RADIANT GLOBALTECH

RADIANT GLOBALTECH BERHAD

[Registration No. 200301018877 (621297-A)] (Incorporated in Malaysia)

SOLUTIONS THROUGH

INNOVATIVE TECHNOLOGY

ANNUAL REPORT | 2021

WHAT'S INSIDE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Siow Kim Lun
(Independent Non-Executive Chairman)

Yap Ban Foo
(Vice Chairman and Senior Executive Director)

Yap Sin Sang
(Senior Executive Director)

Tevanaigam Randy Chitty
(Independent Non-Executive Director)

Mashitah Binti Osman
(Independent Non-Executive Director)

COMPANY SECRETARY
Tea Sor Hua (MACS 01324)
SSM PC No. 201908001272

AUDIT AND RISK MANAGEMENT COMMITTEE
Tevanaigam Randy Chitty
(Chairman)
Dato' Siow Kim Lun
(Member)
Mashitah Binti Osman
(Member)

NOMINATION AND REMUNERATION COMMITTEE
Mashitah Binti Osman
(Chairperson)
Dato' Siow Kim Lun
(Member)
Tevanaigam Randy Chitty
(Member)

AUDITORS
Crowe Malaysia PLT
(LLP0018817-LCA & AF1018)
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone No. : (03) 2788 9999
Fax No. : (03) 2788 9998

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone No. : (03) 2783 9299
Fax No. : (03) 2783 9222

REGISTERED OFFICE
Third Floor, No. 77, 79 & 81
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7725 1777
Fax No. : (03) 7722 3668

PRINCIPAL BANKERS
Alliance Bank Malaysia Berhad
Hong Leong Bank Berhad

HEAD OFFICE
Unit 03-06 & 03-07, Level 3
Tower B
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone No. : (03) 2242 2059
Fax No. : (03) 2732 9979
Email address : ir@rgtech.com.my

STOCK EXCHANGE LISTING
ACE Market of Bursa Malaysia Securities Berhad
Stock Name : RGTECH
Stock Code : 0202
www.rgtech.com.my

SPONSOR
Alliance Islamic Bank Berhad
Level 3, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : (03) 2604 3333
Fax No. : (03) 2691 9028

CORPORATE STRUCTURE

RADIANT GLOBALTECH BERHAD
[Registration No. 200301018877 (621297-A)]
(Incorporated in Malaysia)

- 100% RADIANT GLOBAL ADC SDN BHD
  - 100% RADIANT GLOBAL ADC VIETNAM CO. LTD
- 100% RADIANT GLOBAL SOLUTIONS SDN BHD
  - 70% RG POSCONNECT SDN BHD
- 100% RADIANT GLOBAL ADC CAMBO PTE LTD
- 100% INFOCONNECT COMMERCE SDN BHD
  - 70% RG GATEWAY SDN BHD
- 70% ADAPTIVE POS SDN BHD
- 49% RGTECH SIMAT CO. LTD
- 80% GRAND-FLO SPRITVEST SDN BHD
- 70% ARMS SOFTWARE INTERNATIONAL SDN BHD
- 70% WORLD PORTAL SDN BHD
- 70% WORLD POS SDN BHD

FINANCIAL HIGHLIGHTS

SUMMARISED GROUP RESULTS

		2018	2019	2020	2021
Revenue	RM	61,876	81,959	76,134	**134,025**
Gross Profit	RM	27,866	30,003	26,676	**45,411**
EBITDA	RM	5,350	9,649	3,274	**14,040**
Profit Before Tax	RM	4,190	7,953	1,131	**11,975**
Profit After Tax	RM	2,998	5,881	358	**8,075**
Profit After Tax Attributable to Owners of the Company	RM	2,998	5,596	1,600	**7,338**

SUMMARISED GROUP FINANCIAL POSITION

		2018	2019	2020	2021
Non-current Assets	RM	11,778	15,826	23,407	**26,055**
Current Assets	RM	62,323	80,916	83,755	**82,630**
Total Assets	RM	**74,101**	**96,742**	**107,162**	**108,685**
Non-current Liabilities	RM	2,498	1,738	1,002	**1,212**
Current Liabilities	RM	12,981	30,438	39,696	**32,910**
Total Liabilities	RM	**15,479**	**32,176**	**40,698**	**34,122**
Equity Attributable to Owners of the Company	RM	58,622	63,681	65,244	**72,672**
Non-controlling Interests	RM	-	885	1,220	**1,891**
Total Equity	RM	**58,622**	**64,566**	**66,464**	**74,563**
Total Equity and Liabilities	RM	**74,101**	**96,742**	**107,162**	**108,685**

FINANCIAL ANALYSIS

		2018	2019	2020	2021
Gross Profit Margin	%	45.0	36.6	35.0	**33.9**
PBT Margin	%	6.8	9.7	1.5	**8.9**
PAT Margin	%	4.8	7.2	0.5	**6.0**
Gearing	%	4.6	3.5	3.5	**1.5**
EPS	SEN	0.7	1.1	0.3	**1.4**
Cash and Cash Equivalent	RM'000	24,192	26,870	40,031	**35,034**

FINANCIAL HIGHLIGHTS

REVENUE (RM'000)

2021	**134,025**
2020	76,134
2019	81,959
2018	61,876

EBITDA (RM'000)

2021	**14,040**
2020	3,274
2019	9,649
2018	5,350

TOTAL ASSETS (RM'000)

2021	**108,685**
2020	107,162
2019	96,742
2018	74,101

PROFIT BEFORE TAX (RM'000)

2021	**11,975**
2020	1,131
2019	7,953
2018	4,190

PROFIT AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)

2021	**7,338**
2020	1,600
2019	5,596
2018	2,998

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)

2021	**72,672**
2020	65,244
2019	63,681
2018	58,622

DIRECTORS' PROFILE

DATO' SIOW KIM LUN

Independent Non-Executive Chairman

Nationality
Malaysian

Gender
Male

Age
72

Dato' Siow Kim Lun ("Dato' Siow") is the Independent Non-Executive Chairman of the Group. He was appointed to the Board on 7 August 2017 and is a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee. He attended all five (5) Board meetings held in the financial year.

Dato' Siow graduated with a degree in Bachelor of Economics (Honours) from Universiti Kebangsaan Malaysia in 1978, followed by a Master Degree in Business Administration from the Catholic University of Leuven, Belgium in 1981. In 1997, he attended the Advanced Management Program at Harvard Business School in United States.

Dato' Siow has over 30 years of working experience in investment banking, corporate finance and securities market regulation. He started his career in investment banking with Malaysian International Merchant Bankers Berhad in 1981. He later joined Permata Chartered Merchant Corporate Bank Bhd (now known as Affin Hwang Investment Bank Berhad) as a Corporate Finance Manager in 1985. Between 1993 and 2006, he was with the Securities Commission Malaysia where he held several positions including the Director of its Issues and Investment Division and Market Supervision Division.

He is also an Independent Director of EITA Resources Berhad, Sunway Construction Group Berhad, RHB Investment Bank Berhad, Eco World International Berhad, Malaysian Trustees Berhad and RHB Trustees Berhad.

DIRECTORS' PROFILE

YAP BAN FOO

Vice Chairman and Senior Executive Director

Nationality
Malaysian

Gender
Male

Age
57

Mr. Yap Ban Foo is the Vice Chairman and Senior Executive Director. He joined the Board on 10 July 2003 and has led the development of the company over the years. He is responsible for overseeing the strategic business planning, development, and operations of the Group. He attended all five (5) Board meetings held in the financial year.

He received his Computer Studies diploma from ICL Training Services in 1988.

He started his career as a Trainee Programmer in Powercomp Automation Sdn. Bhd. in 1988. Building upon his performance, he was first promoted to Programmer, and then Senior Programmer. His career progressed when he became a Senior Programmer at Powercomp Engineering Sdn. Bhd. where he was later promoted to Analyst Programmer in 1993.

He joined Radiant Global ADC Sdn. Bhd. as a Technical Manager in 1994, and he subsequently became a Director and a shareholder of Radiant Global ADC Sdn. Bhd. in 1995. He brings with him more than 30 years of experience in retail technology and point-of-sale solutions to the Group. In July 2017, he became the Managing Director. In April 2022, he has been re-designated as the Vice Chairman and Senior Executive Director.

He does not hold directorship in any other public companies and listed issuers.

DIRECTORS' PROFILE

YAP SIN SANG

Senior Executive Director

Nationality
Malaysian

Gender
Male

Age
59

Mr. Yap Sin Sang is our Senior Executive Director. He was appointed to our Board on 10 July 2003. His responsibility is to oversee the overall operations of the Group. He attended all five (5) Board meetings held in the financial year.

He has over 30 years of experience in retail technology and POS industry. He started his career in Syarikat Joo Long, his family retail business. He then joined Paling Industry Sdn. Bhd. in 1984 where he served as a Technical Assistant and was soon promoted to Assistant Supervisor.

His career continued at Kian Joo Can Factory Sdn. Bhd. as a Supervisor from 1986 to 1987, and progressed further when he became an Engineer at Powercomp Automation Sdn. Bhd. in 1988. Leveraging on his industry experience, he co-founded Softone Lite Sdn. Bhd. in 1992.

In 1994, Mr. Yap Sin Sang joined Radiant Global ADC Sdn. Bhd. as a Technical Manager. He was appointed as Director of Radiant Global ADC Sdn. Bhd. in 1995 and became one of the shareholders of Radiant Global ADC Sdn. Bhd. He assumed his position as Executive Director - Operations in July 2017. In April 2022, he has been re-designated as the Senior Executive Director.

He does not hold directorships in any other public companies and listed issuers.

DIRECTORS' PROFILE

TEVANAIGAM RANDY CHITTY

Independent Non-Executive Director

Nationality
Malaysian

Gender
Male

Age
54

Mr. Tevanaigam Randy Chitty ("Mr. Randy") was appointed to the Board on 7 August 2017 as an Independent Non-Executive Director. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee. He attended all five (5) Board meetings held in the financial year.

Mr. Randy is a member of the Malaysian Institute of Certified Public Accountants since 1994. He has over 30 years' experience in areas including Audit, Corporate Finance, Financial & Operational Management, Property Development and Construction, Investor Relations and IT related businesses.

He started his career with Ernst & Young in 1989 and since then has served with various corporations including Arab Malaysian Merchant Bank Berhad, AWC Berhad and Kenanga Investment Bank Berhad.

He is currently the Chief Financial Officer of Omesti Berhad, and is the Independent Non-Executive Chairman of IDB Technologies Berhad.

He also serves at the Honorary Treasurer for the Squash Racquets Association of Malaysia, since September 2020.

DIRECTORS' PROFILE

MASHITAH BINTI OSMAN

Independent Non-Executive Director

Nationality
Malaysian

Gender
Female

Age
64

Puan Mashitah Binti Osman ("Puan Mashitah") was appointed to the Board on 7 August 2017 as an Independent Non-Executive Director. She is also the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. She attended all five (5) Board meetings held in the financial year.

Puan Mashitah received a Bachelor's Degree in Business Administration from University Kebangsaan Malaysia in 1982 and a Master's Degree in Business Administration from University College of Wales Aberystwyth in 1992.

With over 30 years of experience in Investment Banking, Puan Mashitah was named as one of the top 15 female trailblazers in the Shariah finance industry by Islamic Finance Asia in 2009.

Her career started in 1983 when she joined Bank Pembangunan Malaysia (now known as Bank Pembangunan dan Infrastruktur) as the Project Officer. She then took on important roles in RHB Investment Bank Berhad from 1984 to 2006, supporting the institution and leading the Islamic Finance department with specialisation in Islamic Debt Capital Market. After Puan Mashitah left RHB Investment Bank Berhad, she established and led the Corporate Investment Banking Division at Bank Islam Malaysia Berhad. Between 2014 and 2016, she was the Chief Operating Officer in Business at Bank Muamalat Malaysia Berhad.

Puan Mashitah is also an Independent Non-Executive Director of Bank Islam Malaysia Berhad since 1 October 2020.

Notes:

1. None of the Directors have family relationship with any Directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interests with the Company.
3. None of the Directors have been convicted of any offences (other than traffic offences, if any) within the past five (5) years or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2021.

KEY SENIOR MANAGEMENT PROFILE

CHENG PING LIONG

i) Group Chief Executive Officer of Radiant Globaltech Berhad
ii) Director and Chief Executive Officer – Grand-Flo Spritvest Sdn. Bhd. (“GF Spritvest”)

Nationality **Malaysian** | Gender **Male** | Age **57**

Mr. Cheng Ping Liong joined our Group in November 2020 when Radiant Globaltech Berhad completed the acquisition of 80% of GF Spritvest from NCT Alliance Berhad (formerly known as Grand-Flo Berhad) (“NCT”). He is currently a Director and the Chief Executive Officer of GF Spritvest, a subsidiary of Radiant Globaltech Berhad. On April 2022, he was appointed as Group Chief Executive Officer of Radiant Globaltech Berhad.

He graduated with a Bachelor of Business Administration in Finance from University of Iowa, United States of America in 1988. His first employment was with RES Malaysia Sdn. Bhd. where he held the position of Trainee Programmer from 1989 to 1990. In 1990, he was promoted to the position of an Analyst Programmer and this was followed by his ascension to the position of System Analyst in 1991.

During the years 1992 to 1995, he took on the role of a Technical Manager in RES Malaysia Sdn. Bhd. He, together with a partner, founded GF Spritvest in 1995.

On 13 October 2006, GF Spritvest was acquired by NCT and became a wholly-owned subsidiary of NCT. On August 2007, he was appointed as the Chief Executive Officer of GF Spritvest.

Mr. Cheng was appointed as an Executive Director of NCT in September 2006 and subsequently resigned from the Board of Directors of NCT in September 2019.

He does not hold directorship in any public company and listed issuer.

LIM KIAT HIN

Sales Director

Nationality **Malaysian** | Gender **Male** | Age **46**

Mr. Lim Kiat Hin is the Group’s Sales Director since December 2018 with over two decades’ experience in the Automatic Identification and Data Capture technology, sales and business development, and enterprise software solutions. He is responsible for overseeing the sales of software solutions and the overall software project delivery. His key focuses are customer acquisition, c-level engagement, and project delivery management.

He completed his degree in Electrical, Electronics and Communications Engineering at the National University of Malaysia (UKM) in 2000. After graduation, he became a Field Application Engineer for Agilent Technologies Sales (M) Sdn. Bhd. (formerly known as Hewlett Packard Sales (M) Sdn. Bhd.). Following his role in technical consulting for some years, he established a local enterprise in a retail franchise business with his former co-workers.

In 2007, he joined Zebra Technologies Asia Pacific Pte. Ltd. as the Country Territory Manager, responsible for sales and revenue growth in Malaysia. His career continued when he came on board Honeywell as the Regional Business Development Manager in Southeast Asia, with the mission to expand the Productivity and Identification Solution business in the region.

He subsequently joined Datalogic Singapore Asia Pacific Pte. Ltd. and took charge of the business in the Southeast Asian region. Before joining the Group, he also worked for AEB GmbH as the Regional Sales Manager, covering accounts in Southeast Asia, Hong Kong, and China.

He does not hold directorship in any public company and listed issuer.

KEY SENIOR MANAGEMENT PROFILE

WONG WEI MING

Digital Director

Nationality **Malaysian** | Gender **Male** | Age **55**

Mr. Wong Wei Ming joined the Group as the Digital Director in January 2020. He is responsible for planning, developing, implementing, managing and improving the overall company strategy for using technological resources.

He holds a Bachelor's Degree in Computing Science from Staffordshire University in the United Kingdom. He has more than 30 years of experience in Computer Science, Information Technology, and Project Management.

His career began at Asia Commercial Finance in 1988, when he was a Programmer. After almost two years of service at the company, he joined ICI Central Toxicology Laboratory as a Trainee Programmer. Between 1993 and 1996 at Malayan Banking Berhad, he was the programmer and system analyst, and thereafter moved up to the position as the Project Manager.

Following his career at Malayan Banking Berhad, he subsequently became the Project Manager at Formis Dialog Sdn. Bhd. in 1996, and the General Manager at Accurate Sdn. Bhd. in 2000. He was also the IT Manager Downstream for the Asia-Pacific region of ProJET Malaysia Sdn. Bhd. from 2002 to 2005.

Having joined Axcelasia Softnex Sdn. Bhd. (previously known as Softnex Sdn. Bhd.) as the Managing Director from 2005 to 2019, he was also the Director for Business Continuity Management Line of Business at Axcelasia Columbus Sdn. Bhd. (previously known as Columbus Advisory Sdn. Bhd.), between 2010 and 2019.

He does not hold directorship in any public company and listed issuer.

TRAN PHU VINH

Deputy General Director - Vietnam

Nationality **Vietnamese** | Gender **Male** | Age **50**

As the Group's Deputy General Director in Vietnam. Mr. Tran Phu Vinh has been responsible for directing and overseeing the Group's overall business operations in Vietnam.

He completed his Bachelor's Degree of Science in Information Technology at the University of Natural Sciences in Vietnam.

Mr. Tran started his career as Senior Project Manager at VINATEC Co. Ltd., where he performed the application development, maintenance and customisation of retail software solutions. In 1999, he joined AZ Technologies Co. Ltd. as the Software Manager, guiding and leading his team in a variety of software-related activities. He thereafter continued his career as the IT Manager at Parkson Vietnam Co. Ltd.

