



RADIANT GLOBALTECH BERHAD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2024

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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 2024⁽¹⁾**

	UNAUDITED CURRENT YEAR QUARTER 30.06.24 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.06.23 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.06.24 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.06.23 RM'000
Revenue	29,686	31,945	55,036	65,859
Cost of sales	(19,161)	(18,892)	(34,576)	(38,807)
Gross profit	10,525	13,053	20,460	27,052
Other income	299	347	636	524
	10,824	13,400	21,096	27,576
Selling and distribution expenses	(433)	(563)	(736)	(968)
Administrative expenses	(8,023)	(10,348)	(16,558)	(19,961)
Other expenses	(695)	(715)	(1,282)	(1,763)
Finance costs	(25)	(12)	(57)	(27)
Net impairment on financial assets	(422)	38	(497)	30
Profit before taxation	1,226	1,800	1,966	4,887
Income tax expense	(321)	(426)	(588)	(1,512)
Profit after taxation	905	1,374	1,378	3,375
Other comprehensive income, net of tax				
<i><u>Item that may be reclassified subsequently to profit or loss</u></i>				
Foreign currency translation differences	95	(24)	151	(53)
Total comprehensive income for the financial period	1,000	1,350	1,529	3,322
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	923	1,236	1,432	3,279
Non-controlling interests	(18)	138	(54)	96
	905	1,374	1,378	3,375

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UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2024 ⁽¹⁾
(CONT'D)**

	UNAUDITED CURRENT YEAR QUARTER 30.06.24 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.06.23 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.06.24 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.06.23 RM'000
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	999	1,226	1,547	3,252
Non-controlling interests	1	124	(18)	70
	1,000	1,350	1,529	3,322
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.18 ⁽²⁾	0.24	0.27 ⁽²⁾	0.62
- Diluted (Sen)	0.18 ⁽²⁾	0.24	0.27 ⁽²⁾	0.62

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 2023 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 2024. 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 2024⁽¹⁾**

	Unaudited 30.06.24 RM'000	Audited 31.12.23 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	9,806	10,002
Intangible assets	27	49
Right of use assets	10,249	10,587
Deferred tax assets	712	585
Goodwill on acquisition	11,447	11,447
	<u>32,241</u>	<u>32,670</u>
CURRENT ASSETS		
Inventories	7,658	7,353
Trade receivables	22,893	30,756
Other receivables, deposits and prepayments	2,888	3,266
Amount owing by related parties	3,007	1,950
Current tax assets	2,811	3,493
Short-term investments	10,674	11,886
Fixed deposits with licensed banks	1,230	1,219
Cash and bank balances	19,532	18,493
	<u>70,693</u>	<u>78,416</u>
TOTAL ASSETS	<u>102,934</u>	<u>111,086</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(37)	(152)
Retained profits	38,710	39,904
Shareholders' fund	73,145	74,224
Non-controlling interests	(287)	(269)
TOTAL EQUITY	<u>72,858</u>	<u>73,955</u>
NON-CURRENT LIABILITIES		
Provision	334	498
Lease liabilities	202	333
Hire purchase payables	722	824
Deferred revenue	24	34
Deferred tax liabilities	5	5
	<u>1,287</u>	<u>1,694</u>
CURRENT LIABILITIES		
Trade payables	10,439	14,751
Other payables and accruals	14,594	16,685
Amount owing to related parties	2,352	2,467
Amount owing to directors	606	546
Lease liabilities	338	457
Hire purchase payables	226	197
Current tax liabilities	234	334
	<u>28,789</u>	<u>35,437</u>
TOTAL LIABILITIES	<u>30,076</u>	<u>37,131</u>
TOTAL EQUITY AND LIABILITIES	<u>102,934</u>	<u>111,086</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾
(CONT'D)**

	Unaudited 30.06.24	Audited 31.12.23
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>13.9</u>	<u>14.1</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 2023 and the accompanying explanatory notes attached to this interim financial report.

