

PRESS RELEASE

Radiant Group proposes to acquire majority stake in Grand-Flo Spritvest for RM11.6 million

- *Expands domestic customer coverage by adding clientele in FMCG, electronic industries and GLC to Radiant Group's non-retail based clientele*
- *Acquisition increases suite of software and services to clients*
- *Cumulative net profit guarantee of RM3.2 million from completion of share sale agreement to FYE2022*

Selangor, Malaysia, 10 September 2020 - Retail technology solutions provider Radiant Globaltech Berhad, (Radiant Group, the Group, 锐腾有限公司, Bloomberg: 0202:MK, Reuters: RADI.KL) is proposing to acquire an 80% stake in Grand-Flo Spritvest Sdn Bhd (GF Spritvest) for a cash consideration of RM11.6 million to expand its domestic customer coverage and increase its suite of software and other services to clients.

A 100%-owned subsidiary of Main Market-listed Grand-Flo Berhad (Grand-Flo), GF Spritvest provides Electronic Data Capture and Collation (EDCC) solutions, that enable businesses to manage and collate data with barcode and radio-frequency identification technology. Its clientele includes prominent companies in the fast-moving consumer goods (FMCG) and electronics industries, as well as government-linked companies (GLC) in Malaysia.

Radiant Group signed the conditional share sale agreement (SSA) with Grand-Flo to propose to acquire 800,000 shares, representing 80% of issued share capital of GF Spritvest. The balance 20% will be held by Jejaka 7 Capital Sdn Bhd, in which GF Spritvest's Director and Chief Executive Officer (CEO) Cheng Ping Liong holds majority equity interest of 55%.

At the same time, GF Spritvest entered into a service agreement with Cheng Ping Liong to continue serving as its Director and CEO. Further, Cheng Ping Liong would provide a cumulative net profit guarantee of RM3.2 million from the completion date of the SSA until the financial year ending 31 December 2022.

“The acquisition dovetails with our strategy of strengthening our industrial customer base to complement our current stronghold amongst retail players.

Besides the wider coverage in customer sectors, Radiant Group benefits not only by immediately expanding our suite of products and services, but also in combining resources for further development of technological solutions to digitalize operations for customers. This strengthens our overall competitiveness in the market and positions us as a full-service solution provider for corporations of various sectors.

This is an opportune acquisition for Radiant Group to sustain our long-term growth and support the nation’s increasingly digital economy.”

*Paul Yap Ban Foo (“叶汶富”),
Managing Director of Radiant Globaltech Berhad*

GF Spritvest’s EDCC solutions include assets tracking, sales force automation, warehouse and inventory control software and barcode devices. GF Spritvest’s comprehensive solutions include the supply, installation, and integration of EDCC hardware and devices, distribution and integration of both proprietary and third-party software, as well as technical support and maintenance services.

The purchase consideration was based on the PE multiple of 8.95 times based on GF Spritvest’s latest audited net profit of RM1.62 million in the financial year ended 31 December 2019 (FYE2019).

Simultaneously, Radiant Group proposed a variation of the use of proceeds raised from its Initial Public Offering (IPO) to partially finance the purchase of consideration of RM11.6 million, where RM11.5 million would be satisfied through IPO proceeds and the balance RM0.1 million via internally generated cash.

The proposed acquisition and variation are subject to shareholders’ approval at an Extraordinary General Meeting to be convened. Barring unforeseen circumstances, the acquisition is targeted to be completed by the fourth quarter of 2020.



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About Radiant Globaltech Berhad (锐腾有限公司, www.rgtech.com.my)

Founded in 1994, Radiant Group is primarily involved in the provision of retail technology solutions, which consists of providing hardware and software for retail industry, as well as maintenance and technical support services for retail hardware and software. The Group has operational presence in Malaysia, Vietnam and Cambodia.

Radiant Group's retail technology solutions are used in the retail sector to automate customers' operations, in order to increase efficiency and reduce costs. Furthermore, the Group's retail technology solutions are used for capturing and processing payments (i.e. POS), inventory management, analytics and reporting, as well as sales and marketing (i.e. customer loyalty management).

The Group boasts a notable list of customers which includes 99 Speedmart, 7-Eleven Malaysia, Aeon Big, Aeon TopValu, Giant, Parkson, Cold Storage, Guardian and Manjaku Baby Mall.

Issued for and on behalf of RADIANT GLOBALTECH BERHAD by Aquilas Advisory (M) Sdn. Bhd. For media enquiries, please contact:

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