Mr. Tran joined the Group in 2008, where he has been assuming the position of Deputy General Director – Vietnam ever since.

He does not hold directorship in any public company and listed issuer.

KEY SENIOR MANAGEMENT PROFILE

LEE SOOK KUAN

Head of Accounts & Finance

Nationality **Malaysian**
Gender **Female**
Age **38**

Ms. Lee Sook Kuan is the Head of Accounts & Finance. She is responsible for accounting matters of the Group. Previously, she joined the Group as the Corporate Finance Manager in 2016 and continued ahead to become the Group Accountant in the following year. On April 2022, she has been promoted to Head of Accounts & Finance.

She commenced her career as an Audit Assistant in Kong Cheong & Co in 2007 while she was pursuing her professional studies with the Association of Chartered Certified Accountants ("ACCA"). She was later promoted to the company's Audit Assistant Semi-Senior in the same year. Upon the completion of her professional examinations with the ACCA in 2008, she moved on to advance her career at L M Chan & Associates. She thereupon served as a Senior Finance Executive at Delta China Technologies Limited, a Hong Kong-based company.

Prior to her tenure at the Group, she worked for Pestech Sdn. Bhd, a subsidiary of Pestech International Berhad, from 2010 to 2016. She first served as a Senior Account Executive of the Corporate Finance Department. Then, she was subsequently promoted to different roles: Senior Finance Executive in 2011; Associate Manager of the Corporate Services Department in 2012; and Assistant Manager in 2013.

She acquired multiple professional certifications including Goods and Services Tax Advice Agent from the Royal Customs Department Malaysia in 2014; Fellowship of the ACCA since 2016; and Registered Chartered Accountant of the MIA. She also has a degree in Applied Accounting from Oxford Brookes University in United Kingdom since 2015.

She does not hold directorship in any public company and listed issuer.

CHAI FUIE NGE

Head of Sales

Nationality **Malaysian**
Gender **Female**
Age **52**

Ms. Chai Fuie Nge has been the Group's Head of Sales since 2016. She has been responsible for managing and leading the Group's overall sales team and business development activities. Her responsibility also includes the generation of prospective sales leads.

Prior to holding the position of the Group, she sat on several positions in different organisations. She first started her career in 1991 at the administration department at IT-CAT (M) Sdn. Bhd. Then, from 1994 to 1998, she pursued her career at the GHL Group. She later played the role of the Customer Services Officer at GHL Infosys Sdn. Bhd. and was soon promoted to Corporate Account Manager.

Following a significant period at GHL Infosys Sdn. Bhd., she continued a series of her career advancement: Corporate Account Manager at JOS System (Malaysia) Sdn. Bhd. from 2000 to 2002; and Corporate Account Manager at Jardine OneSolution (2001) Sdn. Bhd. from 2002 to 2005. At Jardine OneSolution (2001) Sdn. Bhd., she acted as the Senior Corporate Account Manager and the Corporate Sales Manager in 2005 and 2008 respectively. She was further promoted to Senior Corporate Sales Manager in 2011, and then to General Sales Manager in 2012.

She has a Diploma in Business Studies from Institut Perdagangan Pertama and over 20 years of experience in the sales industry.

She does not hold directorship in any public company and listed issuer.

KEY SENIOR MANAGEMENT PROFILE

YEAP CHEE KEONG

Head of Technical

Nationality **Malaysian** | Gender **Male** | Age **53**

Mr. Yeap Chee Keong is the Group's Head of Technical. His responsibility is to lead the Technical and Helpdesk team in troubleshooting technical issues, as well as offering guidance of the Group's hardware and software solutions to customers located in Malaysia.

With a Certificate in Data Processing from Politeknik Sultan Haji Ahmad Shah, he started his career world in IT industry at Computer Applied Systems & Engineering Sdn. Bhd. as a System Analyst Programmer. Following a brief employment, he decided to pursue further study at The Institute of Data Processing Management (currently known as The Institute for the Management of Information Systems) in the United Kingdom. He earned his Diploma in Information Systems Management in 1993.

In 1992, he started working as a Programmer at Berjaya Kawat Manufacturing Sdn. Bhd. (now known as Southern Wire Industries (M) Sdn. Bhd.). His experience prompted him to join Business Solution Company (China) Ltd. in 1996 as the System Manager, overseeing the Technical Support Division. He successively became the Head of the MIS Department at NCK Wire Products Sdn. Bhd.

His industry knowledge enables him to enter Malayan United Management Sdn. Bhd. in 2001 to take up the role of Project Manager. In 2007, he progressed further and became the Manager of System Management at the CCI Systems (M) Sdn. Bhd. (now known as Wincor Nixdorf Retail Solutions (M) Sdn. Bhd.).

Bringing with him 20 years of experience in IT industry, he joined the Group in 2012 as the Customer Service Manager. Thereafter, he became the Group's Technical Manager and Head of Technical in 2015 and 2017 respectively.

He does not hold directorship in any public company and listed issuer.

YONG SOO CHING

Head of Pre-sales

Nationality **Malaysian** | Gender **Male** | Age **43**

Mr. Yong Soo Ching has served the Group as the Head of Pre-sales since 2017. He is responsible for managing and leading the Group's pre-sales team.

He started his career at the Group as a Technical Engineer and soon promoted to Senior Technical Engineer in 2002. He was subsequently promoted to Technical Support and Technical Manager Application in 2003 and 2005 respectively.

He then advanced his career by taking up the position of the Group's Application Manager in 2015, and assuming his current position as the Head of Pre-sales in 2017.

He holds a Diploma in Electrical/Electronic Engineering from the Institut Teknologi Pertama.

He does not hold directorship in any public company and listed issuer.

Notes:

1. None of the Key Senior Management personnel have any family relationships with any Directors and/or major shareholders of the Company.
2. None of the Key Senior Management personnel have any conflict of interests with the Company.
3. None of the Key Senior Management personnel have been convicted of any offences (other than traffic offenses, if any) within the past five (5) years or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2021.

CHAIRMAN'S STATEMENT

DATO' SIOW KIM LUN
Chairman

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors ("Board") of Radiant Globaltech Berhad ("Radiant Group" or "our Group"), I am pleased to present you our Annual Report and major operational milestones for the financial year ended 31 December 2021 ("FY2021").

Global economies and businesses continued to navigate a challenging landscape as the COVID-19 pandemic took its toll for the second consecutive year. Thanks to the good progress of the vaccination programmes in many countries, the global economy saw a healthy recovery with Gross Domestic Product ("GDP") growing 5.9% in 2021 compared to a contraction of 3.1% in 2020.

Similarly, the high vaccination rates in Malaysia enabled the Malaysian Government to lift restrictions on domestic economic activities in phases from August 2021 under the country's National Recovery Plan (NRP). This resulted in the country's GDP expansion of 3.1% in 2021, compared to a 5.6% contraction in 2020.

The domestic retail industry too benefited much from the lifting of movement restrictions under the NRP. The sector saw a double-digit growth of 26.5% in the fourth quarter of 2021, compared to a 19.7% contraction in the previous corresponding quarter. Since the pandemic, retailers and industrial businesses have invested more readily in hardware and software digitalisation solutions to increase efficiency, enhance communications and maintain cost effectiveness.

Buoyed by our customers' rapid adoption of digitalisation solutions, we recorded significant improvements in revenue and profitability for FY2021.

CHAIRMAN'S STATEMENT

Encouragingly, we registered higher contribution from both our Hardware and Maintenance as well as Software segments in FY2021, driven by increased implementation of digitalisation solutions by our industrial and retail customers such as fast-moving consumer goods manufacturers and convenience stores.

We took the opportunity to enlarge our software offerings following the acquisitions of retail management solutions providers, namely ARMS Software International Sdn Bhd, World POS Sdn Bhd and World Portal Sdn Bhd in 2021. The Group's acquisition of these three software companies is expected to strengthen our existing solutions portfolio and provides a more comprehensive range of solutions to our customers and the market.

In the year ahead, global growth is estimated to moderate to 3.6% in 2022, hampered by lingering uncertainties such as the persistent impact of COVID-19 on global supply chains and risks arising from geopolitical tensions.

Meanwhile, Malaysia's GDP is expected to grow between 5.3% to 6.3% in 2022 on improving domestic demand and recovery brought about by high vaccination rates in the country, as well as expected positive multiplier effects from the Government's economic stimulus packages.

Despite the potential challenges weighing on the global and domestic economies, we are positive of our performance in the future, supported by our expanding presence and reputation for our one-stop digitalisation solutions in Malaysia. As international borders reopen, we will resume our expansion plan in the region by increasing our presence in Thailand, Vietnam, and Cambodia.

Business sustainability remains a key area of focus for the Group. With this, we will continue our strategy to build recurring income streams from our software solutions as well as maintenance and support services.

the country's GDP **expanded by 3.1%** in 2021 compared to a **contraction of 5.6%** in 2020

we will resume our **expansion plan** in the region by increasing our presence in **Thailand, Vietnam,** and **Cambodia**

In demonstrating our market leadership, we will pursue greater integration and enhancement of our products and services across both the retail and industrial sectors, in order to appeal to a wider range of large and small-medium enterprises. In addition, we are uniquely positioned to cater to our customers' requirements as businesses adapt to the omnichannel environment with convergence of physical stores and e-commerce.

With these strategies in place, we aspire to become a trusted one-stop digitalisation solutions provider in Southeast Asia.

In closing, I wish to extend my gratitude to my fellow members of the Board, management and all employees for steering the Group past the tumultuous times to our present position. Our sincere appreciation and thanks also go to our shareholders, bankers and business associates for their unwavering support.

Sincerely,
Dato' Siow Kim Lun
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Radiant Globaltech Berhad ("Radiant" or "the Company") is an integrated technology solutions provider in South East Asia ("SEA") with expertise in the digitalisation of *retail and industrial* businesses, including those in the fast moving consumer goods ("FMCG"), manufacturing, and postal service sectors.

Our ***retail*** technology solutions comprise hardware equipment for front-end operations, digital solutions such as proprietary retail management applications and portals, and distribution of third-party enterprise resource planning software ("ERP"). These solutions are used in retail and food and beverage ("F&B") sectors to digitalise customers' operations in order to enhance efficiency and optimise costs.

Radiant and its subsidiaries ("Group") also serve ***industrial*** clientele. The acquisition of Grand-Flo Spritvest Sdn Bhd ("GF Spritvest") in November 2020 augmented our in-house solutions with electronic data capture and collation ("EDCC") services, namely sales automation, assets tracking, warehouse and inventory control software.

Beyond Malaysia, our Group has established an encouraging foothold across SEA, particularly in Vietnam, Cambodia and Thailand. Our customer base includes the likes of wide-network retail chains such as Giant, 99 Speedmart, Guardian, Cold Storage, Parkson, AEON Big, Manjaku Baby Mall and 7-Eleven Malaysia; as well as reputable companies such as notable FMCG brands, F&B chains, prominent manufacturing players, as well as a postal service provider.

MANAGEMENT DISCUSSION & ANALYSIS

HARDWARE

Our Group provides hardware equipment that support the digitalisation of operations of retail and industrial users.

Our retail hardware equipment offerings include point of sales ("POS") machines, barcode scanners, handheld terminals, barcode printers, hardware consumables and weighing scales. These are sold to a broad range of customers such as super- and hyper markets, convenience stores, manufacturers, pharmacies and F&B outlets.

Our Group also distributes mission-critical industrial hardware such as desktop and mobile barcode scanners, barcode printers, fixed mount scanners, mobile terminals, radio-frequency identification ("RFID") equipment and card printers.

SOFTWARE

In-house Software

Our Group's proprietary software solutions differentiate us from our peers. We provide our own retail management solutions and mobile applications to enhance efficiency and minimise manual processes. These include retail and F&B management software such as AX B2B Retail, AX Retail Consignment portal, POS Plus F&B, ARMS Retail POS, AX Warehouse Management System, AX B2B Non-Retail and Android Mobile applications for handheld terminals.

Additionally, our Group offers industrial software solutions via GF Spritvest. These include back-end inventory tracking and management, as well as sales automation systems, namely ManageAsset, ManageWare, SmartApps and ManageSales.

Third-party Software

The Group is also an authorised partner of third-party ERP software such as Microsoft Dynamics 365 Business Central and LS Retail.

MAINTENANCE AND TECHNICAL SUPPORT SERVICES

Our Group's services are backed by maintenance and technical support services teams in Malaysia, Cambodia, Thailand and Vietnam. In catering to the requirements of our clients, we provide information technology support services which encompass hardware maintenance services, and technical support for our Group's software solutions.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONS REVIEW

This year, our strategy was two pronged: Firstly, to support the recovery of our customers from COVID-19 lockdowns by maintaining uninterrupted operations; and secondly, to reinforce our suite of services by acquiring complementary technology solutions.

These are the operational highlights for the financial year ended 31 December 2021 ("FY2021"):

Strengthened retail solutions via acquisition of 70% stake in ARMS Software International Sdn Bhd ("ARMS")

On 18 May 2021, Radiant acquired a majority controlling stake in ARMS, a retail solutions provider for RM1.9 million, involving 210,000 ordinary shares representing 70% of the issued share capital of ARMS.

ARMS has over 20 years of track record in the retail solutions space, providing POS software, retail management system, and F&B software solutions. ARMS also distributes retail hardware equipment and accessories that are bundled with its proprietary software, namely ARMS Go, ARMS Premium and ARMS F&B. Its customers include supermarkets, pharmacies, convenience stores, and F&B outlets.

On top of complementing Radiant's existing portfolio of in-house retail management software, the acquisition enables Radiant to leverage on ARMS' affordable price points for retail management systems and enhance its foothold in the retail and F&B segments in Malaysia.

Expanded e-Commerce solutions for Small-and-Medium Businesses (SMB) via acquisition of 70% stakes in World Pos Sdn Bhd ("World Pos") and World Portal Sdn Bhd ("World Portal")

On 23 September 2021, Radiant acquired a 70% stake in World Pos, which provides enterprises, retailers and SMB chain-stores with e-Commerce software and mobile solutions, including mobile Commerce, loyalty program solution, e-voucher and e-gift card system, on top of POS solution. World Pos also enables Online-to-Offline commerce, allowing for omnichannel online sales with self-pick up or delivery.

At the same time, Radiant purchased a 70% stake in World Portal, which provides web based B2B portals to retailers and consignment suppliers for process automation and supply chain management.

The acquisition of stakes in World Pos and World Portal involved a total cash consideration of RM1.1 million. The purchase of World Portal shares came with a profit guarantee of RM0.35 million for a 15-month period until 31 December 2022.

Radiant has gained immediate access to the existing customer base of World Pos and World Portal, and speed up the on-boarding of SMBs and enterprises to the Group. Additionally, the pooling together of resources expands the Group's development team to have greater customisation flexibility to utilise latest software technology to meet customer needs.

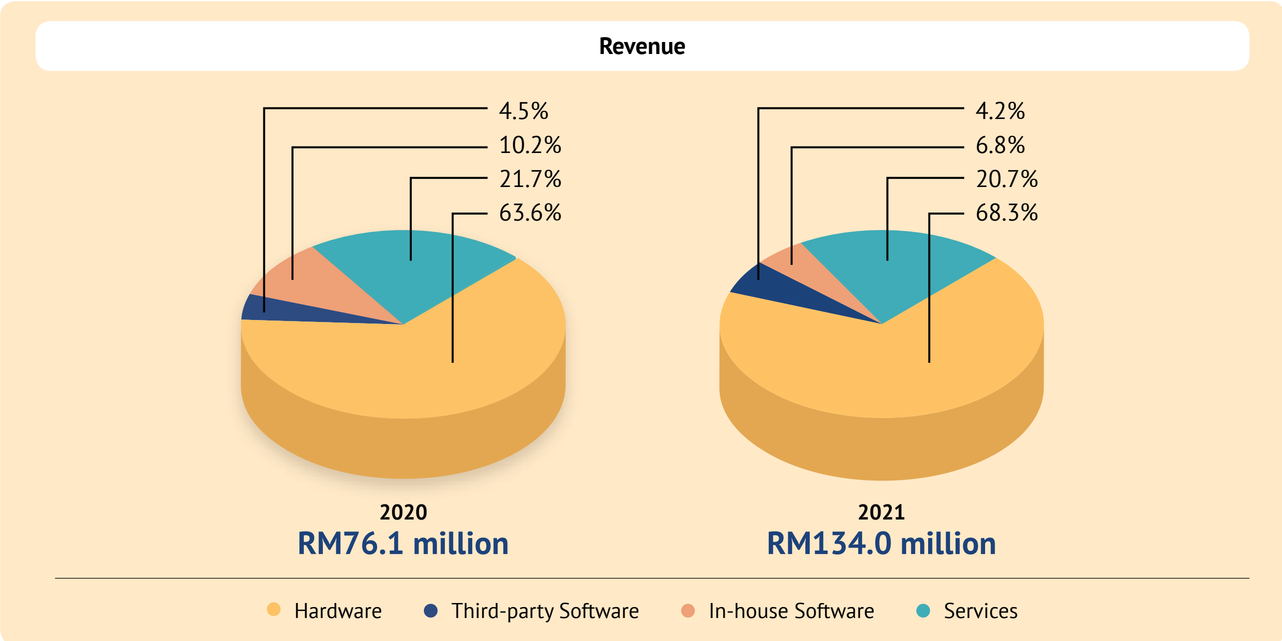
MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL OVERVIEW

Buoyed by the strong economic rebound, Radiant registered significantly improved performance in FY2021 as we fulfilled demand for digitalisation solutions by both retail and industrial customers.

