



RADIANT GLOBALTECH BERHAD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022

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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 30 JUNE 2022⁽¹⁾**

	UNAUDITED CURRENT YEAR QUARTER 30.06.22 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.06.21 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.06.22 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.06.21 RM'000
Revenue	36,561	32,907	66,205	62,145
Cost of sales	<u>(22,769)</u>	<u>(22,019)</u>	<u>(42,308)</u>	<u>(40,205)</u>
Gross profit	13,792	10,888	23,897	21,940
Other income	<u>397</u>	<u>98</u>	<u>774</u>	<u>429</u>
	14,189	10,986	24,671	22,369
Selling and distribution expenses	(440)	(36)	(764)	(279)
Administrative expenses	(9,642)	(8,046)	(16,750)	(15,861)
Other expenses	(456)	(480)	(828)	(996)
Finance costs	(17)	(28)	(37)	(65)
Net (impairment)/ reversal on financial assets	<u>(25)</u>	<u>(21)</u>	<u>74</u>	<u>198</u>
Profit before taxation	3,609	2,375	6,366	5,366
Income tax expense	<u>(851)</u>	<u>(1,091)</u>	<u>(1,774)</u>	<u>(1,991)</u>
Profit after taxation	2,758	1,284	4,592	3,375
Other comprehensive income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	<u>53</u>	<u>27</u>	<u>42</u>	<u>83</u>
Total comprehensive income for the financial period	<u>2,811</u>	<u>1,311</u>	<u>4,634</u>	<u>3,458</u>
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	2,109	1,132	3,808	3,190
Non-controlling interests	<u>649</u>	<u>152</u>	<u>784</u>	<u>185</u>
	<u>2,758</u>	<u>1,284</u>	<u>4,592</u>	<u>3,375</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022⁽¹⁾
(CONT'D)**

	UNAUDITED CURRENT YEAR QUARTER 30.06.22 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.06.21 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.06.22 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.06.21 RM'000
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	2,154	1,140	3,851	3,244
Non-controlling interests	657	171	783	214
	2,811	1,311	4,634	3,458
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.40 ⁽²⁾	0.22	0.73 ⁽²⁾	0.61
- Diluted (Sen)	0.40 ⁽²⁾	0.22	0.73 ⁽²⁾	0.61

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 2021 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 30 June 2022. 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 30 JUNE 2022⁽¹⁾**

	Unaudited 30.06.22 RM'000	Audited 31.12.21 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,258	1,452
Intangible assets	893	1,182
Right of use assets	10,996	11,256
Deferred tax assets	778	718
Goodwill on acquisition	11,447	11,447
	<u>25,372</u>	<u>26,055</u>
CURRENT ASSETS		
Inventories	8,807	7,575
Trade receivables	31,676	31,281
Other receivables, deposits and prepayments	2,675	3,871
Amount owing by related parties	155	1,110
Current tax assets	2,079	2,597
Short-term investments	26,958	21,955
Fixed deposits with licensed banks	1,169	1,162
Cash and bank balances	15,325	13,079
	<u>88,844</u>	<u>82,630</u>
TOTAL ASSETS	<u>114,216</u>	<u>108,685</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(150)	(193)
Retained profits	39,574	38,392
Shareholders' fund	73,896	72,671
Non-controlling interests	2,674	1,891
TOTAL EQUITY	<u>76,570</u>	<u>74,562</u>
NON-CURRENT LIABILITIES		
Provision	412	375
Lease liabilities	485	565
Deferred revenue	128	258
Deferred tax liabilities	25	14
	<u>1,050</u>	<u>1,212</u>
CURRENT LIABILITIES		
Trade payables	13,558	12,732
Other payables and accruals	19,779	16,755
Amount owing to a related party	2,291	2,281
Amount owing to directors	543	512
Lease liabilities	401	550
Current tax liabilities	24	81
	<u>36,596</u>	<u>32,911</u>
TOTAL LIABILITIES	<u>37,646</u>	<u>34,123</u>
TOTAL EQUITY AND LIABILITIES	<u>114,216</u>	<u>108,685</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022⁽¹⁾
(CONT'D)**

