



## **RADIANT GLOBALTECH BERHAD**

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

*(Incorporated in Malaysia)*

### **INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2021**

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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 2021<sup>(1)</sup>**

	UNAUDITED CURRENT YEAR QUARTER 31.03.21 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.03.20 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.03.21 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31.03.20 RM'000
Revenue	29,238	14,144	29,238	14,144
Cost of sales	(18,186)	(7,781)	(18,186)	(7,781)
Gross profit	11,052	6,363	11,052	6,363
Other income	331	612	331	612
	11,383	6,975	11,383	6,975
Selling and distribution expenses	(243)	(206)	(243)	(206)
Administrative expenses	(7,815)	(6,395)	(7,815)	(6,395)
Other expenses	(516)	(476)	(516)	(476)
Finance costs	(37)	(40)	(37)	(40)
Net reversal / (impairment) on financial assets	219	(116)	219	(116)
Profit / (Loss) before taxation	2,991	(258)	2,991	(258)
Income tax expense	(900)	(106)	(900)	(106)
<b>Profit / (Loss) after taxation</b>	2,091	(364)	2,091	(364)
Other comprehensive income / (loss), net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	56	13	56	13
<b>Total comprehensive income / (loss) for the financial period</b>	2,147	(351)	2,147	(351)
<b>PROFIT / (LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Company	2,058	21	2,058	21
Non-controlling interests	33	(385)	33	(385)
	2,091	(364)	2,091	(364)

**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 2021<sup>(1)</sup>  
(CONT'D)**

	UNAUDITED CURRENT YEAR QUARTER 31.03.21 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.03.20 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.03.21 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31.03.20 RM'000
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:-</b>				
Owners of the Company	2,104	60	2,104	60
Non-controlling interests	43	(411)	43	(411)
	<u>2,147</u>	<u>(351)</u>	<u>2,147</u>	<u>(351)</u>
<b>Earnings per share attributable to owners of the Company:-</b>				
- Basic (Sen)	0.392 <sup>(2)</sup>	0.004	0.392 <sup>(2)</sup>	0.004
- Diluted (Sen)	<u>0.392<sup>(2)</sup></u>	<u>0.004</u>	<u>0.392<sup>(2)</sup></u>	<u>0.004</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 2020 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 2021. The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021<sup>(1)</sup>**

	<b>Unaudited 31.03.21 RM'000</b>	<b>Audited 31.12.20 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,565	1,670
Intangible assets	1,614	1,759
Right of use assets	11,129	11,225
Deferred tax assets	985	601
Goodwill on acquisition	8,152	8,152
	<u>23,445</u>	<u>23,407</u>
<b>CURRENT ASSETS</b>		
Inventories	12,169	7,491
Trade receivables	27,464	27,209
Other receivables, deposits and prepayments	3,504	3,699
Current tax assets	2,679	4,286
Short-term investments	14,861	21,280
Fixed deposits with licensed banks	4,042	1,040
Cash and bank balances	12,618	18,751
	<u>77,337</u>	<u>83,756</u>
<b>TOTAL ASSETS</b>	<u>100,782</u>	<u>107,163</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(237)	(283)
Retained profits	33,112	31,054
Shareholders' fund	67,347	65,243
Non-controlling interests	1,263	1,220
<b>TOTAL EQUITY</b>	<u>68,610</u>	<u>66,463</u>
<b>NON-CURRENT LIABILITIES</b>		
Provision	355	336
Lease liabilities	312	323
Deferred revenue	503	299
Deferred tax liabilities	30	45
	<u>1,200</u>	<u>1,003</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	14,553	15,802
Other payables and accruals	11,074	19,921
Amount owing to a related party	1,925	1,857
Amount owing to directors	59	120
Lease liabilities	516	548
Term loans	542	721
Bankers' acceptances	2,234	728
Current tax liabilities	69	-
	<u>30,972</u>	<u>39,697</u>
<b>TOTAL LIABILITIES</b>	<u>32,172</u>	<u>40,700</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>100,782</u>	<u>107,163</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021<sup>(1)</sup>  
(CONT'D)**