Group revenue for FY2021 rose 76.1% to a record high of RM134.0 million from RM76.1 million in the previous financial year.

Of our three (3) operational segments, the hardware segment not only remained the largest revenue contributor by making up 68.3% of Group revenue, but also proved to be the primary topline growth driver in FY2021. The segment's revenue rose 89.0% to RM91.5 million from RM48.4 million previously, as we served the pent-up demand and new business enquiries from the industrial and retail sectors.



The software segment made up 11.0% of Group revenue in FY2021, with sales improving 31.3% to RM14.7 million from RM11.2 million previously. Within this segment, revenue from in-house software stood higher at RM9.1 million compared to RM7.8 million previously, on increased contribution from retail software including AX portals in line with greater retail market activity. Revenue from third-party software improved to RM5.6 million from RM3.4 million previously on increased roll out to convenience and grocery stores.

Meanwhile, the maintenance and technical support services segment noted significant revenue improvement by 68.5% to RM27.8 million in FY2021 from RM16.5 million previously, on the back of higher billings for maintenance services and revenue recognition from GF Spritvest.

This commendable growth, together with the favourable mix, resulted in 70.0% jump in gross profit to RM45.4 million in FY2021 from RM26.7 million previously. With the enhanced topline and economies of scale, Group profit before tax rose significantly to RM12.0 million from RM1.1 million a year ago, while net profit attributable to shareholders expanded nearly five-fold to RM7.3 million from RM1.6 million previously.

The Group's basic earnings per share rose to 1.40 sen in FY2021 from 0.30 sen in the previous year.

MANAGEMENT DISCUSSION & ANALYSIS

ASSETS, LIABILITIES AND EQUITY

The Group's acquisitions during the year generated goodwill which pushed total assets to RM108.7 million as at FY2021, slightly higher compared to RM107.2 million as at financial year ended 31 December 2020 ("FY2020").

Correspondingly, net asset per share stood at 14.2 sen as at FY2021 compared to 12.7 sen as at FY2020.

Meanwhile, total liabilities reduced to RM34.1 million as at FY2021 from RM40.7 million previously, mainly on lower other payables and accruals due to the recognition of customer deposits, payments to suppliers and settlement of loans.

The Group's cash and cash equivalents maintained at a healthy level of RM35.0 million as at FY2021 compared to RM40.0 million as at FY2020, while total borrowings were fully pared down in FY2021 compared to RM1.4 million as at FY2020. Shareholders' equity rose to RM72.7 million as at FY2021 from RM65.2 million previously on higher retained earnings.

Therefore, the Group continued to stand in a healthy net cash position as at FY2021, which allows for healthy cashflow as well as potential growth via organic and inorganic means.

DIVIDEND

Cognizant of the need to preserve cash for sustainability and to fund our expansion plans, Radiant has not established a formal dividend policy, and the Board of Directors did not recommend any dividend in respect of FY2021.

The Group believes that our emphasis on strengthening the business' fundamentals, embarking on expansion plans, and targeting higher profitability would provide a strong basis for our intention to pay dividends in the future.

ANTICIPATED OR KNOWN RISKS

There are potential risks and uncertainties that may negatively affect our Group's business, financial condition and the results of operations:

Risk of slow economic, retail and industrial sector recovery

There are risks of prolonged or intermittent restrictions to business and social activities in the markets we operate in, given the lingering uncertainties with COVID-19 and its future progress.

As a significant portion of our customers are retail industry players comprising departmental stores, supermarkets, hypermarkets, and convenience stores, we may be subject to slower business activity should there be renewed restrictions as well as changes in public behaviour to cope with new health and safety demands. Our industrial clientele could also face temporary closures and/or disruptions as stipulated by the authorities.

However, the likelihood of prolonged restrictions or business closures could be cushioned, as the domestic and regional governments gradually take an endemic approach to COVID-19, alongside high vaccination rates.

Change in consumer behaviour towards online retail purchases

Retailers are increasingly facing competition pressures as consumers purchase goods via e-commerce platforms, due to convenience and perceived higher safety levels in light of COVID-19. Therefore, traditional retailers with physical-only store fronts may face greater challenges in future, as consumers increasingly prefer to engage with businesses that provide an omnichannel experience.

To mitigate these risks, the Group continues to strengthen our software solutions, including integration of e-commerce solutions for enterprises as well as SMBs to our solutions portfolio. This allows us to continuously be at the forefront of catering to latest changes in consumer behaviour and support the evolving needs of businesses.

Cybersecurity risks and data breaches

As business operations become increasingly reliant on internet-based services, there exists growing risks of vulnerabilities in data privacy and security protocols. Loss of data through hacking or corporate espionage could pose a detrimental impact on our operations and our customers, as well as significant reputational impact.

To mitigate these risks, the Group employs strict background checks and management of security privileges for employees engaged in key critical processes, as well as uses leading third party services with robust security infrastructure and protection measures.

MANAGEMENT DISCUSSION & ANALYSIS

OUTLOOK AND GROWTH STRATEGIES

The prospects of the global and domestic economies remain uncertain, as macro-level factors such as the course of the COVID-19 disease and potential new variants, global supply chain disruptions, and geopolitical tensions continue to weigh in.

However, we have seen that the high efficacy of vaccine rollouts has enabled Governments to ease restrictions on business and social activities, as well as gradually reopen international borders for trade and tourism. All of these would support the path to well-rounded recovery.

Demand for the retail and industrial automation segment is expected to remain robust, as businesses are required to digitalise and adopt more technology solutions to enhance competitiveness and resilience in a post-pandemic environment.

To capture this promising potential, the Group will undertake the following:

Increasing the sectors covered by our integrated solutions offering

To date, Radiant's expanded hardware and software solutions are used in diverse sectors, including retail, F&B, FMCG, manufacturing and postal services. Leveraging on our technological knowhow and capabilities, we would aim to enlarge our customer base and at the same time cover a more diverse range of sectors.

We also intend to integrate our range of hardware and software solutions for both the industrial and retail segments, into more robust and customisable offerings that will cater to the increasingly demanding technology needs of enterprises. This will include more roll outs of e-commerce, mobile, and supply chain management solutions as businesses adapt to an increasingly digital world.

Growing our solutions presence in overseas markets

With our existing presence in Vietnam, Cambodia and Thailand, we are well positioned to ride the trend in digitalisation of developing economies in Southeast Asia. In FY2021, we remained resilient and continued to make gradual headway in new customer acquisitions, although progress was significantly hampered by lockdowns and weak economic activity due to the COVID-19 pandemic.

Going forward, we expect the reopening of economies and international borders to enable us to increase our sales and marketing efforts, as we strive to bring our integrated range of digitalisation solutions to more businesses across SEA.

Building strong recurring income via software solutions as well as support and services activities

With the increasing customer base and deployment of hardware and software solutions to a wide range of industries and businesses, we also strive to build a strong recurring income stream to generate sustainable earnings.

In this regard, we will continue expanding the number of registered trade suppliers onboard our subscription-model cloud-based portals such as AX B2B Retail and Non-Retail portals. We will also pursue more customers for other software based solutions such as AX Warehouse Management System, in addition to maintenance and technical support services.

Sincerely,

Yap Ban Foo
Vice Chairman and Senior Executive Director

SUSTAINABILITY STATEMENT

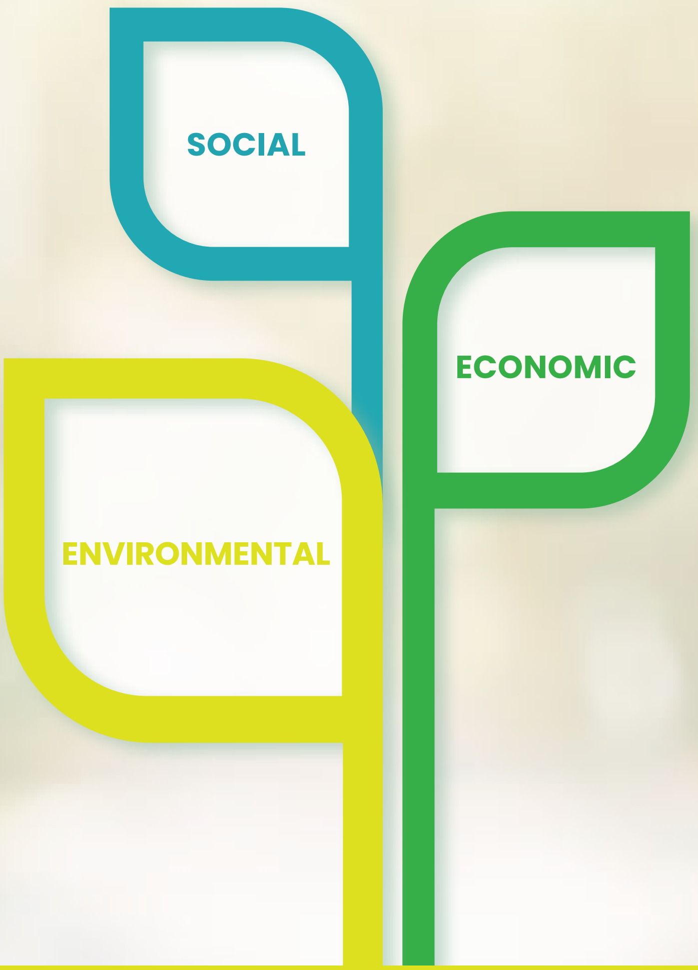
Reporting Framework

The scope of this Sustainability Statement discusses the efforts pertaining to sustainability practices and policies of Radiant Globaltech Berhad (“Radiant Group” or “our Group”) throughout the financial year ended 31 December 2021 (“FY2021”). This Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

As an integrated technology solutions provider, sustainability has been engraved on our business foundation as one of the key pillars for our long-term business growth. We are committed to actively seeking and addressing the challenges that we face within our business and in the industry to achieve sustainable business expansion.

While at it, we are also dedicated and determined to reduce our Group’s carbon footprint as well as enable social progress through providing job opportunities and delivering quality products for the community. We believe that a balanced approach between business profitability and sustainability will strengthen the stakeholders’ trust in our Group and further solidify our reputation in the industry.

The identified sustainability matters that are relevant to Radiant Group and our ongoing sustainability practices to mitigate these matters are discussed in three main areas, namely Economical, Environmental and Societal (EES).



SUSTAINABILITY STATEMENT

Stakeholder Engagement Table

Radiant Group acknowledges the importance of close engagement with stakeholders to help us to understand their expectations and respond to their concerns. We believe that this is the key to achieving results and making progress in our sustainability journey. Our Group's initiatives on stakeholder engagement are illustrated in the table below:

Stakeholder	Expectations & Interests	Engagement Methods
INVESTORS	• Financial performance • Sustainable financial returns • Business strategy • Sustainable dividend policy • Corporate governance	• Annual general meetings • Annual reports • Quarterly financial reports • Corporate website
CUSTOMERS	• Good relationship rapport • Ensure timely service and product delivery • Resolving complaints efficiently • Compliant to health and safety standard operating procedure (SOP) when attending meetings	• Actively engage and build relationships • Regular meetings and feedback • Participation in industry networking events
LOCAL COMMUNITIES	• Impact of operations • Interaction with local communities • Building good relationships	• Corporate Social Responsibility
REGULATORY AGENCIES	• Compliance with corporate governance • Compliance with all local laws and regulations • Compliance with labour, environmental and health & safety regulations	• Annual reports • Compliance to relevant government laws and regulations • Participation in seminars and information sessions conducted by the authorities
SUPPLIERS	• Transparent procurement practices & pricing • Regular payment schedule • Timely delivery	• Timely payments • Vendor registration (as needed) • Contract engagement (as needed)
INDUSTRY PEERS	• Industry best practices	• Participation in industry networking events
EMPLOYEES	• Training and development • Occupational health and safety • Competitive remuneration and rewards	• Training and development programmes • Safety training and awareness • Annual appraisals • Whistle-blowing policy

SUSTAINABILITY STATEMENT

ECONOMICAL SUSTAINABILITY MATTERS

Radiant Group provides total retail technology solutions along with maintenance and technical support services that enable our customers to digitalise their operations, people connectivity, processes and technology. With our solutions, we are able to help our customers to simpify their business by allowing them to operate faster, more efficiently and lower cost.

Accordingly, our Group undertakes the following measures to ensure business sustainability:

Competitive Advantage

Radiant Group is an integrated retail technology solutions provider, offering end-to-end products and solutions with maintenance and technical support services that enable our customers to digitalise their business operations, connectivity, processes and technology. We develop progressive technology solutions for our retail customers that incorporate environmental sustainability to help our Group and customers to reduce the carbon footprint in the industry. With proactive innovation coupled with responsiveness to customer needs, we are able to assist them to streamline their operations while they can focus on their day-to-day operations hence, strengthening customer retention and gaining new customers.

Operations and Cash Flow Management

Radiant Group delivered outstanding performance for FY2021, recorded a significant increase of 76.1% in revenue at RM134.0 million as compared to RM76.1 million in FY2020. The hardware segment of our business remains the largest revenue contributor to our Group, representing 68.3% of our total revenue. This was followed by the maintenance and technical support services segment and the software segment, contributing 20.7% and 11.0% to our Group's total revenue respectively.

Our Group sustained a healthy level of cash and cash equivalents at RM35.0 million for FY2021 as compared to RM40.0 million for FY2020, with total borrowings fully pared down for the financial year under review versus RM1.4 million recorded for the preceding financial year.

Our Board of Directors and Key Management team will continue to work together closely to monitor and ensure that our Group's operations are progressing smoothly and that we maintain a healthy cash flow throughout each financial year.

Customer Satisfaction

We strive to deliver solutions that not only meet our customer's expectations but also enhance customer satisfaction by being proactive towards addressing their ever-changing requirements in tandem with the rapid growth of the retail industry. We are dedicated to meeting our customers regularly to maintain engagement and gather feedback.

We provide efficient and reliable after-sales services for our customers via our national and regional support network located in six countries across South East Asia, namely Malaysia, Singapore, Indonesia, the Philippines, Cambodia and Vietnam. Our regional support offices are strategically located to provide support to our customers, which enables us to respond to requests in a timely manner. Meanwhile, for software support, we provide remote online support where our support team in Malaysia can log in to our customer's systems to perform a diagnosis and subsequently, rectify software issues.

Revenue
RM134.0 million
increase 76.1% as compared to RM76.1 million in FY2020

Cash and cash equivalents
RM35.0 million
decrease 12.5% as compared to RM40.0 million in FY2020

SUSTAINABILITY STATEMENT

ECONOMICAL SUSTAINABILITY MATTERS (CONT'D)

Risk & Crisis Management

We have implemented a Risk Management Framework and conducted risk and action planning workshops with Head of Department representatives from the corporate office. We have also formed a Crisis Management Committee to address procedural measures to be taken during the COVID-19 pandemic or any unforeseen crisis.

Talent Management

Our Group has a management succession plan in place, whereby individuals have been identified for their key competencies and requirements. We are committed to acting proactively towards ensuring that talents are well-groomed to undertake leadership positions.

With regards to our employees, we pride ourselves on opportunities provided to upskill and develop our workforce ensuring better productivity and morale that comes with clear lines for career progression. We evaluate and determine the training needs of our employees before sending them for necessary programmes to upskill them in order to effectively commensurate with the development of the industry.

In FY2021, members of our Group have attended various training programmes pertaining to Business Continuity Management, Internet-of-Things (IoT), System Integration, Securities Commissions (SC) guidelines, Sustainability and ESG reporting.

Employee Remuneration and Retention

As of FY2021, our Group has reviewed our staff benefits and has improved our staff annual leave entitlement plan. We offer an annual salary review based on the yearly performance appraisals for fair evaluation and remuneration. On top of that, we have also continued to make bonus payments to our employees as our appreciation for their hard work and contribution to Our Group.

ENVIRONMENTAL SUSTAINABILITY MATTERS

Reduce, Reuse, Recycle

We carry out the disposal of unusable parts from our hardware and support services business segments in a responsible and environmentally acceptable manner through engaging with local recycling companies for disposal arrangements.

The habit of ordering takeaway food for meal times is a rising trend and is inevitable when working continuously throughout the day in the office. In our effort to reduce our use of single-use plastics, we have prepared kitchen and dining utensils in our pantry to encourage the use of reusables where possible.

Electronic Filing System

Most of our business activities have been and will continue to be driven towards delivering solutions that help us and our customers to reduce our carbon footprint. We have introduced the digitalisation of various operating procedures from customer sign-up forms to updates of employees' vaccination appointments, status and certificates in order to reduce the use of paper in the day-to-day business operations. Going forward, we are committed to continue providing digitalisation solutions that support customers' back-end operations and point of sales.

SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY MATTERS

Code of Conduct

We have in place, Radiant Group's Anti-Bribery and Corruption Policy, Corporate Disclosure Policy, Whistle Blowing Policy and Board Charter, which are available on our website. These policies are applicable to all employees of the Group and it reflects the underlying shared values that we uphold.