	Share Capital	<---- Non-Distributable ----> Merger Deficit	Foreign Exchange Translation Reserve	Distributable Retained Profits	Attributable to Owners of the Company	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.23	48,153	(13,681)	(155)	43,234	77,551	3,478	81,029
Profit after taxation	-	-	-	7,655	7,655	541	8,196
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	3	-	3	(42)	(39)
Total comprehensive income for the financial year	-	-	3	7,655	7,658	499	8,157
Distribution to owners of the Company:							
- Dividends	-	-	-	(2,626)	(2,626)	-	(2,626)
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	(8,359)	(8,359)	(4,246)	(12,605)
Balance as at 31.12.23 (Audited)	48,153	(13,681)	(152)	39,904	74,224	(269)	73,955
Balance as at 1.1.24	48,153	(13,681)	(152)	39,904	74,224	(269)	73,955
Profit after taxation	-	-	-	1,432	1,432	(54)	1,378
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	115	-	115	36	151
Total comprehensive income for the financial period	-	-	115	1,432	1,547	(18)	1,529
Distribution to owners of the Company:							
- Dividends	-	-	-	(2,626)	(2,626)	-	(2,626)
Balance as at 30.06.24 (Unaudited)	48,153	(13,681)	(37)	38,710	73,145	(287)	72,858

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 2023 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 2024⁽¹⁾**

	CURRENT YEAR TO DATE 30.06.24 RM'000	PRECEDING YEAR TO DATE 30.06.23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,966	4,887
Adjustments for:		
Amortisation of intangible assets	21	262
Bad debts written off	38	28
Depreciation of property, plant and equipment	679	544
Depreciation of right-of-use assets	335	260
Impairment losses on trade receivables	876	230
Interest expenses	57	28
Interest income	(239)	(215)
Inventories written back	(53)	(7)
Inventories written off	47	11
Loss on disposal of property, plant and equipment	-	117
Reversal of impairment losses on trade receivables	(379)	(260)
Unrealised gain on foreign exchange	(168)	(162)
Operating profit before working capital changes	<u>3,180</u>	<u>5,723</u>
(Increase)/Decrease in inventories	(299)	4,978
Decrease in trade and other receivables	7,706	6,331
Decrease in trade and other payables	(6,405)	(7,063)
Increase in amount owing by related parties	(1,057)	(225)
(Decrease)/Increase in amount owing to related parties	<u>(115)</u>	<u>75</u>
CASH FROM OPERATIONS	<u>3,010</u>	<u>9,819</u>
Income tax paid	(1,428)	(1,835)
Income tax refund	1,289	-
NET CASH FROM OPERATING ACTIVITIES	<u>2,871</u>	<u>7,984</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiary company	-	(12,605)
Purchase of property, plant and equipment	(299)	(2,267)
Interest received	239	215
Increase in fixed deposits with tenure more than 3 months	<u>(12)</u>	<u>(8)</u>
NET CASH FOR INVESTING ACTIVITIES	<u>(72)</u>	<u>(14,665)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(2,626)	(2,626)
Interest paid	(57)	(28)
Proceed from hire purchase payables	(183)	80
Repayment of hired purchase payables	(74)	(28)
Repayment of lease liabilities	<u>(249)</u>	<u>(149)</u>
NET CASH FOR FINANCING ACTIVITIES	<u>(3,189)</u>	<u>(2,751)</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 2024⁽¹⁾ (CONT'D)**

	CURRENT YEAR TO DATE 30.06.24 RM'000	PRECEDING YEAR TO DATE 30.06.23 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(390)	(9,432)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	216	(167)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	30,380	41,311
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>30,206</u>	<u>31,712</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short-term investments	10,674	11,988
Cash and bank balances	19,532	19,723
Fixed deposits with licensed banks	1,230	1,200
	<u>31,436</u>	<u>32,911</u>
Less: Fixed deposits pledged to licensed banks	(512)	(500)
Fixed deposits with tenure of more than 3 months	(718)	(699)
	<u>30,206</u>	<u>31,712</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 2023 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 2024

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 2023. 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 2023.

