 RM'000 |
|---|---|---|---|---|
| Revenue | 34,982 | 29,759 | 76,021 | 81,960 |
| Cost of sales | (24,116) | (20,110) | (45,842) | (48,925) |
| Gross profit | 10,866 | 9,649 | 30,179 | 33,035 |
| Other income | 458 | 485 | 2,195 | 1,519 |
| | 11,324 | 10,134 | 32,374 | 34,554 |
| Selling and distribution expenses | (344) | (377) | (963) | (1,339) |
| Administrative expenses | (1,897) | (1,410) | (5,263) | (4,769) |
| Staff costs | (5,552) | (4,665) | (21,729) | (18,610) |
| Other expenses | (941) | (638) | (2,393) | (1,664) |
| Finance costs | (25) | (44) | (138) | (195) |
| Net reversal / (impairment) on financial assets | (485) | 64 | (748) | (24) |
| Profit before taxation | 2,080 | 3,064 | 1,140 | 7,953 |
| Income tax expense | (428) | (1,062) | (777) | (2,072) |
| Profit after taxation | 1,652 | 2,002 | 363 | 5,881 |
| Other comprehensive (loss) / income, net of tax | | | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | | | |
| Foreign currency translation differences | (47) | (28) | (70) | (12) |
| Total comprehensive income for the financial period / year | 1,605 | 1,974 | 293 | 5,869 |
| PROFIT / (LOSS) AFTER TAXATION ATTRIBUTABLE TO:- | | | | |
| Owners of the Company | 1,972 | 2,010 | 1,606 | 5,596 |
| Non-controlling interest | (320) | (8) | (1,243) | 285 |
| | 1,652 | 2,002 | 363 | 5,881 |

**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 DECEMBER
2020⁽¹⁾ (CONT'D)**

| | UNAUDITED CURRENT YEAR QUARTER 31.12.20 RM'000 | UNAUDITED PRECEDING YEAR QUARTER 31.12.19 RM'000 | UNAUDITED CURRENT YEAR TO DATE 31.12.20 RM'000 | AUDITED PRECEDING YEAR TO DATE 31.12.19 RM'000 |
|---|---|---|---|---|
| TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:- | | | | |
| Owners of the Company | 1,923 | 1,982 | 1,557 | 5,584 |
| Non-controlling interest | (318) | (8) | (1,264) | 285 |
| | 1,605 | 1,974 | 293 | 5,869 |
| Earnings per share attributable to owners of the Company:- | | | | |
| - Basic (Sen) | 0.38 ⁽²⁾ | 0.38 | 0.31 ⁽²⁾ | 1.07 |
| - Diluted (Sen) | 0.38 ⁽²⁾ | 0.38 | 0.31 ⁽²⁾ | 1.07 |

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 / (loss) per share is computed based on (loss) / 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 December 2020. The diluted earnings / (loss) 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 DECEMBER
2020⁽¹⁾**

| | Unaudited 31.12.20 RM'000 | Audited 31.12.19 RM'000 |
|---|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 1,670 | 1,097 |
| Intangible assets | 1,759 | 2,304 |
| Right of use assets | 11,225 | 11,500 |
| Deferred tax assets | 556 | 925 |
| Goodwill on acquisition | 8,152 | - |
| | <u>23,362</u> | <u>15,826</u> |
| CURRENT ASSETS | | |
| Inventories | 7,491 | 5,642 |
| Trade receivables | 27,239 | 31,057 |
| Other receivables, deposits and prepayments | 3,694 | 3,128 |
| Current tax assets | 4,352 | 1,680 |
| Short-term investments | 21,280 | 2,089 |
| Fixed deposits with licensed banks | 1,040 | 18,789 |
| Cash and bank balances | 18,751 | 18,531 |
| | <u>83,847</u> | <u>80,916</u> |
| TOTAL ASSETS | <u>107,209</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 | (294) | (245) |
| Retained profits | 31,060 | 29,454 |
| Shareholders' fund | <u>65,238</u> | <u>63,681</u> |
| Non-controlling interests | 1,221 | 885 |
| TOTAL EQUITY | <u>66,459</u> | <u>64,566</u> |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 323 | 392 |
| Term loans | - | 759 |
| Deferred revenue | 283 | 475 |
| Deferred tax liabilities | 45 | 112 |
| | <u>651</u> | <u>1,738</u> |
| CURRENT LIABILITIES | | |
| Trade payables | 15,832 | 16,554 |
| Other payables and accruals | 20,268 | 12,539 |
| Amount owing to a related party | 1,857 | 4 |
| Amount owing to directors | 120 | 106 |
| Banker's acceptance | 728 | - |
| Lease liabilities | 548 | 440 |
| Term loans | 721 | 641 |
| Current tax liabilities | 25 | 154 |
| | <u>40,09</u> | <u>30,438</u> |
| TOTAL LIABILITIES | <u>40,750</u> | <u>32,176</u> |
| TOTAL EQUITY AND LIABILITIES | <u>107,209</u> | <u>96,742</u> |