Workplace

In relation to the COVID-19 pandemic, we have been cautious and have heightened our occupational health & safety (OHS) measures to ensure the safety and wellbeing of our employees. We conduct regular sanitsation and disinfection within the main office and work areas. We provide our onsite engineers with Personal Protective Equipment (PPE) as they are our frontliners, representing Radiant Group.

In the interest of keeping each other safe within the workspace, we have installed a thermal scanner at the entrance of our office and provide self-test kits to all employees and visitors when they register their attendance. We also make sure to regularly update our workforce with information circulars released by the Ministry of Health (MOH) pertinent to health and safety during this pandemic.

Our Group continues to practice social distancing measures with a lesser workforce on site. We have in place a work schedule for our employees to work from home on alternate weeks. As and when needed, we subsidise the cost of PCR tests for our staff. To date, at least 90% of our total workforce is fully vaccinated.

90% of our total workforce fully vaccinated

Due to COVID-19 pandemic, Our Group conducts quarterly sanitisation for our office. We also practice daily cleaning for our office and surrounding areas as preventative measure to ensure our workplace is safe and free from potential aedes mosquitoes.

Community

The Group remains mindful of giving back to the community and supporting one another in need during trying times. We believe that simple gestures can make positive changes in bringing our community closer.

We had, in the first quarter of 2022, provided flood assistance in terms of monetary support for staff who were affected by the floods, which occurred in December 2021. We had also, via our business partners, donated in terms of cash to charity houses on several occasions, for the COVID-19 Care Fundraising Campaign.

Our Group is in the early stages of implementing sustainability practices. However, we are passionate about taking baby steps to make better changes for our business, environment and society. We will continuously explore sustainability matters relevant to our Group in pursuance of setting out and achieving our sustainable goals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Radiant Globaltech Berhad ("Radiant" or the "Company") recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company. As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("Group") to enhance shareholders' value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("MCCG").

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report 2021 ("CG Report"), based on a prescribed format as enumerated in Rule 15.25(2) of the ACE Market Listing Requirements ("ACE Market LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of the Group's corporate governance practices as set out in the MCCG throughout the financial year ended 31 December 2021 ("FYE 2021"). The CG Report is available on the Company's website at www.rgtech.com.my, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Board's Leadership on Objective and Goals

1.1 The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership which includes practising a high level of good governance to ensure the long-term success of the Group and the delivery of sustainable value to its stakeholders.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the Board's duties and responsibilities. The Board also delegates certain responsibilities to the following Board Committees, all of which operate within their respective Terms of Reference which can be accessed via the Company's website, www.rgtech.com.my:-

a. Audit and Risk Management Committee ("ARMC"); and
b. Nomination and Remuneration Committee ("NRC").

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, the Board has, amongst others:-

- promoted good corporate governance culture within the Group which reinforces ethical, prudent and professional conduct;
- reviewed, challenged and decided on the Management's proposals for the Group, and monitor its implementation;
- ensured that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- assessed the performance of the Management;
- ensured there is a sound framework for internal controls and risk management;
- recognised the principal risks of the Group's business and that business decisions involve the taking and managing of appropriate risks;
- set the risk appetite within which the Board expects the Management to operate and ensured that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensured that Senior Management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board and Senior Management;
- ensured that the Group has in place procedures to enable effective communication with shareholders and stakeholders; and
- ensured the integrity of the Group's financial and non-financial reporting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objective and Goals (Cont'd)

1.2 The Chairman of the Board, Dato' Siow Kim Lun, holds an Independent Non-Executive position and is primarily responsible for the leadership, governance and conduct of the Board as well as for ensuring the Board's effectiveness.

The responsibilities of the Chairman of the Board, amongst others, are as follows:-

(i) To provide leadership to the Board.
(ii) To oversee the effective discharge of the Board's supervisory role.
(iii) To facilitate the effective contribution of all Directors.
(iv) To conduct and chair Board meetings and general meetings of the Company.
(v) To manage Board communications and Board effectiveness and effective supervision over Management.
(vi) To ensure Board meetings and general meetings comply with good conduct and best practices.
(vii) To promote constructive and respectful relations between Board members and between the Board and the Management.
(viii) To ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner.
(ix) Together with the Vice Chairman and Senior Executive Director (re-designated from Managing Director to Vice Chairman and Senior Executive Director effective from 1 April 2022), to represent the Company and/or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

The Chairman does not assume the position of chairman of the Board Committees but as a member of the Board Committees. Nevertheless, the Chairman also does not chair these Board Committees. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committees' reports has not been diminished in any way.

1.3 During the FYE 2021, the position of the Chairman and Managing Director are held by two different individuals and each has a clear accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.

The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitating constructive deliberation of matters in hand, whilst the Managing Director has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

On 1 April 2022, Mr. Cheng Ping Liong was appointed as the Group Chief Executive Officer ("the GCEO"), while Mr. Yap Ban Foo was re-designated to assume the role of Vice Chairman and Senior Executive Director of the Company.

1.4 The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn. Bhd. ("CMS").

The Board is supported by a competent and qualified and competent Company Secretary nominated by CMS. She is a member of the Malaysian Association of Company Secretaries and holds a professional certificate as a qualified Company Secretary under the Companies Act 2016. She possesses over 28 years of experience in corporate secretarial practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objective and Goals (Cont'd)

1.4 The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn. Bhd. ("CMS"). (Cont'd)

The Company Secretary has –

- together with Management, managed all Board and Board Committee meeting logistics;
- attended and recorded minutes of all Board and Board Committee meetings and facilitated Board communications;
- advised the Board on its roles and responsibilities;
- advised the Board on corporate disclosures and compliance with the Companies Act 2016 and Securities Commission's regulations and ACE Market LR; and
- monitored corporate governance developments and advised the Board on the adoption of corporate governance practices.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretary and her team to the Board in the discharge of her duties and functions.

1.5 To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules. The notice of meetings of the Board and Board Committees are sent to the Directors via emails at least five (5) working days prior to the date of the meetings. Meeting materials are also circulated to Directors at least five (5) business days in advance of the Board and Board Committee meetings to ensure they have been given sufficient time to prepare for the meetings.

The deliberation and decision of matters discussed in the Board and Board Committees' meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. The minutes of meetings are circulated to the respective Board and Board Committees for review in a timely manner before it is finalised and tabled at the next meeting for confirmation.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

2. Demarcation of Responsibilities between the Board, Board Committees and the Management

2.1 The Board Charter clearly sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors with regards to the respective roles and responsibilities of the Board, Board Committees, Chairman and Vice Chairman and Senior Executive Director, as well as issues and decisions reserved for the Board, the Board's governance structure and Board's authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

On 16 August 2021, the Board Charter of the Company had been reviewed and revised by incorporating the anti-corruption measures and the relevant practices recommended under the MCCG. A copy of the Board Charter is available on the Company's website at www.rgtech.com.my.

The Board Charter will be reviewed as and when necessary to ensure that it remains consistent with the Board's objectives and responsibilities, and reflect the latest compliance requirements as a result of changes in the regulatory framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

3. Good Business Conduct and Healthy Corporate Culture

3.1 All Directors and employees of the Group are to adhere to the Code of Ethics and Conduct and make a necessary declaration if there is any conflict of interests. The Code of Ethics and Conduct is incorporated in the Board Charter of the Company and published on the Company's website at www.rgtech.com.my.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate.

3.2 The Group had adopted a Whistle Blowing Policy to promote the highest standard of corporate governance and business integrity. The Whistle Blowing Policy is available on the Company's website at www.rgtech.com.my.

The Whistle Blowing Policy provides an avenue for its employees to raise genuine concerns or report any misconduct, alleged breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, safely and confidentially.

3.3 In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place Anti-Bribery and Corruption Policy and Procedures ("ABC Policy") to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company. The ABC Policy is published on the Company's website, www.rgtech.com.my.

3.4 The Board believes that sustainable business practices are essential to the creation of long-term value and that responsibly running the business in intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION

4. Board's Objectivity

4.1 The composition of the Board complies with Rule 15.02 of the ACE Market LR, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are Independent Directors. Currently, the Board has five (5) members as follows:-

	Board Members	Designations
1.	Dato' Siow Kim Lun	Independent Non-Executive Chairman
2.	Yap Ban Foo	Vice Chairman and Senior Executive Director (Re-designated from the Managing Director)
3.	Yap Sin Sang	Senior Executive Director (Re-designated from Executive Director - Operations)
4.	Tevanaigam Randy Chitty	Independent Non-Executive Director
5.	Mashitah Binti Osman	Independent Non-Executive Director

4.2 The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) year term, an Independent Director may continue to serve on the Board subject to the said Director's redesignation as a Non-Independent Director.

There is no Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years. Further, based on the independence assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

4.3 The Company has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of each Independent Director was conducted annually via the Annual Evaluation of Independence of Director to ensure that they were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

4.4 The Board appoints its members via a formal and transparent selection process. The NRC is responsible to consider and nominate new candidates for appointment and make the necessary recommendations to the Board for approval. In this respect, the role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's website, www.rgtech.com.my.

The Board, through the NRC, reviews the correct mix of skills, business and professional experience that should be added to the Board annually or as and when required.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (Cont'd)

4.5 The Board has established and adopted a Gender Diversity Policy on 6 June 2018 and it was last reviewed, revised and adopted on 16 August 2021 which provides a framework for the Company to improve its gender diversity at the Board level.

The objectives/principles and measures as set out in the Gender Diversity policy are summarised below:-

Objectives/Principles

a. The Company acknowledges the importance to promote gender diversity at the Board level and will actively work towards having more female Directors on the Board. To avoid any mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in this policy.

b. In assessing the Board composition and Board effectiveness, the Board shall accord due consideration to gender diversity, required mix of skills, experience, independence and other qualities, including core competencies, commitment, integrity and/or other commitments to the Board.

Measures

To pursue the objectives of gender diversity, the Board will take into consideration the following measures:

a. The NRC and the Board shall nominate or appoint a gender diverse Board with a broad spectrum of perspectives, including but not limited to the education background, age, ethnicity, skills, knowledge, expertise, experience, competencies, integrity and/or other commitments that the candidate will bring to complement the Board.

b. The NRC is responsible in ensuring that gender diversity objective is adopted in the Board recruitment and succession planning processes.

c. The Company shall adopt a more accommodating boardroom culture and environment that is free from discrimination to attract and retain women's participation at the Board level.

d. The Company will undertake the following strategies to promote gender diversity at the Board level:

- recruiting from a diverse pool of candidates for female Directors;
- reviewing succession plans to ensure an appropriate focus on gender diversity;
- identifying specific factors to take into account the recruitment and selection adopting processes to encourage gender diversity; and
- any other strategies the Board may develop from time to time.

The Board practises non-gender discrimination, endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company. Currently, there is a female Director on the Board, namely, Pn. Mashitah Binti Osman.

Where and when appropriate, the Board, through the NRC, will priortise the female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skillsets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (Cont'd)

4.6 The policies and procedures for recruitment and appointment of Directors are guided by the Terms of Reference of the NRC.

The NRC leverages on various sources to gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, Management and/or major shareholders, the NRC also identifies potential candidates from external sources available, such as industry and professional associations, as well as independent search firms.

4.7 The NRC is chaired by Pn. Mashitah Binti Osman, an Independent Non-Executive Director of the Company. The NRC Chairperson has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The NRC comprises the following members, all being Independent and Non-Executive as identified by the Board:-

Name of Directors	Designations
Mashitah Binti Osman (Chairperson)	Independent Non-Executive Director
Dato' Siow Kim Lun (Member)	Independent Non-Executive Chairman
Tevanaigam Randy Chitty (Member)	Independent Non-Executive Director

The activities undertaken by the NRC during the FYE 2021 were as follows:-

- Reviewed and recommended to the Board for the adoption of the annual performance evaluation forms of the individual Director, Independent Directors, ARMC and the Board and Board Committees as a whole.
- Assessed and evaluated the independence of the Independent Directors.
- Assessed and evaluated the performance of each Independent Director against the criteria as set out in the evaluation form, amongst others, attendance at Board and/or Board Committee meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committees.
- Assessed and evaluated the performance of the Executive Directors against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, technology and product development, conformance and compliance, business acumen, increasing shareholders' wealth, succession planning and personal input to the role.
- Reviewed and assessed the performance of the ARMC.
- Reviewed and recommended to the Board the re-election of Mr. Yap Ban Foo and Pn. Mashitah Binti Osman who were due for retirement by rotation pursuant to Clause 85 of the Company's Constitution at the last Annual General Meeting ("AGM") held on 25 June 2021.

5. Overall Effectiveness of the Board and Individual Directors

5.1 The Board has, through the NRC, conducted the following annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FYE 2021:-

i. Performance of Vice Chairman and Senior Executive Director and Executive Director;
ii. Performance of Non-Executive Directors;
iii. Independence of the Independent Directors;
iv. Performance of the ARMC; and
v. Effectiveness of the Board and Board Committees as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Overall Effectiveness of the Board and Individual Directors (Cont'd)

5.1 Based on the evaluations conducted in the FYE 2021, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During FYE 2021, the Board met five (5) times where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's strategic, operational and financial performance.

The number of meetings held and attended by each member of the Board and the Board Committees during the FYE 2021 are as follows:-

Name of Directors *(Designations)*	Attendance		
	Board	ARMC	NRC
Dato' Siow Kim Lun *(Independent Non-Executive Chairman)*	5/5	6/6	3/3
Yap Ban Foo *(Vice-Chairman and Senior Executive Director)*	5/5	-	-
Yap Sin Sang *(Senior Executive Director)*	5/5	-	-
Tevanaigam Randy Chitty *(Independent Non-Executive Director)*	5/5	6/6	3/3
Mashitah Binti Osman *(Independent Non-Executive Director)*	5/5	6/6	3/3

Directors' Training

During the FYE 2021, all Directors had attended the following training programmes in compliance with Rule 15.08 of the ACE Market LR of Bursa Securities:-

Name of Directors	Training attended
Dato' Siow Kim Lun	• Section 17A & Adequate Procedures • Audit Committee Annual Conference 2021 • A Boardroom Simulation – Corporate Strategy Beyond the Crisis • JC3 Conference on Climate Change • Data Analytics Strategy Implementation • Updated Malaysian Code on Corporate Governance 2021 • Enterprise Risk Management – Actualising its Effectiveness • Business Foresight Forum 2021 – Transformative Innovation Reshaping Business Realities in Extraordinary Times • ESG / Sustainability and Climate Change Risk Management • Khazanah Megatrends Forum 2021
Yap Ban Foo	• Updated Malaysian Code on Corporate Governance 2021 • Securities Commission (SC) Guidelines of Conducts of Directors and Implications to both Directors and Management • The Sustainability Accelerator Programme

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

5. Overall Effectiveness of the Board and Individual Directors (Cont'd)

5.1 **Directors' Training (Cont'd)**

During the FYE 2021, all Directors had attended the following training programmes in compliance with Rule 15.08 of the ACE Market LR of Bursa Securities (Cont'd):-

Name of Directors	Training attended
Yap Sin Sang	• Updated Malaysian Code on Corporate Governance 2021 • Securities Commission (SC) Guidelines of Conducts of Directors and Implications to both Directors and Management • The Sustainability Accelerator Programme
Tevanaigam Randy Chitty	• Updated Malaysian Code on Corporate Governance 2021 • Financial Due Diligence from a Corporate Advisory Perspective (Crowe) • Tax Audit & Tax Investigations: Checkmate for Tax Payers? (FPLC/Baker Tilly Tax) • Toward a Comprehensive System of Corporate Reporting: Communication of Long-Term Value Creation (MICPA) • Financial Statements Quality Programme Launch (MICPA) • Embracing IR4.0: Modernise Your Digital Infrastructure to Boost Productivity • Microsoft 365 Collaboration • AQB Conversation with Audit Committees
Mashitah Binti Osman	• Updated Malaysian Code on Corporate Governance 2021 • Due Diligence from Corporate Advisory Perspective • SC's Audit Oversight Board Conversation with Audit Committees

The Board would evaluate and assess the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

PART III – REMUNERATION

6. Level and Composition of Remuneration

6.1 The Board had adopted a formal and transparent Remuneration Policy that sets out the principles and guidelines for the Board and the NRC to determine the remuneration of Directors and Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is available for reference on the Company's website at www.rgtech.com.my.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:

a. fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

6. Level and Composition of Remuneration (Cont'd)

6.1 The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company (Cont'd):

c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

d. salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in a general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

The remuneration is reviewed by the NRC on an annual basis prior to making its recommendations to the Board for approval.

6.2 The Board, assisted by the NRC, implements the policy and procedures on the remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

The NRC has a detailed Terms of Reference in writing which is accessible on the Company's website at www.rgtech.com.my.