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 2023 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 2024 and are applicable for the Group’s interim financial report for the quarter and year-to-date ended 30 June 2024, as disclosed below:

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

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107: Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

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 2024:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods on or after
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 121: Lack of Exchangeability	1 January 2025

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2024 (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 2023.

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 ended:

	30.06.2024
<u>Interim dividend</u>	
Dividend per share (single-tier)	0.5 sen
For the financial year ended	31 December 2024
Approved and declared on	19 March 2024
Date paid	18 April 2024
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 2024 (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 2024			
Revenue			
External revenue	24,435	5,251	29,686
Inter-segment revenue	227	646	873
	<u>24,662</u>	<u>5,897</u>	<u>30,559</u>
Consolidation adjustments			(873)
Consolidated revenue			<u>29,686</u>
Results			
Segmental profit/(loss) before interest and taxation	1,554	(437)	1,117
Interest income			134
Finance costs			(25)
Consolidated profit before taxation			<u>1,226</u>
Income tax expense			(321)
Consolidated profit after taxation			<u>905</u>
Preceding year quarter ended 30 June 2023			
Revenue			
External revenue	26,162	5,783	31,945
Inter-segment revenue	604	1,212	1,816
	<u>26,766</u>	<u>6,995</u>	<u>33,761</u>
Consolidation adjustments			(1,816)
Consolidated revenue			<u>31,945</u>
Results			
Segmental profit before interest and taxation	1,664	25	1,689
Interest income			124
Finance costs			(13)
Consolidated profit before taxation			<u>1,800</u>
Income tax expense			(426)
Consolidated profit after taxation			<u>1,374</u>

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2024 (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 2024			
Revenue			
External revenue	44,537	10,499	55,036
Inter-segment revenue	395	1,098	1,493
	<u>44,932</u>	<u>11,597</u>	<u>56,529</u>
Consolidation adjustments			(1,493)
Consolidated revenue			<u>55,036</u>
Results			
Segmental profit/(loss) before interest and taxation	2,485	(701)	1,784
Interest income			239
Finance costs			(57)
Consolidated profit before taxation			<u>1,966</u>
Income tax expense			(588)
Consolidated profit after taxation			<u>1,378</u>
Preceding year to date ended 30 June 2023			
Revenue			
External revenue	52,161	13,698	65,859
Inter-segment revenue	10,270	1,721	11,991
	<u>62,431</u>	<u>15,419</u>	<u>77,850</u>
Consolidation adjustments			(11,991)
Consolidated revenue			<u>65,859</u>
Results			
Segmental profit before interest and taxation	3,499	1,201	4,700
Interest income			215
Finance costs			(28)
Consolidated profit before taxation			<u>4,887</u>
Income tax expense			(1,512)
Consolidated profit after taxation			<u>3,375</u>

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

On 12 July 2024, Radiant Globaltech Berhad (“RGTECH”) entered into a legally binding term sheet (“Term Sheet”) with Un Sze Hau (“Vendor”), outlining the transaction structure and mutual understanding between RGTECH and the Vendor (collectively referred to as the “Parties”) regarding the proposed acquisition of an 80% equity interest in Rymnet, consisting of 80,000 ordinary shares, for a total purchase consideration of RM52.50 million (“Purchase Consideration”) (“Proposed Acquisition”).

The Proposed Acquisition is contingent upon Rymnet's acquisition of the entire equity interest in Rymnet Solutions Pte Ltd (“Rymnet SGP”), which will result in Rymnet SGP becoming a wholly-owned subsidiary of Rymnet. The terms of the Proposed Acquisition will be formalised in a conditional share purchase agreement (“SPA”) to be signed by both Parties within 30 days from the date of the Term Sheet or within an extended period mutually agreed upon by both Parties.