	Unaudited 30.06.22	Audited 31.12.21
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>14.07</u>	<u>13.84</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 2021 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 1.1.21	48,153	(13,681)	(283)	31,054	65,243	1,220	66,463
Profit after taxation	-	-	-	7,338	7,338	738	8,076
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	90	-	90	50	140
Total comprehensive income for the financial year	-	-	90	7,338	7,428	788	8,216
Non-controlling interests on incorporation of subsidiary companies	-	-	-	-	-	(117)	(117)
Balance as at 31.12.21 (Audited)	48,153	(13,681)	(193)	38,392	72,671	1,891	74,562
Balance as at 1.1.22	48,153	(13,681)	(193)	38,392	72,671	1,891	74,562
Profit after taxation	-	-	-	3,808	3,808	784	4,592
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	43	-	43	(1)	42
Total comprehensive income for the financial period	-	-	43	3,808	3,851	783	4,634
Distribution to owners of the Company:							
- Dividends	-	-	-	(2,626)	(2,626)	-	(2,626)
Balance as at 30.06.22 (Unaudited)	48,153	(13,681)	(150)	39,574	73,896	2,674	76,570

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 2021 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 30 JUNE 2022⁽¹⁾**

	CURRENT YEAR TO DATE 30.06.22 RM'000	PRECEDING YEAR TO DATE 30.06.21 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	6,366	5,366
Adjustments for:		
Amortisation of intangible assets	291	289
Depreciation of property, plant and equipment	250	227
Depreciation of right-of-use assets	331	428
Gain on disposal of property, plant and equipment	-	(5)
Interest income	(108)	(175)
Interest expenses	37	65
Inventories written down	235	341
Impairment losses on trade receivables	267	66
Unrealised gain on foreign exchange	(245)	(21)
Reversal of impairment losses on trade receivables	(193)	(264)
Operating profit before working capital changes	<u>7,231</u>	<u>6,317</u>
Increase in inventories	(1,431)	(5,555)
Decrease in trade and other receivables	2,038	2,390
Increase/(Decrease) in trade and other payables	3,795	(5,875)
Increase in amount owing by a related party	(155)	-
Increase in amount owing to a related party	11	385
CASH FROM/(FOR) OPERATIONS	<u>11,489</u>	<u>(2,338)</u>
Income tax paid	(1,361)	(1,327)
Income tax refund	-	1,006
NET CASH FROM/(FOR) OPERATING ACTIVITIES	<u>10,128</u>	<u>(2,659)</u>
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Acquisition of a subsidiary company	-	(1,411)
Purchase of property, plant and equipment	(28)	(53)
Proceed from disposal of property, plant and equipment	-	5
Interest received	108	175
Increase in fixed deposits with tenure more than 3 months	(7)	(11)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	<u>73</u>	<u>(1,295)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(2,626)	-
Net changes of banker's acceptance	-	(410)
Interest paid	(37)	(65)
Repayment of term loans	-	(359)
Repayment of lease liabilities	(298)	(317)
NET CASH FOR FINANCING ACTIVITIES	<u>(2,961)</u>	<u>(1,151)</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-
TO-DATE ENDED 30 JUNE 2022⁽¹⁾ (CONT'D)**

	CURRENT YEAR TO DATE 30.06.22 RM'000	PRECEDING YEAR TO DATE 30.06.21 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,240	(5,105)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	9	42
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	35,034	40,031
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>42,283</u>	<u>34,968</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short-term investments	26,958	14,930
Cash and bank balances	15,325	15,021
Fixed deposits with licensed banks	1,169	6,069
	<u>43,452</u>	<u>36,020</u>
Less: Fixed deposits pledged to licensed banks	(492)	(485)
Fixed deposits with tenure of more than 3 months	(677)	(567)
	<u>42,283</u>	<u>34,968</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 2021 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 30 JUNE 2022

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 2021. 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 2021.

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 2021 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 2022 and are applicable for the Group’s interim financial report for the quarter and year-to-date ended 30 June 2022, as disclosed below:

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

Amendment to MFRS 3: Reference to the Conceptual Framework
 Amendments to MFRS 116: Property, Plant and Equipment – Proceeds Before Intended Use
 Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract
 Amendment Improvements to MFRS Standards 2018 - 2020

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 30 June 2022:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods on or after
MFRS 17 Insurance Contracts	1 January 2023
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 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022 (CONT'D)

A2. Changes in Accounting Policies (Cont'd)

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 2021.

A4. Seasonal or Cyclical Factors

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

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

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

A6. Changes in Estimates

There were no material changes in estimates for the current financial quarter under review.

A7. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review.

