



**RADIANT GLOBALTECH BERHAD**

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

*(Incorporated in Malaysia)*

**INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 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 DECEMBER  
2021<sup>(1)</sup>**

	UNAUDITED CURRENT YEAR QUARTER 31.12.21 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.12.20 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.12.21 RM'000	AUDITED PRECEDING YEAR TO DATE 31.12.20 RM'000
Revenue	39,434	34,982	133,980	76,134
Cost of sales	(25,604)	(24,116)	(88,638)	(49,458)
Gross profit	13,830	10,866	45,342	26,676
Other income	67	458	988	2,259
	13,897	11,324	46,330	28,935
Selling and distribution expenses	(536)	(344)	(353)	(1,060)
Administrative expenses	(8,440)	(7,449)	(32,000)	(23,400)
Other expenses	(363)	(941)	(1,989)	(2,460)
Finance costs	(17)	(25)	(100)	(138)
Net impairment on financial assets	(12)	(485)	(8)	(747)
Profit before taxation	4,529	2,080	11,880	1,130
Income tax expense	(556)	(428)	(3,872)	(773)
<b>Profit after taxation</b>	3,973	1,652	8,008	357
Other comprehensive (loss) / income net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(22)	(47)	145	(60)
<b>Total comprehensive income for the financial period / year</b>	3,951	1,605	8,153	297
<b>PROFIT / (LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Company	3,623	1,972	7,317	1,600
Non-controlling interests	350	(320)	691	(1,243)
	3,973	1,652	8,008	357

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

	UNAUDITED CURRENT YEAR QUARTER 31.12.21 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.12.20 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.12.21 RM'000	AUDITED PRECEDING YEAR TO DATE 31.12.20 RM'000
<b>TOTAL COMPREHENSIVE PROFIT / (LOSS) ATTRIBUTABLE TO:-</b>				
Owners of the Company	3,612	1,923	7,410	1,562
Non-controlling interests	339	(318)	743	(1,265)
	<u>3,951</u>	<u>1,605</u>	<u>8,153</u>	<u>297</u>
<b>Earnings per share attributable to owners of the Company:-</b>				
- Basic (Sen)	0.69 <sup>(2)</sup>	0.38	1.39 <sup>(2)</sup>	0.30
- Diluted (Sen)	<u>0.69<sup>(2)</sup></u>	<u>0.38</u>	<u>1.39<sup>(2)</sup></u>	<u>0.30</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 earnings 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 2021. 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 DECEMBER  
2021**

	<b>Unaudited 31.12.21 RM'000</b>	<b>Audited 31.12.20 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,452	1,670
Intangible assets	1,182	1,759
Right of use assets	10,887	11,225
Deferred tax assets	748	601
Goodwill on acquisition	11,464	8,152
	<u>25,733</u>	<u>23,407</u>
<b>CURRENT ASSETS</b>		
Inventories	7,660	7,491
Trade receivables	31,972	27,209
Other receivables, deposits and prepayments	3,885	3,699
Current tax assets	2,598	4,286
Short-term investments	21,956	21,280
Fixed deposits with licensed banks	1,062	1,040
Cash and bank balances	13,155	18,751
	<u>82,288</u>	<u>83,756</u>
<b>TOTAL ASSETS</b>	<u>108,021</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	(190)	(283)
Retained profits	38,371	31,054
Shareholders' fund	72,653	65,243
Non-controlling interests	1,840	1,220
<b>TOTAL EQUITY</b>	<u>74,493</u>	<u>66,463</u>
<b>NON-CURRENT LIABILITIES</b>		
Provision	382	336
Lease liabilities	425	323
Deferred revenue	137	299
Deferred tax liabilities	14	45
	<u>958</u>	<u>1,003</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	15,314	15,802
Other payables and accruals	14,072	19,921
Amount owing to a related party	2,281	1,857
Amount owing to directors	507	120
Lease liabilities	315	548
Term loans	-	721
Bankers' acceptances	-	728
Current tax liabilities	81	-
	<u>32,570</u>	<u>39,697</u>
<b>TOTAL LIABILITIES</b>	<u>33,528</u>	<u>40,700</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>108,021</u>	<u>107,163</u>