	<b>Unaudited 31.03.21</b>	<b>Audited 31.12.20</b>
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>12.82</u>	<u>12.42</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 2020 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	interests	
			Translation		the		
			Reserve		Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.20	48,153	(13,681)	(245)	29,454	63,681	885	64,566
Profit after taxation	-	-	-	1,600	1,600	(1,243)	357
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	(38)	-	(38)	(22)	(60)
Total comprehensive income for the financial year	-	-	(38)	1,600	1,562	(1,265)	297
Issuance of shares to non-controlling interests by subsidiaries	-	-	-	-	-	738	738
Non-controlling interests on incorporation of subsidiary companies	-	-	-	-	-	862	862
<b>Balance as at 31.12.20 (Audited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(283)</b>	<b>31,054</b>	<b>65,243</b>	<b>1,220</b>	<b>66,463</b>
Balance as at 1.1.21	48,153	(13,681)	(283)	31,054	65,243	1,220	66,463
Profit after taxation	-	-	-	2,058	2,058	33	2,091
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	46	-	46	10	56
Total comprehensive income for the financial period	-	-	46	2,058	2,104	43	2,147
<b>Balance as at 31.03.21 (Unaudited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(237)</b>	<b>33,112</b>	<b>67,347</b>	<b>1,263</b>	<b>68,610</b>

**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 2020 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 2021<sup>(1)</sup>**

	<b>CURRENT YEAR TO DATE 31.03.21 RM'000</b>	<b>PRECEDING YEAR TO DATE 31.03.20 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	2,991	(258)
Adjustments for:		
Amortisation of intangible assets	145	185
Depreciation of property, plant and equipment	113	111
Depreciation of right-of-use assets	218	180
Gain on disposal of property, plant and equipment	(5)	-
Interest income	(79)	(221)
Interest expenses	37	40
Inventories written down	254	-
Inventories written back	-	(305)
Impairment losses on trade receivables	117	152
Unrealised loss / (gain) on foreign exchange	1	(28)
Reversal of impairment losses on trade receivables	(336)	(36)
Operating profit before working capital changes	3,456	180
Increase in inventories	(4,933)	(2,120)
Decrease in trade and other receivables	197	9,838
Decrease in trade and other payables	(9,884)	(10,522)
Increase in amount owing by a related party	-	(4)
Increase in amount owing to a related party	78	1,595
<b>CASH FROM OPERATIONS</b>	<b>(11,086)</b>	<b>(1,393)</b>
Income tax paid	(628)	(361)
Income tax refund	1,006	-
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(10,708)</b>	<b>(1,754)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(23)
Proceed from disposal of property, plant and equipment	5	-
Interest received	79	221
Decrease in fixed deposits with tenure more than 3 months	-	(190)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>84</b>	<b>8</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to directors	(61)	(9)
Dividend paid	-	(525)
Net changes of banker's acceptance	1,506	2,000
Interest paid	(37)	(40)
Repayment of term loans	(178)	(164)
Repayment of lease liabilities	(165)	(103)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>1,065</b>	<b>1,159</b>



**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-  
TO-DATE ENDED 31 MARCH 2021<sup>(1)</sup> (CONT'D)**

	<b>CURRENT YEAR TO DATE 31.03.21 RM'000</b>	<b>PRECEDING YEAR TO DATE 31.03.20 RM'000</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,559)	(587)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	8	19
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	40,031	26,871
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>30,480</u>	<u>26,303</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short-term investments	14,861	2,104
Cash and bank balances	12,618	17,881
Fixed deposits with licensed banks	4,042	19,046
	<u>31,521</u>	<u>39,031</u>
Less: Fixed deposits pledged to licensed banks	(474)	(459)
Fixed deposits with tenure of more than 3 months	(567)	(12,269)
	<u>30,480</u>	<u>26,303</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 2020 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 2021**

**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 2020. 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 2020.

**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 2020 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 2021 and are applicable for the Group’s interim financial report for the quarter and year-to-date ended 31 March 2021, as disclosed below:

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmarks Reform – Phase 2

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 2021:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective for annual periods on or after</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 3: Reference to the Conceptual Framework	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
Amendment to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Policies	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds Before Intended Use	1 January 2022

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2020 (CONT'D)**

**A2. Changes in Accounting Policies (Cont'd)**

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)</b>	<b>Effective for annual periods on or after</b>
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	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 2020.