A8. Dividends Paid

The following dividends were paid during the current financial periods ending:

	30.06.2022
<u>Interim dividend</u>	
Dividend per share (single-tier)	0.5 sen
For the financial year ended	31 December 2022
Approved and declared on	22 April 2022
Date paid	7 June 2022
Number of ordinary shares on which dividend was paid ('000)	525,200
Net dividend paid (RM'000)	2,626

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022 (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 30 June 2022			
Revenue			
External revenue	31,357	5,204	36,561
Inter-segment revenue	157	1,468	1,625
	<u>31,514</u>	<u>6,672</u>	<u>38,186</u>
Consolidation adjustments			(1,625)
Consolidated revenue			<u>36,561</u>
Results			
Segmental profit before interest and taxation	3,376	172	3,548
Interest income			78
Finance costs			(17)
Consolidated profit before taxation			<u>3,609</u>
Income tax expense			(851)
Consolidated profit after taxation			<u>2,758</u>
Preceding year quarter ended 30 June 2021			
Revenue			
External revenue	28,679	4,228	32,907
Inter-segment revenue	14	32	46
	<u>28,693</u>	<u>4,260</u>	<u>32,953</u>
Consolidation adjustments			(46)
Consolidated revenue			<u>32,907</u>
Results			
Segmental profit before interest and taxation	2,611	(304)	2,307
Interest income			96
Finance costs			(28)
Consolidated profit before taxation			<u>2,375</u>
Income tax expense			(1,091)
Consolidated profit after taxation			<u>1,284</u>

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022 (CONT'D)
A9. Segmental Reporting

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

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
Current year to date ended 30 June 2022			
Revenue			
External revenue	56,827	9,378	66,205
Inter-segment revenue	224	1,659	1,883
	<u>57,051</u>	<u>11,037</u>	<u>68,088</u>
Consolidation adjustments			(1,883)
Consolidated revenue			<u>66,205</u>
Results			
Segmental profit before interest and taxation	5,957	338	6,295
Interest income			108
Finance costs			(37)
Consolidated profit before taxation			<u>6,366</u>
Income tax expense			(1,774)
Consolidated profit after taxation			<u>4,592</u>
Preceding year to date ended 30 June 2021			
Revenue			
External revenue	55,514	6,631	62,145
Inter-segment revenue	4,564	77	4,641
	<u>60,078</u>	<u>6,708</u>	<u>66,786</u>
Consolidation adjustments			(4,641)
Consolidated revenue			<u>62,145</u>
Results			
Segmental profit before interest and taxation	6,232	(976)	5,256
Interest income			175
Finance costs			(65)
Consolidated profit before taxation			<u>5,366</u>
Income tax expense			(1,991)
Consolidated profit after taxation			<u>3,375</u>

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022 (CONT'D)

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:

	Unaudited Current Year Quarter 30.06.22 RM'000	Unaudited Current Year to Date 30.06.22 RM'000
Related parties by virtue of common directors		
- Rental expenses	8	16
Related parties by virtue of major shareholders		
- Sales of Hardware and Software	1,439	1,778

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

B1. Review of Group Performance

For the quarter ended 30 June 2022 (2Q22)

For the second quarter ended 30 June 2022 (2Q22), the Group reported 11.2% higher revenue of RM36.6 million from RM32.9 million in the preceding year corresponding quarter ended 30 June 2021 (2Q21).

RM31.4 million or 85.8% of the revenue in 2Q22 was contributed by the Hardware and Maintenance segment, while the remaining RM5.2 million or 14.2% was derived from the Software segment.

As a comparison, RM28.7 million or 87.2% of the Group's revenue in 2Q21 was derived from the Hardware and Maintenance segment, while the remaining RM4.2 million or 12.8% was from the Software segment.

The Group recorded 26.6% higher gross profit to RM13.8 million in 2Q22 from RM10.9 million in 2Q21. Overall gross profit margin increased to 37.7% in 2Q22 from 33.1% in 2Q21. The increase was mainly due to higher gross profit in some projects in Hardware and Maintenance segment and also implementation of projects in Software segment.

The Group recorded profit before taxation of RM3.6 million in 2Q22 as compared to RM2.4 million in 2Q21. It was mainly due to higher gross profit contributed from Hardware and Maintenance as well as Software business segment. The increase in profit before tax in 2Q22 was also due to a reduction in business losses from the Thailand subsidiary where it generated a profit as compared to a loss in 2Q21.

For the six months ended 30 June 2022 (1H22)

For 1H22, the Group reported 6.6% higher revenue of RM66.2 million from RM62.1 million in the previous corresponding six months ended 30 June 2021 (1H21).

RM56.8 million or 85.8% of the revenue in 1H22 was contributed by the Hardware and Maintenance segment, while the remaining RM9.4 million or 14.2% was derived from the Software segment.

As a comparison, RM55.5 million or 89.4% of the revenue in 1H21 was contributed by the Hardware and Maintenance segment, while the remaining RM6.6 million or 10.6% was derived from the Software segment.