On 9 August 2024, the Board of Directors of RGTECH agreed to extend the deadline for signing the SPA from 11 August 2024 (30 days from the Term Sheet signing) to a new date of up to 10 September 2024, as outlined in a supplemental letter dated on even date (“Extension of Time”). This extension provides additional time for both Parties to finalize the SPA terms.

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 30.06.24 RM'000	Unaudited Current Year to Date 30.06.24 RM'000
Related parties by virtue of common directors		
- Rental expenses	35	70
Related parties by virtue of major shareholders		
- Sales of Hardware and Software	2,905	3,752

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 2024 (2Q24)

For the second quarter ended 30 June 2024 (2Q24), the Group reported 6.9% lower revenue of RM29.7 million from RM31.9 million in the preceding year corresponding quarter ended 30 June 2023 (2Q23).

RM24.4 million or 82.2% of the revenue in 2Q24 was contributed by the Hardware and Maintenance segment, while the remaining RM5.3 million or 17.8% was derived from the Software segment.

As a comparison, RM26.1 million or 81.8% of the Group's revenue in 2Q23 was derived from the Hardware and Maintenance segment, while the remaining RM5.8 million or 18.2% was from the Software segment.

The Group recorded 19.8% lower gross profit to RM10.5 million in 2Q24 from RM13.1 million in 2Q23. Overall gross profit margin decreased to 35.4% in 2Q24 from 41.1% in 2Q23. The decrease in gross profit was mainly due to slower deployment of projects and some projects were yielding lower gross profit compared to 2Q23.

The Group recorded profit before taxation of RM1.2 million in 2Q24 as compared to RM1.8 million in 2Q23. The decrease was mainly due to lower gross profit contributed and increase in impairment on financial assets compared to 2Q23.

For the six months ended 30 June 2024 (1H24)

For 1H24, the Group reported 16.5% lower revenue of RM55.0 million from RM65.9 million in the previous corresponding nine months ended 30 June 2023 (1H23).

RM44.5 million or 80.9% of the revenue in 1H24 was contributed by the Hardware and Maintenance segment, while the remaining RM10.5 million or 19.1% was derived from the Software segment.

As a comparison, RM52.2 million or 79.2% of the revenue in 1H23 was contributed by the Hardware and Maintenance segment, while the remaining RM13.7 million or 20.8% was derived from the Software segment.

The Group recorded 24.4% lower gross profit to RM20.5 million in 1H24 from RM27.1 million in 1H23. Overall gross profit margin decreased to 37.3% in 1H24 from 41.1% in 1H23. The decreased was mainly due to the projects that were delivered in 1H24 yielding lower gross profit compared to 1H23.

The Group recorded profit before taxation of RM2.0 million in 1H24 as compared to RM4.9 million in 1H23. The decrease was mainly due lower gross profit contribution and increase in impairment on financial assets in 1H24.

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 ---->	
	30.06.2024 RM'000	31.03.2024 RM'000	RM'000	%
Revenue	29,686	25,350	4,336	17
Profit before taxation	<u>1,226</u>	<u>740</u>	<u>486</u>	<u>66</u>

The Group's revenue of RM29.7million for the current quarter under review was 17% higher than the RM25.3 million recorded in the previous quarter due to deployment of projects in hardware and maintenance business segments in current quarter.

The Group recorded profit before taxation of RM1.2 million in the current quarter as compared to RM0.7 million in the previous quarter. The increase was in line with the increase in revenue although there was an increase in impairment on financial assets in current quarter.

B3. Prospects

The Group is expanding its customer base across various industries, leveraging on its strong track record with prominent retailers and industrial companies. The Group continues to integrate its hardware and software solutions for both industrial and retail markets into more robust and customizable offerings that will fulfil its customers' digital needs.

The Group will focus its efforts on securing and implementing business enhancement solutions for its existing customers in the region and capturing new market share in Southeast Asia.