**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 MARCH 2021 (CONT'D)**

**A9. Segmental Reporting**

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

	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Current year quarter ended 31 March 2021</b>			
<b>Revenue</b>			
External revenue	26,835	2,403	29,238
Inter-segment revenue	4,550	45	4,595
	<u>31,385</u>	<u>2,448</u>	<u>33,833</u>
Consolidation adjustments			(4,595)
Consolidated revenue			<u>29,238</u>
<b>Results</b>			
Segmental profit before interest and taxation	3,621	(672)	2,949
Interest income			79
Finance costs			(37)
Consolidated profit before taxation			<u>2,991</u>
Income tax expense			(900)
Consolidated profit after taxation			<u>2,091</u>
<b>Preceding year quarter ended 31 March 2020</b>			
<b>Revenue</b>			
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>
<b>Results</b>			
Segmental loss before interest and taxation	(50)	(389)	(439)
Interest income			221
Finance costs			(40)
Consolidated loss before taxation			<u>(258)</u>
Income tax expense			(106)
Consolidated loss after taxation			<u>(364)</u>

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

On 21 April 2021, the Company has entered into a share sale agreement with Mr. Lee Thiam Sew and Mr. Teh How Kiat for the proposed acquisition of 70% of the equity interest, comprising 210,000 ordinary shares in Arms Software International Sdn. Bhd. for a cash consideration of RM1,900,000. The acquisition was completed on 18 May 2021.

**A11. Changes in the Composition of the Group**

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

**A12. Fair Value of Financial Instruments**

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

**A13. Capital Commitments**

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 2021 (1Q21)

For the first quarter ended 1Q21, the Group reported 106.79% higher revenue of RM29.24 million from RM14.14 million in the preceding year corresponding quarter ended 31 March 2020 (1Q20).

RM26.84 million or 91.79% of the revenue in 1Q21 was contributed by the Hardware and Maintenance segment, while the remaining RM2.4 million or 8.21% was derived from the Software segment.

As a comparison, RM11.72 million or 82.89% of the Group's revenue in 1Q20 was derived from the Hardware and Maintenance segment, while the remaining RM2.42 million or 17.11% was from the Software Segment.

The Group recorded 73.74% higher gross profit to RM11.05 million in 1Q21 from RM6.36 million in 1Q20. Notwithstanding the higher gross profit, overall gross profit margin reduced to 37.79% in 1Q21 from 44.98% in 1Q20. The decrease in gross profit margin was mainly due to reclassification of direct staff costs to cost of sales in Software segment to conform with the presentation in Audited Report as at 31 December 2020.

The Group recorded profit before taxation of RM2.99 million in 1Q21 as compared to a loss before taxation of RM0.26 million in 1Q20. It was mainly due to the increase in revenue contribution from its Hardware and Maintenance segment. Besides, it is also due to a reduction in business losses from a subsidiary in Thailand as well as higher revenue contribution by newly acquired subsidiary in Hardware and Maintenance segment.

**B2. Comparison with Immediate Preceding Quarter Results**

	Quarter Ended		<---- Changes ---->	
	31.03.2021 RM'000	31.12.2020 RM'000	RM'000	%
Revenue	29,238	34,982	(5,744)	(16.42)
Profit before taxation	<u>2,991</u>	<u>2,080</u>	<u>911</u>	<u>43.80</u>

The Group's revenue of RM29.24 million for the current quarter under review was 16.42% lower than the RM34.98 million recorded in the previous quarter due to lower revenue contribution from Software segment, as well as lesser completion of goods delivered from Hardware and Maintenance segment in preceding quarter.

The Group recorded profit before taxation of RM2.99 million in the current quarter as compared to RM2.08 million in the previous quarter. The increase was mainly due to a reduction in business losses from a subsidiary in Thailand.

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****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 implementation of the nationwide Movement Control Order from mid-May 2021 until early-June 2021 may result in shorter operating hours and weaker customer footfall in most retail outlets such as shopping malls, supermarkets and convenience stores.

However, COVID-19 highlighted the importance of digitalisation among businesses as more retailers are aiming to reduce the reliance of manual labour and enhance efficiency in the workspace. We have also been receiving interest from our customers for our retail software management portal AX B2B Retail.

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 strengthen its customer base.