7. Remuneration of Directors and Senior Management

7.1 The remuneration payable to the Directors on the Company and the Group basis for the FYE 2021 is as follows:-

The Company

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Defined Contribution Benefits (EPF) RM	Other Benefits# RM	Total RM
Executive Directors								
Yap Ban Foo	-	81,818	-	-	6,064	10,602	923	99,407
Yap Sin Sang	-	81,818	-	-	6,064	10,602	923	99,407
Non-Executive Directors								
Dato' Siow Kim Lun	48,000	-	-	1,800	-	-	-	49,800
Tevanaigam Randy Chitty	42,000	-	-	1,800	-	-	-	43,800
Mashitah Binti Osman	42,000	-	-	1,800	-	-	-	43,800
TOTAL	**132,000**	**163,636**	**-**	**5,400**	**12,128**	**21,204**	**1,846**	**336,214**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Remuneration of Directors and Senior Management (Cont'd)

7.1 The remuneration payable to the Directors on the Company and the Group basis for the FYE 2021 is as follows (Cont'd):-

The Group

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Defined Contribution Benefits (EPF) RM	Other Benefits# RM	Total RM
Executive Directors								
Yap Ban Foo	-	669,656	28,000	-	49,613	86,370	1,847	835,486
Yap Sin Sang	-	669,656	23,950	-	49,613	86,370	1,847	831,436
Non-Executive Directors								
Dato' Siow Kim Lun	48,000	-	-	1,800	-	-	-	49,800
Tevanaigam Randy Chitty	42,000	-	-	1,800	-	-	-	43,800
Mashitah Binti Osman	42,000	-	-	1,800	-	-	-	43,800
TOTAL	**132,000**	**1,339,312**	**51,950**	**5,400**	**99,226**	**172,740**	**3,694**	**1,804,322**

Note:

\# *Other benefits include Social Security Organisation contribution, Employment Insurance System contribution and travelling allowance.*

The Board determines the fees and benefits of all Directors, including the Non-Executive Directors. The Director's fees are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in the decisions regarding their own fees, benefits and/or remuneration packages.

7.2 The Board is of the view that the disclosure of the Top Five (5) Key Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company's human resource management due to the competitive nature of talents within the industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Top Five (5) Key Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Top Five (5) Key Senior Management.

Alternatively, the Board is of the view that the disclosure of Top Five (5) Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7. Remuneration of Directors and Senior Management (Cont'd)

7.2 The aggregate remuneration and benefits paid to the Top Five (5) Key Senior Management of the Group for the FYE 2021 are as follows:-

Range of Remuneration	No. of Senior Management Officer
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM350,001 to RM400,000	1
RM400,001 to RM450,000	1
RM1,050,001 to RM1,100,000	1
TOTAL	**5**

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

8.0 Effective and Independent ARMC

8.1 The positions of Chairman of the Board and Chairman of the ARMC are being held by two different persons. The Chairman of the Board is Dato' Siow Kim Lun, an Independent Non-Executive Director, while the Chairman of the ARMC is Mr. Tevanaigam Randy Chitty, also an Independent Non-Executive Director. This separation is to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.

The separation had been set out clearly in the Terms of Reference of the ARMC which is accessible on the Company's website at www.rgtech.com.my.

8.2 Currently, none of the members of the ARMC were former key audit partners of the present auditors of the Group.

The ARMC has in place a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. The policy had been codified in the Terms of Reference of ARMC of the Company.

8.3 The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures for the ARMC to review, assess and monitor the suitability, objectivity and independence of the External Auditors.

The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC carried out an annual performance assessment of the External Auditors and requested the Executive Directors and Group Accountant to join the assessment.

The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company. Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I – ARMC (CONT'D)

8.0 Effective and Independent ARMC (Cont'd)

8.4 The ARMC comprises solely of the following Independent Non-Executive Directors:-

(a) Tevanaigam Randy Chitty (Chairman);
(b) Dato' Siow Kim Lun (Member); and
(c) Mashitah Binti Osman (Member).

8.5 The Chairman and members of the ARMC are financially literate and able to understand the Group's business and matters under the purview of the ARMC.

The NRC would also review the terms of office and performance of the ARMC members to determine whether they have carried out their duties in accordance with their Terms of Reference.

The ARMC members will continuously keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL

9. Risk Management and Internal Control Framework

9.1 The Board acknowledges its overall responsibility for ensuring that a sound system of risk management and internal control is maintained throughout the Group and the need to review its effectiveness regularly. Risk management and internal control are embedded in various work processes and procedures of the respective operational functions and Management team.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

9.2 The ARMC is assisted by the Management as well as the outsourced Internal Auditors to identify and assess the significant risks faced by the Group and to ensure that appropriate risk treatment were in place to mitigate the risks that could be affecting the achievement of the Group's business objectives. The Internal Auditors report directly to the ARMC and the internal audit plans are tabled to the ARMC every quarter for review to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

The scope and function of the ARMC are set out in the Terms of Reference which is available on the Company's website at www.rgtech.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II - RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

10. Effective Governance, Risk Management and Internal Control Framework

10.1 The internal audit function is outsourced to an independent professional service firm that assists the ARMC in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the ARMC.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.

The internal audit functions and activities carried out during the FYE 2021 are as disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

10.2 The internal audit function of the Group is outsourced to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"). The engagement team from Sterling is free from any relationship or conflict of interest, which could impair their objectivity and independence.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

11.0 Continuous Communication between Company and Stakeholders

11.1 The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence, a Corporate Disclosure Policy had been adopted. A copy of the policy is published on the Company's website at www.rgtech.com.my.

The quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, www.rgtech.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

11.2 The Company is not categorised as a "Large Company" under the MCCG and hence, has not adopted integrated reporting based on a globally recognised framework.

PART II – CONDUCT OF GENERAL MEETINGS

12. Shareholders' Participation at General Meetings

12.1 **Conduct of General Meetings**

The Board will ensure that the Notice of the forthcoming AGM is sent out at least 28 days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

12. Shareholders' Participation at General Meetings (Cont'd)

12.1 **Conduct of General Meetings (Cont'd)**

In line with Practice 13.1 of MCCG, the notice convening the Eighteenth AGM ("18th AGM") of the Company was issued to shareholders at least 28 days before the 18th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 18th AGM or to appoint a proxy to attend and vote on their behalf.

The Company's 18th AGM on 25 June 2021 was held on a fully virtual and entirely via remote participation and electronic voting facilities and all the Directors had attended the 18th AGM and responded to the shareholders' enquiries. The Senior Management of the Company and External Auditors had also attended 18th AGM and prepared to answer shareholders' enquiries.

All resolutions set out in the Notice of 18th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

12.2 **Effective Communication and Proactive Engagement**

All Directors had attended the 18th AGM on a fully virtual basis and be accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group in the 18th AGM. The External Auditors were also be invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders' meetings and ensures their queries are responded to properly and systematically.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 18th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 18th AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCCG, the relevant chapters of the ACE Market LR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2021. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

A. OBJECTIVES

The Audit Committee and Risk Management Committee have been merged as a single committee known as the Audit and Risk Management Committee ("ARMC") with effect from 16 August 2021 which aimed to improve the efficiency and effectiveness of its members in discharging their duties. The primary objective of the ARMC is to assist the Board of Directors ("the Board") in fulfilling its fiduciary duties and responsibilities in accordance with its Terms of Reference, providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures as well as establishing and maintaining internal controls.

B. COMPOSITION OF THE ARMC

The ARMC comprises the following members, all being Independent Non-Executive Directors:

ARMC Members	Designation	Directorship
Mr. Tevanaigam Randy Chitty (Appointed on 7 August 2017)	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun (Appointed on 7 August 2017)	Member	Independent Non-Executive Chairman
Pn. Mashitah Binti Osman (Appointed on 7 August 2017)	Member	Independent Non-Executive Director

The Company has complied with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") as the ARMC members fulfil the requirements as prescribed.

The authorities and duties of the ARMC are clearly governed by the Terms of Reference of the ARMC. The Terms of Reference of the ARMC can be accessed from the Company's website at www.rgtech.com.my.

C. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 ("FY2021")

During the financial year under review, the ARMC convened six (6) meetings and the details of attendance of each of the ARMC members to the meetings are as follows:-

ARMC Members	Attendance
Mr. Tevanaigam Randy Chitty, Chairman	6/6
Dato' Siow Kim Lun, Member	6/6
Pn. Mashitah Binti Osman, Member	6/6

The presence of the External Auditors and/or the Internal Auditors at the ARMC meetings will be requested if required by the ARMC. Other members of the Board and officers of the Company and its subsidiaries ("the Group") may attend the meeting (specific to the relevant meeting and to the matters being discussed) upon the invitation of the ARMC.

The summary of the activities undertaken by the ARMC during FY2021, amongst others, included the following:-

i. Reviewed the unaudited consolidated quarterly financial results and annual audited financial statements of the Company including the announcements pertaining thereto. Discussion focused particularly on any changes in accounting policy and practices, significant and unusual events and compliance with accounting standards and other legal requirements before recommending to the Board for approval and making of the announcement to Bursa Securities;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

C. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 ("FY2021") (CONT'D)

The summary of the activities undertaken by the ARMC during FY2021, amongst others, included the following (Cont'd):-

ii. Reviewed with the External Auditors, the Audit Review Memorandum in respect of the audit of the Group's financial statements for FY2021 to ensure that the scope of the external audit is comprehensive;

iii. Reviewed with the External Auditors the Audit Planning Memorandum covering findings on the results and issues arising from their audit of the financial statements and their resolutions of such issues highlighted in their report to the ARMC;

iv. Reviewed the reports for the internal audit function and considered the findings of internal audit reviews and management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors;

v. Reviewed the internal audit plan proposed by the Internal Auditors for FY2021;

vi. Reviewed the risk registers on the Group's business operations to ensure that appropriate action is being taken by the Management to mitigate the key risks of the Group;

vii. Considered and recommended the re-appointment of Crowe Malaysia PLT as External Auditors and their audit fees of the Group to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the External Auditors during their audit;

viii. Reviewed the ARMC Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement to ensure adherence to legal and regulatory reporting requirement before recommending to the Board for approval for inclusion in the Annual Report;

ix. Reviewed the related party transactions and/or recurrent related party transactions that transpired within the Group to ensure that the transactions entered into were fair and reasonable, not detrimental to the minority shareholders and were in the best interests of the Company;

x. Self-appraised the performance of the ARMC for FY2021 and submit the evaluation to the Nomination and Remuneration Committee for assessment; and

xi. Evaluated the performance of the External Auditors and Internal Auditors of the Company.

D. INTERNAL AUDIT FUNCTION

i. Appointment

The Group's internal audit function is outsourced to an independent professional consulting company, namely Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), which is independent of the activities and operations of the Group. The outsourced Internal Auditors report directly to the ARMC, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to review the adequacy and effectiveness of systems, procedures and controls of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

D. INTERNAL AUDIT FUNCTION (CONT'D)

ii. Internal audit activities

The internal audit reporting can broadly be segregated into three (3) main areas as follows:-

a. Internal Audit Plan for the Group

The internal audit plan for the Group was presented to the ARMC by Sterling for discussion and approval. The ARMC would then recommend the same or any adjustments needed to the Board for adoption.

b. Regular Internal Audit Reports

Internal audit reports were reviewed and adopted by the ARMC on a quarterly basis. During the financial year, Sterling has reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

c. Follow-up Reports

In addition, the Internal Auditors followed-up on the implementation of recommendations from prior internal audit visits and updated the ARMC on the status of Management-agreed action plans.

iii. Total costs incurred for the financial year

The total costs incurred for the internal audit function of the Group for FY2021 was RM48,939.

iv. Review of internal audit function

For FY2021, the ARMC is satisfied that the independence of the internal audit function has been maintained as adequate safeguards are in place. Sterling has performed their audit assignments with impartiality, proficiency and due professional care.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Radiant Globaltech Berhad ("Radiant Globaltech" or "the Company") did not raise any fund through any corporate proposal during the financial year ended 31 December 2021 ("FY2021"). Therefore, there was no utilisation of proceeds for the FY2021.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the External Auditors by the Company and its subsidiaries ("the Group") for the FY2021 are as follows:-

	Fee (RM)	
	Company RM'000	**Group RM'000**
i. Audit		
- Current Year	65	286
- Under-provision in prior year	-	3
ii. Non-audit	6	6
Total	71	295

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Group involving the interest of the Company's Directors and/or major shareholders, either still subsisting at the end of the FY2021, or which were entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE AND/OR TRADING NATURE

The details of the RRPT of a revenue or trading nature that were entered into by the Company and/or the Group with the related parties for the FY2021 are disclosed in Note 37 of the Notes to the Financial Statements on page 116 of this Annual Report. The quantum involved in the RRPT is not substantial and does not require the shareholders' approval pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") acknowledges that the Company and its subsidiaries ("the Group") cannot achieve its objectives and sustain its success without effective governance, risk management and internal control processes. Effective governance, risk management and internal control processes will guide the Group to achieve a proper balance between the risks incurred and potential returns to shareholders in accordance with the Group's acceptable risk appetite.

The Board is pleased to provide the following Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2021. This has been prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded.

The system of risk management and internal controls not only covers the financial aspect of the Group, but also the operational and compliance aspect of the Group. Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Board is designed to manage rather than eliminate risks that may impede the achievement of the Group's corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

RISK MANAGEMENT FRAMEWORK

The underlying objective of an effective risk management framework is to contribute to good corporate governance which will enable the Group to achieve its corporate objectives. Risk management shall be an integral part of the Group's culture and embedded into the day-to-day management of operations, processes and structures. Thus, it should be extensively applied in all decision-making and strategic planning.

The Group's Risk Management Committee was established on 7 August 2017 and merged with Audit Committee as a single committee and known as the Audit and Risk Management Committee ("ARMC") with effect from 16 August 2021 and its members are appointed by the Board. In particular, the roles and responsibilities of the ARMC in relation to risk management are as follows:

i. to recommend the Group's risk appetite and its policy for risk management to the Board;
ii. to recommend and review the implementation of the Group's internal controls and risk management framework;
iii. to review the processes and procedures for ensuring that all material business risks are properly identified and those appropriate systems of monitoring and control are in place;
iv. to receive and review risk management reports and make recommendations for changes in policies and procedures as and when required;
v. to consider material risk factors, risk tolerance levels, review the actions taken in response, mitigation and prevention actions;
vi. to consider the effect of any material findings on business risks, financial risks, compliance risks and operational risks that may impact the Group's performance; and
vii. to consider the effect of the risks of any findings highlighted by the internal auditor (if any) or any independent reviews carried out for the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

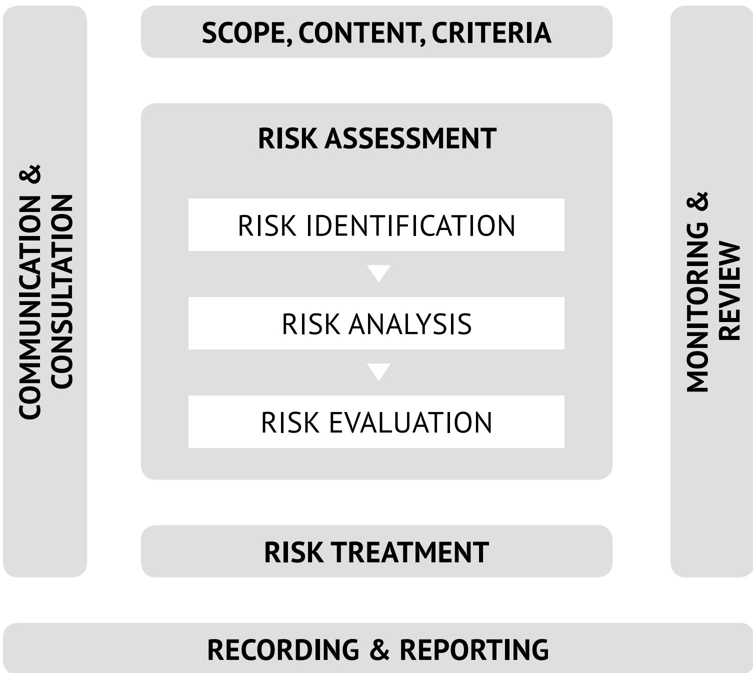
RISK MANAGEMENT FRAMEWORK (CONT'D)

The Board recognises that risk management should be an integral part of the business operation. On a day-to-day basis, the respective Key Senior Management team is responsible for managing risks related to their functions or departments. The ARMC relies on the Key Senior Management team to support in terms of:

i. managing the risks of business processes under his/her control;
ii. identifying risks and evaluating existing risk controls;
iii. reporting significant risks to the ARMC and the Board at scheduled meetings in a proactive, responsible and accountable manner; and
iv. providing oversight on the establishment, implementation and review of the effectiveness of the risk management framework and internal control systems to the ARMC and the Board.

Management meetings are held to ensure that the risks faced by the Group are monitored and properly addressed. It is at these meetings that key risks and corresponding controls implemented are deliberated, reviewed, communicated and agreed.

The Group's risk management process can be briefly summarised as follows:



During the ARMC held on 23 November 2021, the ARMC had reviewed the Risk Management Report on the Group's business operations, amongst others, the risk parameters, financial and non-financial impact, risk treatment options and the existing risk ratings of the Group.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to an external independent professional consulting firm to assist the Board and ARMC in ascertaining the adequacy and effectiveness of the Group's internal control systems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

The firm acts as Internal Auditors and reports directly to the ARMC during the ARMC meetings. The firm is free from any relationships or conflict of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. The ARMC is of the opinion that the internal audit function is effective and able to function independently.

The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control - Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews are conducted according to the approved internal audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommends possible improvements to the internal control process. The internal audit plan is reviewed and approved by the ARMC, to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

On a quarterly basis, the Internal Auditors report to the ARMC on areas for possible improvement and the Management's response to such recommendations. Follow-up audits were also carried out and the outcome was reported to the ARMC to ensure weaknesses identified have been or are being addressed.