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

| | Unaudited 31.12.20 | 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>12.42</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 to Owners of the Company | Non-controlling interest | Total Equity |
|--|-------------------------------|-----------------|--------------------------------------|------------------|---------------------------------------|--------------------------|---------------|
| | Share Capital | Merger Deficit | Foreign Exchange Translation Reserve | Retained Profits | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 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 |
| Profit after taxation | - | - | - | 1,606 | 1,606 | (1,243) | 363 |
| Other comprehensive loss for the financial year: | | | | | | | |
| - Foreign currency translation differences | - | - | (49) | - | (49) | (21) | (70) |
| Total comprehensive loss for the financial year | - | - | (49) | 1,606 | 1,557 | (1,264) | 293 |
| Non-controlling interests on incorporation / acquisition of subsidiary companies | - | - | - | - | - | 1,600 | 1,600 |
| Balance as at 31.12.20 (Unaudited) | 48,153 | (13,681) | (294) | 31,060 | 65,238 | 1,221 | 66,459 |



RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2020⁽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 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 DECEMBER 2020⁽¹⁾**

| | UNAUDITED CURRENT YEAR TO DATE 31.12.20 RM'000 | AUDITED PRECEDING YEAR TO DATE 31.12.19 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 1,140 | 7,953 |
| Adjustments for: | | |
| Amortisation of intangible assets | 1,114 | 557 |
| Depreciation of property, plant and equipment | 513 | 257 |
| Depreciation of right-of-use assets | 640 | 687 |
| Gain on disposal of an associate | - | (298) |
| Interest income | (626) | (861) |
| Interest expenses | 104 | 135 |
| Interest expense on lease liabilities | 35 | 60 |
| Inventories written down | 1,335 | 1,143 |
| Net impairment losses on trade receivables | 747 | 25 |
| Unrealised losses on foreign exchange | 62 | 94 |
| Waiver of amount owing to a director | - | (248) |
| Operating profit before working capital changes | <u>5,064</u> | <u>9,504</u> |
| Increase in inventories | (239) | (705) |
| Decrease / (Increase) in trade and other receivables | 12,549 | (15,739) |
| (Decrease) / Increase in trade and other payables | (5,254) | 16,524 |
| Decrease in amount owing by a related party | - | 187 |
| Increase / (Decrease) in amount owing to a related party | <u>1,172</u> | <u>(16)</u> |
| CASH FROM OPERATIONS | <u>13,292</u> | <u>9,755</u> |
| Income tax paid | (2,636) | (2,872) |
| Income tax refund | 89 | 899 |
| NET CASH FROM OPERATING ACTIVITIES | <u>10,745</u> | <u>7,782</u> |
| CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (61) | (165) |
| Purchase of right-of-use assets | (141) | (1,603) |
| Interest received | 626 | 692 |
| Decrease / (Increase) in fixed deposits with tenure more than 3 months | 11,498 | (1,079) |
| Increase in pledged fixed deposits with licensed banks | - | (17) |
| Acquisition of subsidiaries, net of cash | (7,846) | (2,047) |
| Disposal of an associate, net of cash | - | 500 |
| NET CASH FROM / (FOR) INVESTING ACTIVITIES | <u>4,076</u> | <u>(3,719)</u> |
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Interest paid | (139) | (195) |
| Loan from / (Repayment to) directors | 13 | (66) |
| Dividend paid | (525) | - |
| Net changes of banker's acceptance | - | - |
| Repayment of term loans | (679) | (607) |
| Repayment of lease liabilities | (230) | (439) |
| NET CASH FOR FINANCING ACTIVITIES | <u>(1,560)</u> | <u>(1,307)</u> |