In terms of market expansion, the acquisition of Grand-Flo Spritvest Sdn. Bhd. (GF SPRITVEST) also allowed Radiant Group to expand its domestic customer base to include industrial players in fast moving consumer goods, electronics and government-linked companies sectors. We also aim to bring GF Spritvest's solutions to regional countries where we have established a direct presence in, namely Cambodia, Vietnam and Thailand. With this, the Group would have a healthy mix of customers from the industrial and retail sectors.

Additionally, we are looking to enhance our foothold in the retail management solutions. The acquisition of a 70% stake in ARMS Software International Sdn Bhd (ARMS) for RM1.9 million in May 2021 will enable us integrate its software solutions with our existing software offerings to the enlarged customer base in the retail and will also enhance our product offerings in F&B technology space in Malaysia. We expect ARMS to start contributing to the Group's topline with a profit guarantee of RM0.2 million a year for the FY2021 and FY2022.

Going forward, we will increase the customer base for our in-house software portals, namely AX B2B Retail and AX Non-Retail. With these strategies in place, we will capitalise on our improved position in the retail technology industry and capture the growing demand for digitalization of operations. The Group is targeting to have more than 5,500 B2B in-house portal suppliers by end-2021.

The Group has embarked on a series of future plans. With the current uncertainty in the global and local economies 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.

**B4. Profit Forecast**

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

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

**B5. Income Tax Expense**

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	31.03.21 RM'000	31.03.20 RM'000	31.03.21 RM'000	31.03.20 RM'000
Income tax expense	1,298	390	1,298	390
Deferred tax	(398)	(284)	(398)	(284)
	<u>900</u>	<u>106</u>	<u>900</u>	<u>106</u>
Effective tax rate (%) <sup>(1)</sup>	<u>30.09</u>	<u>41.09</u>	<u>30.09</u>	<u>41.09</u>

**Notes:**

- (1) The Group's effective tax rate for the first quarter ended 31 March 2021 of 30.09% is higher than the statutory tax rate of 24.00% mainly due to unrecognised deferred tax assets arising from business losses of the 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.

**B7. Group Borrowings and Debt Securities**

The Group's borrowings are as follows:

	Unaudited 31.03.21 RM'000	Audited 31.12.20 RM'000
<b>Current:</b>		
Banker's acceptance	2,234	728
Lease liabilities	516	548
Term loans	542	721
	<u>3,292</u>	<u>1997</u>
<b>Non-current:</b>		
Lease liabilities	<u>312</u>	<u>323</u>

All the borrowings are secured and denominated in Ringgit Malaysia.



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

**B8. Material Litigation**

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

**B9. Dividend**

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

**B10. 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	
	31.03.21 RM'000	31.03.20 RM'000	31.03.21 RM'000	31.03.20 RM'000
Profit after taxation attributable to owners of the Company	2,058	21	2,058	21
	<u>2,058</u>	<u>21</u>	<u>2,058</u>	<u>21</u>
	Quarter Ended		Year-To-Date Ended	
	31.03.21	31.03.20	31.03.21	31.03.20
Weighted average number of ordinary shares ('000)	525,200	525,200	525,200	525,200
	<u>525,200</u>	<u>525,200</u>	<u>525,200</u>	<u>525,200</u>
Earnings per share attributable to owners of the Company				
- Basic <sup>(1)</sup> (Sen)	0.392	0.004	0.392	0.004
- Diluted <sup>(2)</sup> (Sen)	0.392	0.004	0.392	0.004
	<u>0.392</u>	<u>0.004</u>	<u>0.392</u>	<u>0.004</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 during the financial period under review.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

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

**B11. 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	
	31.03.21 RM'000	31.03.20 RM'000	31.03.21 RM'000	31.03.20 RM'000
Amortisation of intangible assets	145	185	145	185
Depreciation of property, plant and equipment	113	111	113	111
Depreciation of right-of-use assets	218	180	218	180
Gain on disposal of property, plant and equipment	(5)	-	(5)	-
Interest income	(79)	(221)	(79)	(221)
Interest expenses	37	40	37	40
Realised loss / (gain) on foreign exchange	39	(4)	39	(4)
Unrealised loss on foreign exchange	1	(28)	1	(28)
Inventories written down	254	-	254	-
Inventories written back	-	(305)	-	(305)
Net (reversal) / impairment losses on trade receivables	(219)	116	(219)	116

**BY ORDER OF THE BOARD**