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

	<b>Unaudited 31.12.21</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>13.83</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 to Owners of the Company	Non-controlling interests	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 1.1.20	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	-	-	-	7,317	7,317	691	8,008
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	93	-	93	52	145
Total comprehensive income for the financial period	-	-	93	7,317	7,410	743	8,153
Acquisition of subsidiaries	-	-	-	-	-	(123)	(123)
<b>Balance as at 31.12.21 (Unaudited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(190)</b>	<b>38,371</b>	<b>72,653</b>	<b>1,840</b>	<b>74,493</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 DECEMBER 2021<sup>(1)</sup>**

	<b>UNAUDITED CURRENT YEAR TO DATE 31.12.21 RM'000</b>	<b>AUDITED PRECEDING YEAR TO DATE 31.12.20 RM'000</b>
<b>CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES</b>		
Profit before taxation	11,880	1,130
Adjustments for:		
Amortisation of intangible assets	579	685
Depreciation of property, plant and equipment	460	424
Depreciation of right-of-use assets	837	896
Impairment losses on intangible assets	-	430
Gain on disposal of property, plant and equipment	(5)	-
Provision	-	336
Interest income	(346)	(626)
Interest expenses	100	138
Inventories written down	497	1,022
Impairment losses on trade receivables	269	774
Reversal on impairment losses on trade receivables	(261)	(27)
Unrealised (gain) / loss on foreign exchange	(35)	85
Operating profit before working capital changes	13,975	5,267
(Increase) / Decrease in inventories	(614)	74
(Increase) / Decrease in trade and other receivables	(4,648)	12,565
Decrease in trade and other payables	(7,086)	(5,632)
Increase in amount owing to a related party	471	1,853
<b>CASH FROM OPERATIONS</b>	<b>2,098</b>	<b>14,127</b>
Interest paid	-	(1)
Income tax paid	(3,276)	(2,553)
Income tax refund	1,006	-
<b>NET CASH (FOR) / FROM OPERATING ACTIVITIES</b>	<b>(172)</b>	<b>11,573</b>
<b>CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary companies	(2,495)	(7,847)
Purchase of property, plant and equipment	(55)	(793)
Purchase of intangible assets	-	(568)
Proceed from issuance of shares to non-controlling interests	-	738
Proceed from disposal of property, plant and equipment	5	15
Interest received	346	626
(Increase) / Decrease in fixed deposits with tenure more than 3 months	(11)	11,513
Increase in pledged fixed deposits with licensed banks	(10)	(14)
<b>NET CASH (FOR) / FROM INVESTING ACTIVITIES</b>	<b>(2,220)</b>	<b>3,670</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
(Repayment) / Advances to directors	(410)	14
Dividend paid	-	(525)
Net changes of banker's acceptance	(728)	-
Interest paid	(100)	(138)
Repayment of term loans	(721)	(679)
Repayment of lease liabilities	(311)	(616)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(2,270)</b>	<b>(1,944)</b>



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

	<b>UNAUDITED CURRENT YEAR TO DATE 31.12.21 RM'000</b>	<b>AUDITED PRECEDING YEAR TO DATE 31.12.20 RM'000</b>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4,662)	13,299
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(257)	(139)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	40,030	26,870
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>35,111</u>	<u>40,030</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISES:		
Short-term investments	21,956	21,280
Cash and bank balances	13,055	18,751
Fixed deposits with licensed banks	<u>1,162</u>	<u>1,040</u>
	36,173	41,071
Less: Fixed deposits pledged to licensed banks	(485)	(475)
Fixed deposits with tenure of more than 3 months	<u>(577)</u>	<u>(566)</u>
	<u>35,111</u>	<u>40,030</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 DECEMBER 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 December 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 December 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
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 DECEMBER 2021 (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 FYE 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 DECEMBER 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 December 2021</b>			
<b>Revenue</b>			
External revenue	34,069	5,365	39,434
Inter-segment revenue	182	685	867
	<u>34,251</u>	<u>6,050</u>	<u>40,301</u>
Consolidation adjustments			(867)
Consolidated revenue			<u>39,434</u>
<b>Results</b>			
Segmental profit before interest and taxation	3,336	1,121	4,457
Interest income			89
Finance costs			(17)
Consolidated profit before taxation			<u>4,529</u>
Income tax expense			(556)
Consolidated profit after taxation			<u>3,973</u>
<b>Preceding year quarter ended 31 December 2020</b>			
<b>Revenue</b>			
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>
<b>Results</b>			
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>