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

| | UNAUDITED CURRENT YEAR TO DATE 31.12.20 RM'000 | AUDITED PRECEDING YEAR TO DATE 31.12.19 RM'000 |
|---|---|---|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 13,261 | 2,756 |
| EFFECT OF FOREIGN EXCHANGE TRANSLATION | (101) | (78) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 26,870 | 24,192 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | <u>40,030</u> | <u>26,870</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISES: | | |
| Short-term investments | 21,280 | 2,088 |
| Cash and bank balances | 18,751 | 18,531 |
| Fixed deposits with licensed banks | 1,040 | 18,789 |
| | <u>41,071</u> | <u>39,408</u> |
| Less: Fixed deposits pledged to licensed banks | (474) | (459) |
| Fixed deposits with tenure of more than 3 months | (567) | (12,079) |
| | <u>40,030</u> | <u>26,870</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 December 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 year ended 31 December 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 101: Classification of liabilities as current or non-current | 1 January 2022 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

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

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 DECEMBER 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 December 2020 | | | |
| Revenue | | | |
| External revenue | 32,128 | 2,854 | 34,982 |
| Inter-segment revenue | 713 | 145 | 858 |
| | <u>32,841</u> | <u>3,148</u> | <u>36,089</u> |
| Consolidation adjustments | | | (858) |
| Consolidated revenue | | | <u>34,982</u> |
| Results | | | |
| Segmental profit / (loss) before interest and taxation | 2,205 | (209) | 1,996 |
| Interest income | | | 109 |
| Finance costs | | | (25) |
| Consolidated profit before taxation | | | <u>2,080</u> |
| Income tax expense | | | (428) |
| Consolidated profit after taxation | | | <u>1,652</u> |
| Preceding year quarter ended 31 December 2019 | | | |
| Revenue | | | |
| External revenue | 25,299 | 4,460 | 29,759 |
| Inter-segment revenue | 37 | 69 | 106 |
| | <u>25,336</u> | <u>4,529</u> | <u>29,865</u> |
| Consolidation adjustments | | | (106) |
| Consolidated revenue | | | <u>29,759</u> |
| Results | | | |
| Segmental profit before interest and taxation | 1,363 | 1,542 | 2,905 |
| Interest income | | | 203 |
| Finance costs | | | (44) |
| Consolidated profit before taxation | | | <u>3,064</u> |
| Income tax expense | | | (1,062) |
| Consolidated profit after taxation | | | <u>2,002</u> |

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2020 (CONT'D)
A9. Segmental Reporting (Cont'd)

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 December 2020 | | | |
| Revenue | | | |
| External revenue | 64,840 | 11,181 | 76,021 |
| Inter-segment revenue | 997 | 304 | 1,301 |
| | <u>65,837</u> | <u>11,485</u> | <u>77,322</u> |
| Consolidation adjustments | | | (1,301) |
| Consolidated revenue | | | <u>76,021</u> |
| Results | | | |
| Segmental loss before interest and taxation | 2,033 | (1,381) | 652 |
| Interest income | | | 626 |
| Finance costs | | | (138) |
| Consolidated loss before taxation | | | <u>1,140</u> |
| Income tax expense | | | (777) |
| Consolidated profit after taxation | | | <u>363</u> |
| Preceding year to date ended 31 December 2019 | | | |
| Revenue | | | |
| External revenue | 66,025 | 15,935 | 81,960 |
| Inter-segment revenue | 268 | 678 | 946 |
| | <u>66,293</u> | <u>16,613</u> | <u>82,906</u> |
| Consolidation adjustments | | | (946) |
| Consolidated revenue | | | <u>81,960</u> |
| Results | | | |
| Segmental profit before interest and taxation | 2,962 | 4,325 | 7,287 |
| Interest income | | | 861 |
| Finance costs | | | (195) |
| Consolidated profit before taxation | | | <u>7,953</u> |
| Income tax expense | | | (2,072) |
| Consolidated profit after taxation | | | <u>5,881</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 followings:

- a. On 4 November 2020, the Company's wholly owned subsidiary, Infoconnect Commerce Sdn. Bhd. incorporated a 70%-owned subsidiary, RG Gateway Sdn. Bhd., for a total cash consideration of RM1,000.
- b. On 23 October 2020, the Company held an Extraordinary General Meeting ("EGM") for the purpose of considering and, if thought fit, passing the following resolutions:
 - (1) Proposed acquisition of 80% equity interest in Grand-Flo Spritvest Sdn. Bhd. ("GF Spritvest"), comprising 800,000 ordinary shares in GF Spritvest from Grand-Flo Berhad, for a total cash consideration of RM11,600,000 ("Proposed Acquisition");
 - (2) Proposed variation to the utilisation of proceeds of RM11,480,000 raised from Radiant Globaltech Berhad's initial public offering ("IPO") which was completed on 24 July 2018 to part-finance the Proposed Acquisition ("Proposed Variation").

The Proposed Acquisition and Proposed Variation were duly passed by the shareholders of the Company by way of poll via remote participation and voting at the EGM of the Company.

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 December 2020 (4Q20)

For the fourth quarter ended 31 December 2020 (4Q20), the Group reported 17.54% stronger revenue of RM34.98 million from RM29.76 million in the preceding year corresponding quarter ended 31 December 2019 (4Q19).

RM32.13 million or 91.85% of the revenue in 4Q20 was contributed by the Hardware and Maintenance segment, while the remaining RM2.85 million or 8.15% was derived from the Software segment.

As a comparison, RM25.30 million or 85.01% of the Group's revenue in 4Q19 was derived from the Hardware and Maintenance segment, while the remaining RM4.46 million or 14.99% was from the Software Segment.

The Group recorded 12.64% higher gross profit to RM10.87 million in 4Q20 from RM9.65 million in 4Q19. It was mainly due to the increase in revenue contribution from its Hardware and Maintenance segment as orders and projects were delivered. While decrease in revenue contribution from Software segment mainly due to fewer implementation of new software projects as well as several delays in project completions due to changing of customer requirements. However, this was partially offset by higher revenue contribution from our in-house software portals. The Group's business has gradually recovered after gradual loosening of the Movement Control Order ("MCO") conditions by the Malaysian Government.

The Group recorded profit before taxation of RM2.08 million in 4Q20 as compared to a profit before taxation of RM3.06 million in 4Q19 mainly due to higher staff costs and other operating expenses. The profit before taxation in 4Q20 also included business losses attributable to a subsidiary in Thailand which amounted to RM1.15 million in the Hardware and Maintenance segment. While the newly acquired subsidiary in Malaysia contribute profit before taxation which amounted to RM1.63 million in Hardware and Maintenance segment.

For the year ended 31 December 2020 (4CQ20)

For 4CQ20, the Group reported 7.25% lower revenue of RM76.02 million from RM81.96 million in the previous corresponding year ended 31 December 2019 (4CQ19).

RM64.84 million or 85.29% of the revenue in 4CQ20 was contributed by Hardware and Maintenance segment, while the balance RM11.18 million or 14.71% was derived from the Software segment.

As a comparison, RM66.02 million or 80.55% of the Group's revenue in 4CQ19 was derived from Hardware and Maintenance segment, while the balance of RM15.94 or 19.45% was from Software segment.

The Group recorded 8.66% lower gross profit to RM30.18 million in 4CQ20 from RM33.04 million in 4CQ19. It was mainly due to the Covid-19 pandemic and implementation of the MCO, the conditions of which were gradually loosened by the Malaysian Government. The overall gross profit margin decreased to 39.70% in 4CQ20 from 40.31% in 4CQ19. The group was able to sustain its gross profit margin despite Hardware projects delivered carried lower gross profit margins.