The internal audit function assists the Board and Key Senior Management team in providing an independent assessment of the effectiveness and adequacy of the Group's systems of internal controls.

The assessment of the adequacy and effectiveness of the internal controls established in mitigating risks are carried out through interviews and discussions with key management staffs, review of the relevant established policies and procedures, and authority limits and observing and testing of the internal controls on a sample basis. The internal audit reviews have resulted in action plans to be taken by the Group to address the weaknesses noted. Identified enhancement opportunities are then reported to the ARMC, who in turn reports these matters to the Board. Any highlighted issues are followed up closely to determine the extent of the recommendation that has been implemented by the Management.

During the financial year ended 31 December 2021, four (4) internal audit reviews and four (4) follow-up reviews had been carried out and reported by Internal Auditors:

Reporting Month	Name of Entity Audited	Audited Areas
February 2021	• Radiant Global ADC Sdn. Bhd.	• Human Resources Management • Management Information Services/ Information Technology Follow up actions on previously reported audited findings
May 2021	• Radiant Global Solutions Sdn. Bhd.	• Sales and Marketing • Project Management Follow up actions on previously reported audit findings
August 2021	• Grand-Flo Spritvest Sdn. Bhd.	• Sales and Marketing • Customer Services Follow up actions on previously reported audited findings
November 2021	• Grand-Flo Spritvest Sdn. Bhd.	• Project Management • Finance and Accounts Follow up actions on previously reported audited findings

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate, the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls, and the occurrence of unforeseeable circumstances.

The Group's Key Senior Management team receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies.

The internal control matters are reviewed and the Board is updated on the significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during the Board meetings and any significant fluctuation or exception noted will be analysed and acted in a timely manner.

The key elements of the Group's internal control systems are as follows:

- <u>Organisational and Reporting Structure</u>

  A formal organisational structure has also been put in place with well-defined scope of responsibilities, clear lines of accountability and appropriate level of delegated authority. The Group has also put in place consistent human resource practices throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skills and experiences in order to carry out their duties and responsibilities effectively and efficiently.

- <u>Policies and Procedures</u>

  The Group has established internal policies and procedures covering key business units and operations. These policies and procedures are regularly reviewed and updated to ensure it is relevant in addressing the changing environment, operational requirements and changes in risks. Information pertaining to internal control policies, procedures and processes which are critical to the achievement of the Group's corporate objectives are communicated through established reporting lines across the Group via electronic mail system, internal meetings and briefings. Further, the Group also maintains documented policies, procedures and process flows for its key business operations with the appropriate level of delegated authority. The documented internal policies, procedures and processes are in place to ensure compliance with the internal control and relevant laws and regulations.

- <u>Internal Audit Function</u>

  Periodic management meetings are held to discuss and review the Group's financial data, and operational performance of various operating units according to the internal audit plan approved by the ARMC. Issues and/or matters that require the Board and Key Senior Management team's attention will be highlighted, deliberated and decided upon in a timely manner. Periodic reviews of adequacy and integrity of selected areas of internal control systems are carried out and reported to the Board for deliberation, decision making and further action. Follow-ups on status of implementation of agreed action plans are also conducted to ensure corrective actions are implemented accordingly. Audit reviews were carried out quarterly.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an anti-bribery and anti-corruption policy which prohibits all forms of bribery and corruption practices. All employees are required to read and understand the policy and to take an assessment test. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group's anti-bribery and anti-corruption policy. The said policy is also made available at the Company's website.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

WHISTLEBLOWING POLICY

The Group has put in place a whistleblowing policy which allows, supports and encourages its employees to report and disclose any improper, alleged or illegal activities within the Group. The whistleblowing policy is made available at the Company's website.

ASSURANCE

The Vice Chairman and Senior Executive Director of the Company has provided assurance to the Board that the Group's systems of risk management and internal control is operating adequately and effectively for the financial year under review and up to date as of this Statement.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required under Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control to the scope set out in the Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants (MIA).

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

CONCLUSION

The Board is of the view that the Group's systems of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's systems of internal controls and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's systems of risk management and internal controls.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Board of Directors of the Company is required by the Companies Act 2016 ("CA 2016") to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries ("Group") at the end of the financial year and of the financial performance of the Group for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2021, the Directors have:-

- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- ensure applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared it on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Group maintain accounting records that disclose with reasonable accuracy, the financial position of the Group, and which enable them to ensure that the financial statements comply with the CA 2016.

The Directors have general responsibilities for taking such steps that the appropriate systems are reasonably available to safeguard the assets of the Group, to prevent and detect fraud and other irregularities and material misstatements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of retail technology software solutions and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	8,075,493	199,554
Attributable to:-		
Owners of the Company	7,337,648	199,554
Non-controlling interests	737,845	-
	8,075,493	199,554

DIVIDEND

No divend was recommend by the directors for the financial year.

On 22 April 2022, the Company declared an first interim Single-Tier dividend of 0.5 sen per ordinary share amounting to RM2,626,000 in respect of the financial year ending 31 December 2022, payable on 7 June 2022, to shareholders whose names appeared in the record of depositors on 12 May 2022. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than the acquisition of new subsidiaries as disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE (CONT'D)

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Yap Ban Foo
Yap Sin Sang
Dato' Siow Kim Lun @ Siow Kim Lin
Tevanaigam Randy Chitty
Mashitah Binti Osman

The names of the directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Tran Phu Vinh
Lim Kiat Hin
Wong Wei Ming
Cheng Ping Liong
Yap Poh Keong
Lim Chiew Shan (Resigned on 31.3.2021)
Ng Chee Siong (Resigned on 31.3.2021)
Teh How Kiat (Resigned on 24.5.2021)
Thammanoon Korkiatwanich (Resigned on 30.6.2021)
Ong Eng Hu (Resigned on 31.7.2021)
Lee Thiam Sew (Deceased on 8.11.2021)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	< -------------- Number of Ordinary Shares ------------ >			
	At 1.1.2021	**Bought**	**Sold**	**At 31.12.2021**
The Company				
Direct Interests				
Dato' Siow Kim Lun @ Siow Kim Lin	500,000	-	-	500,000
Tevanaigam Randy Chitty	1,200,000	230,000	-	1,430,000
Mashitah Binti Osman	100,000	-	-	100,000
Indirect Interests				
Yap Ban Foo*	169,232,800	-	(39,264,000)	129,968,800
Yap Sin Sang#	137,463,200	-	(39,516,000)	97,947,200

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows (Cont'd):-

* Deemed interested by virtue of his interest in Global Merits Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Deemed interested by virtue of his interest in Practical Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

By virtue of their shareholdings in the Company, Yap Ban Foo and Yap Sin Sang are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in Note 32 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 37 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 37(c) to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM5,000,000 and RM12,900 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 40 to the financial statements.

DIRECTORS' REPORT

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 32 to the financial statements.

Signed in accordance with a resolution of the directors dated 27 April 2022.

Yap Ban Foo

Yap Sin Sang

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Yap Ban Foo and Yap Sin Sang, being two of the directors of Radiant Globaltech Berhad, state that, in the opinion of the directors, the financial statements set out on pages 65 to 141 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 27 April 2022

Yap Ban Foo **Yap Sin Sang**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lee Sook Kuan, MIA Membership Number: 40568, being the officer primarily responsible for the financial management of Radiant Globaltech Berhad, do solemnly and sincerely declare that the financial statements set out on pages 65 to 141 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lee Sook Kuan,
at Kuala Lumpur
in the Federal Territory
on this 27 April 2022

Lee Sook Kuan

Before me

Datin Hajah Raihela Wanchik (No. W-275)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADIANT GLOBALTECH BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Radiant Globaltech Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 65 to 141.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><td colspan="2">Impairment assessment of goodwill

Refer to Notes 9 to the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key Audit Matter</td></tr>
<tr><td>As at 31 December 2021, the carrying amount of the Group's goodwill from a cash-generating unit ("CGU") amounted to approximately RM11.4 million.

We focused on these areas due to the significant amount of the goodwill, and the inherent judgements involved in determining the revenue forecasts, profit margins and discount rates.</td><td>Our procedures included, amongst others:-

(a) Reviewed management's estimate of the recoverable amount and test of the cash flows forecast for their accuracy;

(b) Reviewed the key business drivers underpinning the cash flows forecast prepared to support the recoverable amount;

(c) Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business and trend analysis;</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADIANT GLOBALTECH BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Impairment assessment of goodwill (Cont'd) Refer to Notes 9 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
	Our procedures included, amongst others (Cont'd):- (d) Performed sensitivity analysis over the key assumptions to understand the impact of changes over the valuation model; and (e) Assessing the adequacy of disclosure of goodwill in the financial statements.

Recoverability of trade receivables Refer to Notes 12 and 39.1(b)(iii) to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The trade receivables of the Group amounted to approximately RM32.4 million of which approximately RM10.9 million exceeded their credit terms. Management recognised the allowance of impairment losses on trade receivables based on specific known facts or customers' ability to pay. We focused on this area as determination of whether trade receivables are recoverable involves significant management judgement.	Our procedures included, amongst others:- (a) Obtained an understanding of:- • the Group's control over the trade receivables collection process; • how the Group identifies and assesses the impairment of trade receivables; and • how the Group makes the accounting estimates for impairment. (b) Reviewed the ageing analysis of trade receivables and tested its reliability; (c) Reviewed subsequent cash collections for major trade receivables and overdue amounts; (d) Made inquiries of management regarding the action plans to recover overdue amounts; (e) Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collection; (f) Examined other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules; and (g) Evaluated the reasonableness and tested the adequacy of the impairment losses recognised for identified exposures on trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADIANT GLOBALTECH BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADIANT GLOBALTECH BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also (Cont'd):-

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADIANT GLOBALTECH BERHAD

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Gerald Lau Beng Tong
03523/08/2022 J
Chartered Accountant

Kuala Lumpur

27 April 2022

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	32,556,122	29,536,121
Plant and equipment	6	1,452,196	1,669,688	331,399	324,258
Right-of-use assets	7	11,255,515	11,225,213	4,101,164	4,191,104
Intangible assets	8	1,181,508	1,758,756	-	-
Goodwill	9	11,447,012	8,151,995	-	-
Deferred tax assets	10	718,327	601,140	-	-
		26,054,558	23,406,792	36,988,685	34,051,483
CURRENT ASSETS					
Inventories	11	7,575,472	7,490,834	-	-
Trade receivables	12	31,280,728	27,208,882	1,851,687	1,860,635
Other receivables, deposits and prepayments	13	3,870,681	3,699,206	136,580	125,251
Amount owing by subsidiaries	14	-	-	4,066,522	3,098,631
Amount owing by related parties	15	1,109,707	-	-	-
Current tax assets		2,597,598	4,285,973	267,793	239,300
Short-term investments	16	21,955,548	21,279,512	11,069,153	17,790,531
Fixed deposits with licensed banks	17	1,161,743	1,040,161	-	-
Cash and bank balances		13,078,793	18,751,085	1,087,365	947,225
		82,630,270	83,755,653	18,479,100	24,061,573
TOTAL ASSETS		108,684,828	107,162,445	55,467,785	58,113,056
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	48,153,374	48,153,374	48,153,374	48,153,374
Merger deficit	19	(13,680,805)	(13,680,805)	-	-
Foreign exchange translation reserve	20	(192,841)	(283,433)	-	-
Retained profits		38,392,124	31,054,476	5,643,433	5,443,879
Equity attributable to owners of the Company		72,671,852	65,243,612	53,796,807	53,597,253
Non-controlling interests	5	1,890,699	1,220,466	-	-
TOTAL EQUITY		74,562,551	66,464,078	53,796,807	53,597,253

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONT'D)

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	**RM**	**RM**	**RM**	**RM**
EQUITY AND LIABILITIES (CONT'D)					
NON-CURRENT LIABILITIES					
Provision	21	374,565	336,203	-	-
Lease liabilities	22	564,857	322,553	-	-
Deferred revenue	23	258,339	299,052	-	-
Deferred tax liabilities	24	14,300	44,500	-	-
		1,212,061	1,002,308	-	-
CURRENT LIABILITIES					
Trade payables	25	12,731,691	15,802,070	441,995	390,252
Other payables and accruals	26	16,755,327	19,920,593	1,228,983	3,774,763
Amount owing to subsidiaries	14	-	-	-	350,788
Amount owing to related parties	15	2,280,553	1,856,897	-	-
Amount owing to directors	27	511,782	120,000	-	-
Lease liabilities	22	550,203	547,925	-	-
Term loan	28	-	720,574	-	-
Bankers' acceptances	29	-	728,000	-	-
Current tax liabilities		80,660	-	-	-
		32,910,216	39,696,059	1,670,978	4,515,803
TOTAL LIABILITIES		34,122,277	40,698,367	1,670,978	4,515,803
TOTAL EQUITY AND LIABILITIES		108,684,828	107,162,445	55,467,785	58,113,056

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
REVENUE	30	134,024,628	76,133,971	6,756,765	6,409,072
COST OF SALES		(88,613,470)	(49,457,967)	(4,073,355)	(3,285,334)
GROSS PROFIT		45,411,158	26,676,004	2,683,410	3,123,738
OTHER INCOME		1,246,089	2,259,161	314,171	561,950
		46,657,247	28,935,165	2,997,581	3,685,688
SELLING AND DISTRIBUTION EXPENSES		(1,321,842)	(1,060,014)	-	-
ADMINISTRATIVE EXPENSES		(31,139,628)	(23,398,387)	(2,338,515)	(2,431,194)
OTHER EXPENSES		(2,109,712)	(2,460,375)	(163,085)	(183,935)
FINANCE COSTS		(113,732)	(138,414)	-	-
NET REVERSAL OF IMPAIRMENT LOSSES/ (IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	31	2,568	(747,244)	195,079	(191,822)
PROFIT BEFORE TAXATION	32	11,974,901	1,130,731	691,060	878,737
INCOME TAX EXPENSE	33	(3,899,408)	(773,152)	(491,506)	(224,276)
PROFIT AFTER TAXATION		8,075,493	357,579	199,554	654,461
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
Item that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		140,843	(59,601)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		8,216,336	297,978	199,554	654,461
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		7,337,648	1,600,335	199,554	654,461
Non-controlling interests		737,845	(1,242,756)	-	-
		8,075,493	357,579	199,554	654,461
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		7,428,240	1,562,274	199,554	654,461
Non-controlling interests		788,096	(1,264,296)	-	-
		8,216,336	297,978	199,554	654,461
EARNINGS PER SHARE (SEN)					
Basic	34	1.40	0.30		
Diluted	34	1.40	0.30		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		< -------Non-distributable------- >			Distributable			
	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group								
Balance at 1.1.2020		48,153,374	(13,680,805)	(245,372)	29,454,141	63,681,338	884,580	64,565,918
Profit after taxation for the financial year		-	-	-	1,600,335	1,600,335	(1,242,756)	357,579
Other comprehensive expenses for the financial year:								
- Foreign currency translation differences		-	-	(38,061)	-	(38,061)	(21,540)	(59,601)
Total comprehensive income for the financial year		-	-	(38,061)	1,600,335	1,562,274	(1,264,296)	297,978
Issuance of shares to non-controlling interests by subsidiaries		-	-	-	-	-	738,180	738,180
Acquisition of subsidiaries	35	-	-	-	-	-	862,002	862,002
Balance at 31.12.2020		48,153,374	(13,680,805)	(283,433)	31,054,476	65,243,612	1,220,466	66,464,078

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

		<------- Non-distributable -------		>	Distributable			
	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group								
Balance at 31.12.2020/1.1.2021		48,153,374	(13,680,805)	(283,433)	31,054,476	65,243,612	1,220,466	66,464,078
Profit after taxation for the financial year		-	-	-	7,337,648	7,337,648	737,845	8,075,493
Other comprehensive expenses for the financial year:								
- Foreign currency translation differences		-	-	90,592	-	90,592	50,251	140,843
Total comprehensive income for the financial year		-	-	90,592	7,337,648	7,428,240	788,096	8,216,336
Acquisition of subsidiaries	35	-	-	-	-	-	(117,863)	(117,863)
Balance at 31.12.2021		48,153,374	(13,680,805)	(192,841)	38,392,124	72,671,852	1,890,699	74,562,551

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	Share Capital RM	Distributable Retained Profits RM	Total Equity RM
The Company			
Balance at 1.1.2020	48,153,374	4,789,418	52,942,792
Profit after taxation/Total comprehensive income for the financial year	-	654,461	654,461
Balance at 31.12.2020/1.1.2021	48,153,374	5,443,879	53,597,253
Profit after taxation/Total comprehensive income for the financial year	-	199,554	199,554
Balance at 31.12.2021	48,153,374	5,643,433	53,796,807