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021 (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
<b>Current year to date ended 31 December 2021</b>			
<b>Revenue</b>			
External revenue	119,142	14,838	133,980
Inter-segment revenue	4,793	1,119	5,912
	<u>123,935</u>	<u>15,957</u>	<u>139,892</u>
Consolidation adjustments			(5,912)
Consolidated revenue			<u>133,980</u>
<b>Results</b>			
Segmental profit / (loss) before interest and taxation	11,991	(357)	11,634
Interest income			346
Finance costs			(100)
Consolidated profit before taxation			<u>11,880</u>
Income tax expense			(3,872)
Consolidated profit after taxation			<u>8,008</u>
<b>Preceding year to date ended 31 December 2020</b>			
<b>Revenue</b>			
External revenue	64,953	11,181	76,134
Inter-segment revenue	997	304	1,301
	<u>65,950</u>	<u>11,485</u>	<u>77,435</u>
Consolidation adjustments			(1,301)
Consolidated revenue			<u>76,134</u>
<b>Results</b>			
Segmental profit / (loss) before interest and taxation	2,511	(1,869)	642
Interest income			626
Finance costs			(138)
Consolidated profit before taxation			<u>1,130</u>
Income tax expense			(773)
Consolidated profit after taxation			<u>357</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.

**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**

The Group had the following transactions during the financial period under review with related parties in which certain directors and major shareholders of the Company have substantial financial interests:

	<b>Unaudited Current Year Quarter 31.12.21 RM'000</b>	<b>Unaudited Current Year to Date 31.12.21 RM'000</b>
Related parties by virtue of common directors		
- Rental expenses	8	30
Related parties by virtue of a major shareholder		
- Sales of Hardware and Software	940	940

**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 2021 (4Q21)

For the fourth quarter ended 31 December 2021 (4Q21), the Group reported 12.72% higher revenue of RM39.43 million from RM34.98 million in the preceding year corresponding quarter ended 31 December 2020 (4Q20).

RM34.07 million or 86.41% of the revenue in 4Q21 was contributed by the Hardware and Maintenance segment, while the remaining RM5.36 million or 13.59% was derived from the Software segment.

As a comparison, RM32.13 million or 91.85% of the Group's revenue in 4Q20 was derived from the Hardware and Maintenance segment, while the remaining RM2.85 million or 8.15% was derived from the Software segment.

The Group recorded 27.23% higher gross profit to RM13.83 million in 4Q21 from RM10.87 million in 4Q20. It was mainly due to increase in revenue contribution from its Hardware and Maintenance segment as orders and projects were delivered. It was also due completion of software implementation and contribution from its new subsidiaries in Software segment.

The Group recorded profit before taxation of RM4.53 million in 4Q21 as compared to profit before taxation of RM2.08 million in 4Q20. It was in line with the increase in revenue contribution from its business segments despite an increase in selling and distribution expenses and administrative expenses.

For the year ended 31 December 2021 (4CQ21)

For 4CQ21, the Group reported 75.99% higher revenue of RM133.98 million from RM76.13 million in the previous corresponding twelve months ended 31 December 2020 (4CQ20).

RM119.14 million or 88.92% of the revenue in 4CQ21 was contributed by the Hardware and Maintenance segment, while the remaining RM14.84 million or 11.08% was derived from the Software segment.

As a comparison, RM64.95 million or 85.31% of the Group's revenue in 4CQ20 was derived from the Hardware and Maintenance segment, while the remaining RM11.18 million or 14.69% was derived from the Software Segment.

The Group recorded 69.94% higher gross profit to RM45.34 million in 4CQ21 from RM26.68 million in 4CQ20. It was mainly due to increase in revenue contribution from its business segments. For the increase in Hardware and Maintenance segment, it was due to completion of projects rolled out and for the increase in Software segment, it was due to completion of software implementation. Also, there were contribution from newly acquired subsidiaries in its business segments in 4CQ21.