Backed by its healthy balance sheet and robustness of its various solutions, the group intends to capitalise on software, maintenance and support services segments to create a long-term sustainable revenue stream. The Group is cautiously optimistic about its business outlook for 2025 and expects that demand for retail and industrial automation solutions will remain strong, driven by businesses' desire to increase digitalisation and automation.

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	
	30.06.24 RM'000	30.06.23 RM'000	30.06.24 RM'000	30.06.23 RM'000
Income tax expense	323	241	721	1,327
Deferred tax	(2)	185	(133)	185
	<u>321</u>	<u>426</u>	<u>588</u>	<u>1,512</u>
Effective tax rate (%) ⁽¹⁾	<u>26.2</u>	<u>23.7</u>	<u>29.9</u>	<u>30.9</u>

Notes:

- (1) The Group's effective tax rate for the second quarter ended 30 June 2024 of 26.2% is higher than the statutory tax rate of 24.0% mainly due to increase in non-deductible expenses and 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

On 12 July 2024, Radiant Globaltech Berhad ("RGTECH") entered into a legally binding term sheet ("Term Sheet") with Un Sze Hau ("Vendor"), outlining the transaction structure and mutual understanding between RGTECH and the Vendor (collectively referred to as the "Parties") regarding the proposed acquisition of an 80% equity interest in Rymnet, consisting of 80,000 ordinary shares, for a total purchase consideration of RM52.50 million ("Purchase Consideration") ("Proposed Acquisition").

The Proposed Acquisition is contingent upon Rymnet's acquisition of the entire equity interest in Rymnet Solutions Pte Ltd ("Rymnet SGP"), which will result in Rymnet SGP becoming a wholly-owned subsidiary of Rymnet. The terms of the Proposed Acquisition will be formalised in a conditional share purchase agreement ("SPA") to be signed by both Parties within 30 days from the date of the Term Sheet or within an extended period mutually agreed upon by both Parties.

On 9 August 2024, the Board of Directors of RGTECH agreed to extend the deadline for signing the SPA from 11 August 2024 (30 days from the Term Sheet signing) to a new date of up to 10 September 2024, as outlined in a supplemental letter dated on even date ("Extension of Time"). This extension provides additional time for both Parties to finalize the SPA terms.

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

B7. Group Borrowings and Debt Securities

The Group's borrowings are as follows:

	Unaudited 30.06.24 RM'000	Audited 31.12.23 RM'000
Current:		
Lease liabilities	338	457
Hire purchase payables	226	197
	<u>564</u>	<u>654</u>
Non-current:		
Lease liabilities	202	333
Hire purchase payables	722	824
	<u>924</u>	<u>1,157</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

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	
	30.06.24	30.06.23	30.06.24	30.06.23
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company	<u>923</u>	<u>1,236</u>	<u>1,432</u>	<u>3,279</u>
Weighted average number of ordinary shares ('000)	<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)	0.18	0.24	0.27	0.62
- Diluted ⁽²⁾ (Sen)	<u>0.18</u>	<u>0.24</u>	<u>0.27</u>	<u>0.62</u>

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

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 2024.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

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	
	30.06.24 RM'000	30.06.23 RM'000	30.06.24 RM'000	30.06.23 RM'000
Amortisation of intangible assets	6	147	21	262
Depreciation of property, plant and equipment	339	272	679	544
Depreciation of right-of-use assets	197	139	335	260
Loss on disposal of property, plant and equipment	-	148	-	117
Interest income	(134)	(124)	(239)	(215)
Interest expenses	25	13	57	28
Realised loss on foreign exchange	88	68	209	654
Unrealised gain on foreign exchange	(16)	(173)	(168)	(162)
Net inventories written down/(back)	73	25	(6)	4
Net impairment/(reversal of impairments) losses on trade receivables	422	(38)	497	(30)

BY ORDER OF THE BOARD