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit before taxation	11,974,901	1,130,731	691,060	878,737
Adjustments for:-				
Amortisation of intangible assets	578,756	684,381	-	-
Bad debts written off	10,523	-	-	-
Depreciation of plant and equipment	460,033	424,139	45,881	40,478
Depreciation of right-of-use assets	912,371	896,483	89,940	89,940
Impairment losses on intangible assets	-	429,773	-	-
Unrealised loss/(gain) on foreign exchange	41,378	84,535	(5,134)	7,194
Interest expense on lease liabilities	66,069	35,600	-	-
Interest expenses	47,663	102,814	-	-
Impairment loss:				
- trade receivables	269,337	773,843	-	191,822
- amount owing by related parties	11,500	-	-	-
Provision made during the financial year	42,660	336,203	-	-
Inventories written down	730,860	1,021,481	-	-
Interest income	(345,724)	(626,284)	(176,865)	(435,409)
Reversal of impairment losses on trade receivables	(283,405)	(26,599)	(195,079)	-
Gain on disposal of equipment	(4,500)	-	-	-
Operating profit before working capital changes	14,512,422	5,267,100	449,803	772,762
(Increase)/Decrease in inventories	(763,567)	73,554	-	-
(Increase)/Decrease in trade and other receivables	(3,939,350)	12,564,746	197,832	(196,410)
(Decrease)/Increase in trade and other payables	(6,915,975)	(5,632,446)	(2,494,037)	3,052,333
(Increase)/Decrease in amount owing by subsidiaries	-	-	(967,891)	1,865,735
(Decrease)/Increase in amount owing to subsidiaries	-	-	(350,788)	350,788
Decrease in amount owing by related parties	423,656	-	-	-
(Decrease)/Increase in amount owing to related parties	(1,121,207)	1,853,177	-	-
CASH FROM/(FOR) OPERATIONS	2,195,979	14,126,131	(3,165,081)	5,845,208
Interest paid	(5,146)	(836)	-	-
Income tax paid	(2,279,574)	(2,552,735)	(519,999)	(505,168)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(88,741)	11,572,560	(3,685,080)	5,340,040

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

		The Group		The Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries	35(b)	(2,484,140)	(7,846,656)	(3,020,001)	(11,600,000)
Proceeds from disposal of plant and equipment		4,500	15,390	-	15,390
Proceeds from issuance of shares to non-controlling interests		-	738,180	-	-
Purchase of plant and equipment		(143,959)	(792,514)	(53,022)	(6,220)
Purchase of intangible assets		(1,556)	(569,120)	-	-
Interest received		345,724	626,284	176,865	435,409
(Placement)/Withdrawal fixed deposits with tenure more than 3 months		(110,483)	11,512,506	-	-
(Increase)/Decrease in pledged fixed deposits with licensed banks		(11,099)	(14,311)	-	11,405,574
Investments in subsidiaries		-	-	-	(680,120)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(2,401,013)	3,669,759	(2,896,158)	(429,967)
CASH FLOWS FOR FINANCING ACTIVITIES					
Interest paid	36(b)	(104,779)	(137,578)	-	-
Dividend paid		-	(525,000)	-	(525,200)
Repayment of term loan	36(b)	(720,574)	(679,117)	-	-
Repayment of lease liabilities	36(b)	(704,853)	(615,733)	-	-
(Repayment)/Advances from directors	36(b)	(405,500)	13,548	-	-
Repayment of bankers' acceptances	36(b)	(728,000)	-	-	-
NET CASH FOR FINANCING ACTIVITIES		(2,663,706)	(1,943,880)	-	(525,200)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(5,153,460)	13,298,439	(6,581,238)	4,384,873
EFFECT OF FOREIGN EXCHANGE TRANSLATION		157,204	(137,932)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		40,030,597	26,870,090	18,737,756	14,352,883
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36(c)	35,034,341	40,030,597	12,156,518	18,737,756

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Third floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	Unit 03-06 & 03-07, Level 03, Tower B, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 April 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of retail technology software solutions and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following accounting standards and/or 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 year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or 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 year (Cont'd):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendment 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 Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
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/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Amortisation of Intangible Assets

The estimates for the residual values, useful lives and related amortisation charges for the intangible assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its intangible assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amount of intangible assets as at the reporting date is disclosed in Note 8 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Note 9 to the financial statements.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of Trade Receivables and Amount Owing by Related Parties

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and amount owing by related parties. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and amount owing by related parties. The carrying amounts of trade receivables and amount owing by related parties as at the reporting date are disclosed in Notes 12 and 15 to the financial statements respectively.

(f) Impairment of Non-Trade Receivables and Amount Owing by Subsidiaries

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 13 and 14 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of the current tax assets and current tax liabilities as at the reporting date are as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax assets	2,597,598	4,285,973	267,793	239,300
Current tax liabilities	80,660	-	-	-

(h) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 10 to the financial statements.

(i) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The purchase price allocation is currently in progress. The fair values of the assets acquired and liabilities assumed under the business combinations are based on provisional amounts for the items which is incomplete during the current financial year and are disclosed in Note 35 to the financial statements.

(j) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party or parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(c) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(e) Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments (Cont'd)

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 PLANT AND EQUIPMENT

All items of plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PLANT AND EQUIPMENT (CONT'D)

Depreciation on plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Motor vehicles	16% - 20%
Furniture and fittings	8% - 25%
Office equipment	10% - 40%
Renovation	8% - 10%
Computers	20% - 33%
Tools and equipment	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.8 INTANGIBLE ASSETS

Intangible asset is measured at cost less accumulated amortisation and impairment losses, if any.

The intangible asset is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the intangible asset is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.9 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on this financial asset is estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.13 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(c) Defined Benefit Plans

The Group makes contributions to the Company's retirement benefit plan, a funded defined benefit plan. In addition, the Group also provides for a post-retirement medical plan for certain employees, which is unfunded.

The liability or asset recognised in the statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The present value of the defined benefit obligation is calculated using the projected unit credit method by independent actuaries annually, determined by discounting the estimated future benefits that employees have earned in the current and prior periods, using market yields of private corporate debt securities which have currency and terms to maturity approximating the terms of the related obligation.

The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The net interest expense or income is recognised in profit or loss under the staff costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and will not be reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

4.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.17 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.18 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 DEFERRED REVENUE

Deferred revenue represents cash received/receivable from customers for services not yet rendered at the end of the reporting period.

4.20 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Sale of Goods

Revenue from sale of hardware is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

(c) Rendering of Services

Revenue is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021	**2020**
	RM	**RM**
Unquoted shares, at cost	32,556,122	29,536,121

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021 %	2020 %	
Subsidiaries of the Company				
Radiant Global ADC Sdn. Bhd. ("RGM")	Malaysia	100	100	Trading in retail technology hardware, provision of maintenance and technical support services and investment holding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Subsidiaries of the Company (Cont'd)				
Radiant Global Solutions Sdn. Bhd. ("RGS")	Malaysia	100	100	Provision of retail technology software solutions.
Infoconnect Commerce Sdn. Bhd. ("ICC")	Malaysia	100	100	Provision of computer consultancy, computer programming activities and wholesale of a variety of goods without any particular specialisation.
Adaptive POS Sdn. Bhd. ("ADP")	Malaysia	70	70	Provision of computer consultancy, computer programming activities and wholesale of a variety of goods without any particular specialisation.
Radiant Global ADC Cambo Pte. Ltd. #	Cambodia	100	100	Trading in retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.
Rgtech Simat Co. Ltd ("RGSIMAT") #	Thailand	49	49	IT services business, hardware distribution, software development and maintenance.
Grand-Flo Spritvest Sdn. Bhd. ("GFS")	Malaysia	80	80	Provision of information technology solutions specialising in automated data collection processes and mobile computing.
Arms Software International Sdn. Bhd. ("ARMS")	Malaysia	70	-	Developing and selling of software systems, providing web designing services and dealing in all kinds of computer accessories and peripherals.
World Portal Sdn. Bhd. ("WPORTAL") ^	Malaysia	70	-	Computer programming activities and other information technology service activities.
World Pos Sdn. Bhd. ("WPOS") ^	Malaysia	70	-	Business of management consultancy services, computer programming activities and activities of holding companies.
Subsidiary of RGM				
Radiant Global ADC Vietnam Co., Ltd. #^	Vietnam	100	100	Trading of retail technology hardware and provision of retail technology software solutions, maintenance and technical support services.
Subsidiary of RGS				
RG Posconnect Sdn. Bhd. ("RGP") ^	Malaysia	70	70	Provision of retail software solutions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021 %	2020 %	
Subsidiary of ICC				
RG Gateway Sdn. Bhd. ("RGGW") ^	Malaysia	70	70	Business of retail technology solutions provider.

Notes:-

\# *These subsidiaries were audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.*

^ *The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiary.*

(a) On 8 January 2020, the Company entered into a Shareholders Agreement with Simat Technologies Public Company Limited, Phenpuk Chintanapat, Thammanoon Korkiatwanich and Thanapoom Khetraksa to jointly form a new company, RGSIMAT with a registered capital of THB10,000,000 in Thailand as the Special Purpose Vehicle to undertake the business of sale of hardware, software, network equipment, development of information technology solutions and maintenance services in Thailand. The Company subscribed for 490,000 ordinary shares at an issue price of RM10 each for a 49% stake in RGSIMAT.

(b) On 1 June 2020, RGS, a wholly-owned subsidiary of the Company, has incorporated a subsidiary known as RGP with an issued and paid-up share capital of RM100,000 comprising of 100,000 ordinary shares. The Company subscribed for 70,000 ordinary shares at an issue price of RM1 each. Following the subscription, RGP became a 70%-owned subsidiary of the Company.

(c) On 10 September 2020, the Company has entered into a Conditional Shares Sales Agreement ("CSSA") with Grand-Flo Berhad for the proposed acquisition of 800,000 GFS shares, representing 80% of the issued share capital of GFS for a consideration of RM11,600,000.

On 1 November 2020, all the conditions precedent stipulated in the CSSA have been fulfilled and the proposed acquisition has been completed. The details of the acquisition are disclosed in Note 35 to the financial statements.

(d) On 4 November 2020, ICC, a wholly-owned subsidiary of the Company, has incorporated a subsidiary known as RGGW with an issued and paid-up share capital of RM1,000 comprising of 1,000 ordinary shares. The Company subscribed for 700 shares at an issue price of RM1 each. Following the subscription, RGGW became a 70%-owned subsidiary of the Company.

(e) On 21 April 2021, the Company has entered into a Share Sale Agreement ("SSA") with Mr. Lee Thiam Sew and Mr. Teh How Kiat for the proposed acquisition of 210,000 ordinary shares in ARMS, representing 70% of the issued share capital of ARMS for a consideration of RM1,900,000.

On 18 May 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed. The details of the acquisition are disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) On 4 August 2021, the Company has entered into a SSA with Mr. Yap Poh Keong for the proposed acquisition of 179,900 ordinary shares in WPORTAL, representing 70% of the issued share capital of WPORTAL for a consideration of RM1,120,000.

On 23 September 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed. The details of the acquisition are disclosed in Note 35 to the financial statements.

(g) On 4 August 2021, the Company has entered into a SSA with Jejak Menang Sdn. Bhd. for the proposed acquisition of 2,100,000 ordinary shares in WPOS, representing 70% of the issued share capital of WPOS for a consideration of RM1.

On 23 September 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed. The details of the acquisition are disclosed in Note 35 to the financial statements.

(h) Although the Company owns less than half of the voting power in RGSIMAT, the Company controls this subsidiary by virtue of an agreement with other investor of RGSIMAT. Consequently, the Company consolidates its investment in this subsidiary.

(i) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses as their financial performance was deteriorating due to keen competition and the outbreak of COVID-19 pandemic and determined that no additional impairment is required. The recoverable amounts were determined based on their value in use approach and the pre-tax discount rates used were ranging from 15%.

These investments in subsidiaries are categorised under the Group's 'Hardware and maintenance' reportable segment.

(j) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2021	2020	2021	2020
	%	%	RM	RM
ADP	30	30	326,251	605,333
RGSIMAT	51	51	(822,865)	(592,641)
GFS	20	20	2,500,067	1,187,282
Other individually immaterial subsidiaries			(112,754)	20,492
			1,890,699	1,220,466

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(k) The summarised financial information (before intra-group elimination and fair value adjustment) for each subsidiary that has non-controlling interest that is material to the Group is as follows:-

	ADP 2021 RM	RGSIMAT 2021 RM	GFS 2021 RM
At 31 December			
Non-current assets	805,000	700,874	279,408
Current assets	889,983	3,535,694	19,853,698
Non-current liabilities	-	(266,614)	(76,126)
Current liabilities	(723,830)	(5,583,414)	(7,556,644)
Net assets/(liabilities)	971,153	(1,613,460)	12,500,336
Financial Year Ended 31 December			
Revenue	1,331,639	4,809,117	61,437,702
(Loss)/Profit for the financial year	(879,688)	(549,951)	6,563,928
Total comprehensive (expenses)/income	(879,688)	(451,419)	6,563,928
Total comprehensive (expenses)/income attributable to non-controlling interests	(263,906)	(230,224)	1,312,786
Net cash flows (for)/from operating activities	(52,428)	40,160	95,308
Net cash flows (for)/from investing activities	-	(29,912)	73,979
Net cash flows for financing activities	-	(43,404)	(1,028,108)
At 31 December			
Non-current assets	1,205,000	711,666	595,955
Current assets	1,152,841	3,180,735	23,352,294
Non-current liabilities	-	(199,635)	(161,009)
Current liabilities	(507,000)	(4,854,807)	(17,850,832)
Net assets/(liabilities)	1,850,841	(1,162,041)	5,936,408
Financial Year Ended 31 December			
Revenue	975,953	4,639,228	12,124,025
(Loss)/Profit for the financial year	(880,236)	(2,507,805)	1,626,402
Total comprehensive (expenses)/income	(880,236)	(2,550,041)	1,626,402
Total comprehensive (expenses)/income attributable to non-controlling interests	(264,071)	(1,278,981)	325,280

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(k) The summarised financial information (before intra-group elimination and fair value adjustment) for each subsidiary that has non-controlling interest that is material to the Group is as follows (Cont'd):-

	ADP 2021 RM	RGSIMAT 2021 RM	GFS 2021 RM
Net cash flows (for)/from operating activities	(311,373)	(2,811,726)	3,848,120
Net cash flows for investing activities	-	(33,181)	(1,500)
Net cash flows from/(for) financing activities	-	3,785,826	(219,221)

Summarised financial information of other non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

6. PLANT AND EQUIPMENT

The Group	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	Acquisition of Subsidiaries (Note 35) RM	Exchange Fluctuation Differences RM	At 31.12.2021 RM
2021						
Carrying Amount						
Motor vehicles	113,547	-	(49,388)	-	1,881	66,040
Furniture and fittings	260,430	27,844	(45,027)	18,586	(67)	261,766
Office equipment	184,761	66,960	(70,790)	40,055	(905)	220,081
Renovation	506,764	13,016	(82,439)	26,337	(211)	463,467
Computers	64,367	21,830	(39,294)	43,507	-	90,410
Tools and equipment	539,819	14,309	(173,095)	-	(30,601)	350,432
	1,669,688	143,959	(460,033)	128,485	(29,903)	1,452,196

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2020 RM	Additions RM	Disposal RM	Depreciation Charges RM	Acquisition of Subsidiaries (Note 35) RM	Exchange Fluctuation Differences RM	At 31.12.2020 RM
2020							
Carrying Amount							
Motor vehicles	60,263	-	-	(25,337)	78,921	(300)	113,547
Furniture and fittings	294,585	5,250	(15,390)	(38,829)	14,817	(3)	260,430
Office equipment	187,588	39,923	-	(72,499)	29,758	(9)	184,761
Renovation	554,383	-	-	(73,643)	26,024	-	506,764
Computers	1	-	-	(5,823)	70,189	-	64,367
Tools and equipment	-	747,341	-	(208,008)	-	486	539,819
	1,096,820	792,514	(15,390)	(424,139)	219,709	174	1,669,688

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Motor vehicles	460,350	(394,310)	66,040
Furniture and fittings	554,864	(293,098)	261,766
Office equipment	714,160	(494,079)	220,081
Renovation	1,366,573	(903,106)	463,467
Computers	642,238	(551,828)	90,410
Tools and equipment	710,710	(360,278)	350,432
	4,448,895	(2,996,699)	1,452,196
2020			
Motor vehicles	491,042	(377,495)	113,547
Furniture and fittings	468,369	(207,939)	260,430
Office equipment	553,790	(369,029)	184,761
Renovation	1,300,198	(793,434)	506,764
Computers	459,214	(394,847)	64,367
Tools and equipment	747,341	(207,522)	539,819
	4,019,954	(2,350,266)	1,669,688

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	At 31.12.2021 RM
2021				
Carrying Amount				
Furniture and fittings	148,116	-	(19,586)	128,530
Office equipment	1,182	53,022	(3,230)	50,974
Renovation	174,960	-	(23,065)	151,895
	324,258	53,022	(45,881)	331,399

	At 1.1.2020 RM	Additions RM	Disposal RM	Depreciation Charges RM	At 31.12.2020 RM
2020					
Carrying Amount					
Furniture and fittings	175,533	5,250	(15,390)	(17,277)	148,116
Office equipment	349	970	-	(137)	1,182
Renovation	198,024	-	-	(23,064)	174,960
	373,906	6,220	(15,390)	(40,478)	324,258

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Furniture and fittings	195,860	(67,330)	128,530
Office equipment	54,391	(3,417)	50,974
Renovation	230,646	(78,751)	151,895
	480,897	(149,498)	331,399
2020			
Furniture and fittings	195,860	(47,744)	148,116
Office equipment	1,369	(187)	1,182
Renovation	230,646	(55,686)	174,960
	427,875	(103,617)	324,258

Included in the plant and equipment of the Group at the end of the reporting period were motor vehicle held in trust by a director with a carrying amount of RM1 (2020 - RM1).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. RIGHT-OF-USE ASSETS

	At 1.1.2021 RM	Additions RM	Modification of Lease Liabilities RM	Depreciation Charges RM	Exchange Fluctuation Differences RM	Acquisition of Subsidiaries (Note 35) RM	At 31.12.2021 RM
The Group							
2021							
Carrying Amount							
Leasehold land and building	3,275,260	-	-	(66,842)	-	-	3,208,418
Office buildings	7,265,160	-	-	(159,097)	-	-	7,106,063
Offices	476,070	671,390	63,001	(495,149)	1,886	36,519	753,717
Motor vehicles	208,723	-	-	(191,283)	-	169,877	187,317
	11,225,213	671,390	63,001	(912,371)	1,886	206,396	11,255,515

	At 1.1.2020 RM	Additions RM	Modification of Lease Liabilities RM	Depreciation Charges RM	Exchange Fluctuation Differences RM	Acquisition of Subsidiaries (Note 35) RM	At 31.12.2020 RM
The Group							
2020							
Carrying Amount							
Leasehold land and building	3,342,102	-	-	(66,842)	-	-	3,275,260
Office buildings	7,424,256	-	-	(159,096)	-	-	7,265,160
Offices	325,514	398,759	(4,552)	(471,327)	3,024	224,652	476,070
Motor vehicles	407,941	-	-	(199,218)	-	-	208,723
	11,499,813	398,759	(4,552)	(896,483)	3,024	224,652	11,225,213

	At 1.1.2021 RM	Depreciation Charge RM	At 31.12.2021 RM
The Company			
2021			
Carrying Amount			
Office buildings	4,191,104	(89,940)	4,101,164

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2020 RM	Depreciation Charge RM	At 31.12.2020 RM
2020			
Carrying Amount			
Office buildings	4,281,044	(89,940)	4,191,104

(a) The Group and the Company leases leasehold land and building, office buildings, motor vehicles and various offices of which the leasing activities are summarised below:-

(i) Leasehold land and building — The Group has entered into a non-cancellable operating lease agreement for the use of land. The lease is for a period of 75 (2020 - 75) years with no renewal or purchase option included in the agreement. The lease do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

(ii) Office buildings — The Group and the Company has entered into 4 and 2 (2020 - 4 and 2) non-cancellable operating lease agreements for the use of office buildings respectively. The leases are for a period of 99 (2020 - 99) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the office building. A tenancy is, however, allowed with the consent of the lessor.