The Group recorded 9.1% higher gross profit to RM23.9 million in 1H22 from RM21.9 million in 1H21. Overall gross profit margin increased to 36.1% in 1H22 from 35.3% in 1H21. The increase was mainly due to contribution from newly acquired subsidiaries and some of the projects contributed higher gross profit in Software segment.

The Group recorded profit before taxation of RM6.4 million in 1H22 as compared to RM5.4 million in 1H21. It was mainly due to higher gross profit contributed by Software segment as well as contribution from newly acquired subsidiaries in Software segment. The increase in profit before tax in 1H22 was also due to a reduction in business losses from the Thailand subsidiary where it broke even in 1H22 as compared to a loss which amounted to RM0.7 million in 1H21.

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 ---->	
	30.06.2022 RM'000	31.03.2022 RM'000	RM'000	%
Revenue	36,561	29,644	6,917	23.3
Profit before taxation	<u>3,609</u>	<u>2,757</u>	<u>852</u>	<u>30.9</u>

The Group's revenue of RM36.6 million for the current quarter under review was 23.3% higher than the RM29.6 million recorded in the previous quarter due to higher revenue contribution from its business segments.

The Group recorded profit before taxation of RM3.6 million in the current quarter as compared to RM2.8 million in the previous quarter. The increase mainly due to higher gross profit in some projects as well as a reduction in business losses from the Thailand subsidiary.

B3. Prospects

To sustain our growth, Radiant intends to strategically combine and enhance its resources in Malaysia and regional countries, namely Vietnam, Thailand, and Cambodia, to create synergies, enhance innovation, and fast-track development of business digitalisation solutions. This will support the Group's efforts to expand its market share in the retail and industrial sectors in Malaysia and regionally, on the back of recovering economies and borders reopening.

The Group's acquisitions of technology companies in the past two years have also broadened its technology capabilities, such as Online to Offline (O2O) solutions for omnichannel operations and web/smartphone-based management portals. The acquisitions also expanded the Group's customer base to include the industrial sector, enterprises and small-to-medium businesses.

In view of the potential adverse impact of global uncertainties, the Board is cautiously optimistic of the 2022 outlook and will continue to manage our business with vigilance. The Group's prospects are underpinned by a healthy balance sheet, expanding presence in Malaysia and regionally, as well as the growing market for business digitalisation.

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

B5. Income Tax Expense

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	30.06.22 RM'000	30.06.21 RM'000	30.06.22 RM'000	30.06.21 RM'000
Income tax expense	709	892	1,820	2,189
Deferred tax	142	199	(46)	(198)
	<u>851</u>	<u>1,091</u>	<u>1,774</u>	<u>1,991</u>
Effective tax rate (%) ⁽¹⁾	<u>23.6</u>	<u>45.9</u>	<u>27.9</u>	<u>37.1</u>

Notes:

- (1) The Group's effective tax rate for the second quarter ended 30 June 2022 of 23.6% is lower than the statutory tax rate of 24.0% mainly due to utilisation of 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 30.06.22 RM'000	Audited 31.12.21 RM'000
Current:		
Lease liabilities	<u>401</u>	<u>550</u>
Non-current:		
Lease liabilities	<u>485</u>	<u>565</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	
	30.06.22	30.06.21	30.06.22	30.06.21
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company	2,109	1,132	3,808	3,190
	<u>2,109</u>	<u>1,132</u>	<u>3,808</u>	<u>3,190</u>
	Quarter Ended		Year-To-Date Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
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 ⁽¹⁾ (Sen)	0.40	0.22	0.73	0.61
- Diluted ⁽²⁾ (Sen)	<u>0.40</u>	<u>0.22</u>	<u>0.73</u>	<u>0.61</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 30 June 2022.
- (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	
	30.06.22 RM'000	30.06.21 RM'000	30.06.22 RM'000	30.06.21 RM'000
Amortisation of intangible assets	146	144	291	289
Depreciation of property, plant and equipment	123	114	250	227
Depreciation of right-of-use assets	171	210	331	428
Gain on disposal of property, plant and equipment	-	-	-	(5)
Interest income	(78)	(96)	(108)	(175)
Interest expenses	17	28	37	65
Realised loss foreign exchange	29	34	34	73
Unrealised gain on foreign exchange	(192)	(22)	(245)	(21)
Inventories (write back)/written down	(8)	87	235	341
Net impairment/(reversal) on impairment losses on trade receivables	25	21	(74)	(198)

BY ORDER OF THE BOARD