The Group recorded profit before taxation of RM11.88 million in 4CQ21 as compared to a profit before taxation of RM1.13 million in 4CQ20. It was in line with the increase in revenue contribution from its business segments. Also, the business losses attributable to a subsidiary in Thailand was reduced to RM0.72 million in 4CQ21 from RM2.51 million in 4CQ20 in the Hardware and Maintenance segment.

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

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

	Quarter Ended		<---- Changes ---->	
	31.12.2021 RM'000	30.09.2021 RM'000	RM'000	%
Revenue	39,434	32,401	7,033	21.71
Profit before taxation	<u>4,529</u>	<u>1,985</u>	<u>2,544</u>	<u>128.16</u>

The Group's revenue of RM39.43 million for the current quarter under review is 21.71% higher than the RM32.40 recorded in the previous quarter. It was due to projects that was delivered from its Hardware and Maintenance segment as well as completion of software implementation from its Software segment. The increase was also due to contribution from its newly acquired subsidiaries in Software segment.

The Group recorded profit before taxation of RM4.53 million in the current quarter as compared to RM1.99 million in the previous quarter. It was mainly due to higher gross profit generated from its business segments.

**B3. Prospects**

The prospects of the retail industry in the local and regional spheres are expected to remain challenging despite the ease of strict standard operating procedures ("SOPs) by Malaysia government.

With the acquisition of subsidiaries, the Group also leverage on its expanded customer portfolio in the retail and industrial sectors by combining its resources to create synergies and be a one-stop solutions provider for businesses to automate their operations. The Group intends to expand its software solutions to neighbouring countries to cater to the rising demand for digital technologies.

With the current uncertainty in the global and local economies due to the COVID-19 pandemic, the business outlook of the Group will remain challenging. However, the Board is cautious on the potential impact of the COVID-19 pandemic, as it moves towards endemic stage, and will continue to manage the business of our Group with vigilance during this period of uncertainty.

Nonetheless, backed by its healthy balance sheet and robustness of its various solutions to capitalize on software, maintenance and support services segments to create a long-term sustainable revenue stream, the Group is optimistic of its long-term prospects and will continue to strengthen its customer base.



**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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Income tax expense	427	(27)	3,635	577
(Over) / Under provision in previous financial year	(8)	(38)	427	(59)
Deferred tax	137	493	(190)	255
	<u>556</u>	<u>428</u>	<u>3,872</u>	<u>773</u>
Effective tax rate (%) <sup>(1)</sup>	<u>12.27</u>	<u>20.58</u>	<u>32.59</u>	<u>68.41</u>

**Notes:**

- (1) The Group's effective tax rate for the quarter ended 31 December 2021 of 12.27% is lower than the statutory tax rate of 24.00% mainly due to utilisation of 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 31.12.21 RM'000	Audited 31.12.20 RM'000
<b>Current:</b>		
Banker's acceptance	-	728
Lease liabilities	315	548
Term loans	-	721
	<u>315</u>	<u>1,997</u>
<b>Non-current:</b>		
Lease liabilities	425	323
	<u>425</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	
	31.12.21	31.12.20	31.12.21	31.12.20
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company	3,623	1,972	7,317	1,600
	<u>3,623</u>	<u>1,972</u>	<u>7,317</u>	<u>1,600</u>
	Quarter Ended		Year-To-Date Ended	
	31.12.21	31.12.20	31.12.21	31.12.20
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)	0.69	0.38	1.39	0.30
- Diluted <sup>(2)</sup> (Sen)	<u>0.69</u>	<u>0.38</u>	<u>1.39</u>	<u>0.30</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 2021.
- (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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Amortisation of intangible assets	145	590	579	685
Impairment losses on intangible assets	-	-	-	430
Depreciation of property, plant and equipment	117	203	460	424
Depreciation of right-of-use assets	214	97	837	896
Gain on disposal of property, plant and equipment	-	-	(5)	-
Interest income	(89)	(109)	(346)	(626)
Interest expenses	17	26	100	138
Realised (gain) / loss on foreign exchange	(35)	16	123	64
Unrealised loss / (gain) on foreign exchange	41	36	(35)	85
Net impairment losses on trade receivables	12	484	8	747

**BY ORDER OF THE BOARD**