The Group recorded profit before taxation of RM1.14 million in 4CQ20 as compared to a profit before taxation of RM7.95 million in 4CQ19. This was mainly due to higher expenses as the Group saw an increase in staff costs and other operating expenses arising from its expansion plans. Also, business losses attributable to a subsidiary in Thailand which amounted to RM2.51 million in the Hardware and Maintenance segment contributed to the lower profit before taxation. While the newly acquired subsidiary in Malaysia contribute profit before taxation which amounted to RM1.63 million in Hardware and Maintenance segment.

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

B2. Comparison with Immediate Preceding Quarter Results

| | Quarter Ended | | <---- Changes ----> | |
|------------------------|--------------------|--------------------|---------------------|----------------|
| | 31.12.20 RM'000 | 30.09.20 RM'000 | RM'000 | % |
| Revenue | 34,982 | 14,500 | 20,482 | 141.26 |
| Profit before taxation | <u>2,080</u> | <u>22</u> | <u>2,058</u> | <u>9354.55</u> |

The Group's revenue of RM34.982million for the current quarter under review was 141.26% higher than the RM14.50 million recorded in the previous quarter due to higher revenue contribution from Hardware and Maintenance segment as well as revenue contribution from newly acquired subsidiary in Malaysia.

The Group recorded profit before taxation of RM2.08 million in the current quarter as compared to profit before tax of RM0.02 million in the previous quarter. The Group's business has gradually recovered after gradual loosening of MCO conditions by the Malaysian Government. While a subsidiary in Thailand recorded higher loss before taxation of RM1.15 million in 4Q20 from RM0.36 million in 3Q20, the Group's newly acquired subsidiary in Malaysia contributed profit before taxation of RM1.63 million in the current quarter.

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 2021 (FY2021). The ongoing Covid-19 pandemic has significantly impacted businesses as a whole and has also changed consumer purchase behaviour as consumers increasingly embrace the new norm, including higher utilisation of e-commerce platforms. This change in consumer purchase behaviour will potentially result in greater demand for the Group's products and services.

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 effort from all stakeholders.

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 and grow alongside 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.

In terms of market expansion, with the recent acquired subsidiary, Grand-Flo Spritvest ("GF Spritvest") in November 2020, the enlarged Group intends to cross sell existing products and services such as B2B portal, which is typically offered to customers in the retail industry, to GF Spritvest's customers in the Fast Moving Consumer Goods sector. In addition, the enlarged Group intends to introduce GF Spritvest's in-house developed software to overseas markets which the Group currently serve, namely, Vietnam, Cambodia and Thailand.

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 pandemic, the performance of the Group for the current financial year ending 31 December 2021 will remain challenging. However, the Board is cautious on the potential impact of the Covid-19 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 | |
|--|----------------------------|--------------------|----------------------------|--------------------|
| | 31.12.20 RM'000 | 31.12.19 RM'000 | 31.12.20 RM'000 | 31.12.19 RM'000 |
| Income tax expense | (27) | 851 | 535 | 2,195 |
| (Over) / Under provision in previous financial year | (38) | - | (60) | 80 |
| Deferred tax | 493 | 211 | 302 | (203) |
| | <u>428</u> | <u>1,062</u> | <u>777</u> | <u>2,072</u> |
| Effective tax rate (%) | <u>20.58⁽¹⁾</u> | <u>34.66</u> | <u>68.16⁽²⁾</u> | <u>26.05</u> |

Notes:

- (1) The Group's effective tax rate for the quarter ended 31 December 2020 of 20.58% is higher than the statutory tax rate of 24.00% mainly due utilisation of business losses of the subsidiaries.
- (2) The Group's effective tax rate for the quarter ended 31 December 2020 of 68.16% is higher than the statutory tax rate of 24.00% mainly due to unrecognised deferred tax assets arising from business losses of the subsidiaries.
- (3) Income tax expense is recognised based on management's best estimate.

B6. Status of Corporate Proposals

- (a) On 8 October 2020, the Company issued a circular to the shareholders of Radiant Globaltech in relation to the following resolutions:
 - (1) Proposed Acquisition of 80% equity interest in GF Spritvest comprising 800,000 ordinary shares in GF Spritvest from Grand-Flo Berhad, for a total cash consideration of RM11,600,000.
 - (2) Proposed Variation to the utilisation of proceeds of RM11,480,000 raised from Radiant Globaltech Berhad's initial public offering ("IPO") which was completed on 24 July 2018 to part-finance the Proposed Acquisition.
- (b) On 23 October 2020, the Company held an EGM for the purpose of considering and, if thought fit, passing the Proposed Acquisition and Proposed Variation. The Proposed Acquisition and Proposed Variation were duly passed by the shareholders of the Company by way of poll via remote participation and voting at the EGM of the Company on that date.

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

B7. Use of Proceeds Raised from IPO

The gross proceeds raised from the IPO of RM29.46 million and status of utilisation as at 31 December 2020 is disclosed in the following table:

| No. | Purpose | Proposed utilisation ⁽²⁾ | | 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 | - | - | 1,742 | 9,858 | Within 36 months |
| | - <i>Malaysia operation</i> | 10,000 | 33.95 | - | - | 1,660 | 8,340 | |
| | - <i>RG Vietnam's business</i> | 1,600 | 5.43 | - | - | 82 | 1,518 | |
| ii. | Working capital:- | 4,757 | 16.15 | 417 | - | 5,174 | - | Within 36 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 | - | - | 1,800 | - | |
| iii. | Expansion of retail software business:- | 3,000 | 10.18 | - | - | 1,374 | 1,626 | Within 36 months |
| | - <i>Advertising and marketing costs</i> | 1,200 | 4.07 | - | - | - | 1,200 | |
| | - <i>Payroll expenses</i> | 1,800 | 6.11 | - | - | 1,374 | 426 | |
| 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 | - | - | 17,974 | 11,484⁽³⁾ | |

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.
- (2) The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 June 2018 ("Prospectus").
- (3) The Proposed Variation was to part-finance the Proposed Acquisition. The Proposed Acquisition and Proposed Variation were duly passed by the shareholders of the Company by way of poll via remote participation and voting at the EGM of the Company. The Proposed Acquisition was completed on 1 November 2020.

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 December 2020 are as follows:

| | Unaudited 31.12.20 RM'000 | Audited 31.12.19 RM'000 |
|---------------------|--|--|
| Current: | | |
| Banker's acceptance | 728 | - |
| Lease liabilities | 548 | 440 |
| Term loans | 721 | 641 |
| | <u>1,269</u> | <u>1,081</u> |
| Non-current: | | |
| Lease liabilities | 323 | 392 |
| Term loans | - | 759 |
| | <u>323</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 / (Loss) 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 | |
|---|----------------------|-----------------|---------------------------|-----------------|
| | 31.12.20 | 31.12.19 | 31.12.20 | 31.12.19 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit after taxation attributable to owners of the Company | <u>1,972</u> | <u>2,010</u> | <u>1,606</u> | <u>5,596</u> |
| | | | | |
| | | | | |
| | | | | |
| 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 / (Loss) 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 | |
|--|---------------|-------------|--------------------|-------------|
| | 31.12.20 | 31.12.19 | 31.12.20 | 31.12.19 |
| Earnings per share attributable to owners of the Company | | | | |
| - Basic ⁽¹⁾ (Sen) | 0.38 | 0.38 | 0.31 | 1.07 |
| - Diluted ⁽²⁾ (Sen) | <u>0.38</u> | <u>0.38</u> | <u>0.31</u> | <u>1.07</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 December 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

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

| | Quarter Ended | | Year-To-Date Ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31.12.20 RM'000 | 31.12.19 RM'000 | 31.12.20 RM'000 | 31.12.19 RM'000 |
| Amortisation of intangible assets | 590 | 362 | 1,114 | 557 |
| Depreciation of property, plant and equipment | 203 | 111 | 513 | 257 |
| Depreciation of right-of-use assets | 97 | 122 | 640 | 687 |
| Interest income | (109) | (203) | (626) | (861) |
| Interest expenses | 26 | 44 | 139 | 195 |
| Realised (gain) / loss on foreign exchange | 16 | 70 | 64 | 68 |
| Unrealised loss on foreign exchange | 36 | (28) | 62 | 94 |
| Waiver of amount due to a director | - | (248) | - | (248) |
| Net (reversal) / impairment losses on trade receivables | <u>484</u> | <u>(64)</u> | <u>747</u> | <u>25</u> |

BY ORDER OF THE BOARD