(iii) Offices — The Group has leased a number of offices that run between 2 to 3 years (2020 - 1 to 3 years), with an option to renew the lease after that date. The Group is not allowed to sublease certain offices.

(iv) Motor vehicles — The Group has leased its motor vehicles under hire purchase arrangements. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

(b) The leasehold land and building and certain office buildings of the Group and of the Company have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Notes 28 and 29 to the financial statements.

(c) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. INTANGIBLE ASSETS

	The Group	
	2021	**2020**
	RM	**RM**
Cost:-		
At 1 January	3,428,631	2,860,767
Additions during the financial year	1,556	569,120
Exchange fluctuation difference	(36,213)	(1,256)
At 31 December	3,393,974	3,428,631
Accumulated amortisation:-		
At 1 January	(1,241,107)	(556,977)
Amortisation during the financial year	(578,756)	(684,381)
Exchange fluctuation difference	7,240	251
At 31 December	(1,812,623)	(1,241,107)
Accumulated impairment losses:-		
At 1 January	(428,768)	-
Impairment during the financial year	-	(429,773)
Exchange fluctuation difference	28,925	1,005
At 31 December	(399,843)	(428,768)
	1,181,508	1,758,756

The intangible assets are in respect of computer software and customer list and belong to the Group's software and hardware and maintenance reportable segment respectively. Their amortisation charges and impairment loss are recognised in profit or loss under the "Other Expenses" line item.

9. GOODWILL

	The Group	
	2021	**2020**
	RM	**RM**
Cost:-		
At 1 January	8,151,995	-
Acquisition of subsidiaries (Note 35)	3,295,017	8,151,995
At 31 December	11,447,012	8,151,995

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. GOODWILL (CONT'D)

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group 2021 RM	2020 RM
GFS	8,151,995	8,151,995
ARMS	1,652,757	-
WPORTAL	1,156,576	-
WPOS	485,684	-
	11,447,012	8,151,995

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amount of the cash-generating unit is determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount is as follows:

	Average Gross Margins		Average Net Margins		Discount Rates		Average Growth Rates	
	2021 %	2020 %	2021 %	2020 %	2021 %	2020 %	2021 %	2020 %
GFS	25	24	-	-	15	15	5	5
ARMS	70	NA*	-	NA*	15	NA*	7	NA*
WPORTAL	-	NA*	21	NA*	15	NA*	35	NA*
WPOS	-	NA*	8	NA*	15	NA*	34	NA*

* NA - not applicable

(i) Budgeted gross and net margin — Average gross and net margin achieved on past experience and actual operating results increased for expected efficiency improvements and cost saving measures.

(ii) Discount rate (pre-tax) — The rate reflects specific risks relating to the relevant cash-generating unit.

(iii) Growth rate — Based on the expected projection of the hardware, maintenance and software reportable segments. There is no growth rate in perpetuity to arrive at terminal value.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and are based on internal historical data.

(c) The directors believe that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. DEFERRED TAX ASSETS

	The Group	
	2021	2020
	RM	RM
At 1 January	601,140	925,824
Recognised in profit or loss (Note 33)	127,482	(321,631)
Exchange fluctuation difference	(10,295)	(3,053)
At 31 December	718,327	601,140

The deferred tax assets on deferred revenue has been recognised on the basis of the Group's previous history of recording profits and to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

11. INVENTORIES

	The Group	
	2021	2020
	RM	RM
Finished goods	7,382,740	7,412,762
Goods-in-transit	192,732	78,072
	7,575,472	7,490,834
Recognised in profit or loss:-		
Inventories recognised as cost of sales	82,579,537	41,179,215
Inventories written down	730,860	1,021,481
Reversal of inventories previously written down	(172,114)	(1,307,555)

The reversal of write-down was in respect of inventories sold above their carrying amounts during the financial year.

12. TRADE RECEIVABLES

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables	30,412,509	26,601,446	1,374,868	1,709,264
Unbilled receivables	2,162,430	1,913,824	591,619	461,250
	32,574,939	28,515,270	1,966,487	2,170,514
Allowance for impairment losses	(1,294,211)	(1,306,388)	(114,800)	(309,879)
	31,280,728	27,208,882	1,851,687	1,860,635

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. TRADE RECEIVABLES (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Allowance for impairment losses:-				
At 1 January	(1,306,388)	(462,897)	(309,879)	(118,057)
Acquisition of subsidiaries	(49,536)	(96,360)	-	-
Addition during the financial year (Note 31)	(269,337)	(773,843)	-	(191,822)
Reversal during the financial year (Note 31)	283,405	26,599	195,079	-
Written off during the financial year	35,448	-	-	-
Exchange fluctuation differences	12,197	113	-	-
At 31 December	(1,294,211)	(1,306,388)	(114,800)	(309,879)

(a) The Group's normal trade credit terms range from 7 to 90 days (2020 - 7 to 90 days) and the Company's normal trade credit terms range from 7 to 30 days (2020 - 7 to 30 days). Other credit terms are assessed and approved on a case-by-case basis.

(b) Unbilled receivables represent services provided but not yet billed.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other receivables:-				
Third parties	67,650	87,218	-	-
Advances to suppliers	262,246	284,224	-	-
Value added tax, goods and services tax recoverable	32,255	110,379	-	-
	362,151	481,821	-	-
Deposits	1,362,786	1,499,752	45,431	44,961
Prepayments	2,145,744	1,717,633	91,149	80,290
	3,870,681	3,699,206	136,580	125,251

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2021	**2020**
	RM	**RM**
Amount owing by:-		
Trade balance	1,121,207	-
Allowance for impairment losses	(11,500)	-
	1,109,707	-
Allowance for impairment losses:-		
At 1 January	-	-
Addition during the year (Note 31)	(11,500)	-
At 31 December	(11,500)	-
Amount owing to:-		
Trade balance	(2,280,553)	(1,856,897)

The trade balance is subject to the normal credit term of 30 days (2020 - 30 days). The amount owing is to be settled in cash.

16. SHORT-TERM INVESTMENTS

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

17. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.60% to 1.85% (2020 - 1.85% to 2.35%) per annum. The fixed deposits have maturity periods ranging from 365 (2020 - 365) days for the Group.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM484,626 (2020 - RM473,527) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. SHARE CAPITAL

	The Group/The Company			
	2021	2020	2021	2020
	Number of Shares		RM	RM
Issued and Fully Paid-up				
Ordinary Shares				
At 1 January/31 December	525,200,000	525,200,000	48,153,374	48,153,374

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

19. MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

20. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

21. PROVISION

	The Group	
	2021	2020
	RM	RM
At 1 January	336,203	-
Provision made during the financial year	42,660	336,203
Unwinding of discount factor	3,807	-
Exchange fluctuation difference	(8,105)	-
At 31 December	374,565	336,203

The provision is related to employee benefits. The provision is based on the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the group through the service period up to the retirement age and the amount is discounted to determine the present value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. LEASE LIABILITIES

	The Group	
	2021	2020
	RM	RM
At 1 January	870,478	832,877
Additions	671,390	398,759
Acquisition of subsidiaries (Note 35)	212,661	263,240
Changes due to lease modification	63,001	(4,552)
Interest expense recognised in profit or loss	66,069	35,600
Repayment of principal	(704,853)	(615,733)
Repayment of interest expense	(66,069)	(35,600)
Exchange fluctuation difference	2,383	(4,113)
At 31 December	1,115,060	870,478
Analysed by:-		
Current liabilities	550,203	547,925
Non-current liabilities	564,857	322,553
	1,115,060	870,478

23. DEFERRED REVENUE

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current liabilities (Note 26)	3,142,952	2,482,760	-	-
Non-current liabilities	258,339	299,052	-	-
	3,401,291	2,781,812	-	-

(a) The amount of unearned income from services to be rendered in future financial years is shown as deferred revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. DEFERRED REVENUE (CONT'D)

(b) The changes to deferred revenue balances during the financial year are summarised below:-

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
At 1 January	2,781,812	5,133,079	-	-
Acquisition of subsidiaries	384,203	-	-	-
Deferred revenue at the beginning of financial year recognised as revenue	(2,410,160)	(4,658,338)	-	-
Performance obligations performed	(36,928,904)	(21,623,379)	(6,756,765)	(6,409,072)
Amounts billed for unfulfilled performance obligations	39,562,728	23,932,921	6,756,765	6,409,072
Exchange fluctuation differences	11,612	(2,471)	-	-
At 31 December	3,401,291	2,781,812	-	-

(c) Revenue expected to be recognised in the future relating to performance obligations that are partially or unsatisfied as at the reporting date is summarised below:-

	The Group	
	2021	**2020**
	RM	**RM**
Within 1 year	3,142,952	2,482,760
Between 1 and 2 years	206,552	139,019
More than 2 years	51,787	160,033
	3,401,291	2,781,812

24. DEFERRED TAX LIABILITY

	The Group	
	2021	**2020**
	RM	**RM**
At 1 January	44,500	111,800
Recognised in profit or loss (Note 33)	(34,648)	(67,300)
Acquisition of subsidiaries (Note 35)	4,448	-
At 31 December	14,300	44,500

25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 7 to 60 days (2020 - 7 to 60 days) and the normal trade credit term granted to the Company is 60 days (2020 - 60 days).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other payables:-				
Third parties	218,013	4,681,110	110,782	2,944,361
Advances from customers	136,429	3,267,968	129,186	102,059
Sales and services tax payable	913,519	576,773	138,680	128,177
	1,267,961	8,525,851	378,648	3,174,597
Accruals	11,966,765	8,827,393	849,585	594,016
Deposits received	377,649	84,589	750	6,150
Deferred revenue (Note 23)	3,142,952	2,482,760	-	-
	16,755,327	19,920,593	1,228,983	3,774,763

The advances from customers are unsecured and interest-free. The amount owing will be offset against future sales to the customers.

27. AMOUNT OWING TO DIRECTORS

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

28. TERM LOAN (SECURED)

	The Group	
	2021	2020
	RM	RM
Current liabilities	-	720,574

(a) The term loan is secured by a first legal charge over the leasehold land & building of the Group as disclosed in Note 7 to the financial statements.

(b) The interest rate profiles of the term loan is summarised below:-

	Effective Interest Rate		The Group	
	2021	2020	2021	2020
	%	%	RM	RM
Floating rate term loan	-	7.42	-	720,574

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. BANKERS' ACCEPTANCES

(a) The bankers' acceptances of the Group is secured by a legal charge over properties of the Group as disclosed in Note 7 to the financial statements.

(b) In the previous financial year, the bankers' acceptances of the Group at the end of the reporting period bore fixed interest rates of 3.8%.

30. REVENUE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Recognised at a point in time				
- Sales of hardware	91,544,347	48,476,037	-	-
- Sales of software	3,141,217	1,376,217	-	-
Recognised over time				
- Sales of software	11,544,596	9,804,854	6,756,765	6,409,072
- Sales of maintenance and technical support services	27,794,468	16,476,863	-	-
	134,024,628	76,133,971	6,756,765	6,409,072

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 38.2 to the financial statements.

(b) The information on the unsatisfied performance obligations is disclosed in Note 23(c) to the financial statements.

31. NET REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Impairment losses:				
- trade receivables (Note 12)	(269,337)	(773,843)	-	(191,822)
- amount owing by a related party (Note 15)	(11,500)	-	-	-
Reversal of impairment losses on trade receivables (Note 12)	283,405	26,599	195,079	-
	2,568	(747,244)	195,079	(191,822)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. PROFIT BEFORE TAXATION

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- current financial year	285,522	212,011	65,000	65,000
- underprovision in the previous financial year	3,000	-	-	-
- non-audit fees	6,000	6,000	6,000	6,000
Director's fee	137,400	137,400	137,400	137,400
Directors' non-fee emoluments:				
- salaries, bonuses, incentives, allowances and other benefits	3,529,638	2,501,491	177,611	206,785
- defined contribution plans	383,790	252,964	21,204	25,246
Material Expenses/(Income)				
Amortisation of intangible assets	578,756	684,381	-	-
Impairment of intangible assets	-	429,773	-	-
Bad debts written off	10,523	-	-	-
Depreciation of plant and equipment	460,033	424,139	45,881	40,478
Depreciation of right-of-use assets	912,371	896,483	89,940	89,940
Inventories written down	730,860	1,021,481	-	-
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- term loan	24,662	75,227	-	-
- bankers' acceptances	14,048	26,751	-	-
- overdraft	5,146	836	-	-
- unwinding of discounts on provisions	3,807	-	-	-
Interest expense on lease liabilities (Note 22)	66,069	35,600	-	-
Provision made during the financial year	42,660	336,203	-	-
Loss/(Gain) on foreign exchange:				
- realised	119,514	63,620	27,264	46,323
- unrealised	41,378	84,535	(5,134)	7,194
Lease expenses:				
- short term leases	229,830	175,803	60,000	60,000
- low-value assets	81,770	31,463	27,884	10,782
Staff costs (including other key management personnel as disclosed in Note 37(c)):				
- salaries, bonuses, incentives, allowances and other benefits	24,588,267	16,943,034	2,566,144	1,866,548
- defined contribution plans	2,695,253	1,817,380	290,827	244,226
Gain on disposal of plant and equipment	(4,500)	-	-	-
Interest income	(345,724)	(626,284)	(176,865)	(435,409)
Reversal of inventories previously written down	(172,114)	(1,307,555)	-	-
Rental income	(77,400)	(80,301)	(36,000)	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM51,950 (2020 - RM51,950).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. INCOME TAX EXPENSE

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Income tax:				
- for the financial year	3,634,368	577,372	263,800	258,800
- under/(over)provision in the previous financial year	427,170	(58,551)	227,706	(34,524)
	4,061,538	518,821	491,506	224,276
Deferred tax (Notes 10 and 24):				
- origination and reversal of temporary differences	(220,230)	151,129	-	-
- overprovision of deferred taxation in the previous financial year	58,100	103,202	-	-
	(162,130)	254,331	-	-
	3,899,408	773,152	491,506	224,276

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Profit before taxation	11,974,901	1,130,731	691,060	878,737
Tax at the statutory tax rate of 24% (2020 - 24%)	2,873,976	271,375	165,854	210,897
Tax effects of:-				
Differential in tax rates	42,966	113,696	-	-
Tax-exempt income	(56,044)	-	-	-
Non-deductible expenses	464,920	360,945	156,026	29,903
Deferred tax assets not recognised during the financial year	363,360	526,565	-	18,000
Utilisation of deferred tax assets not recognised in the previous financial year	(275,040)	(544,080)	(58,080)	-
Underprovision of deferred tax in the previous financial year	58,100	103,202	-	-
Under/(Over)provision of current tax in the previous financial year	427,170	(58,551)	227,706	(34,524)
Income tax expense for the financial year	3,899,408	773,152	491,506	224,276

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS
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33. INCOME TAX EXPENSE (CONT'D)

The temporary differences attributable to the deferred tax (liabilities)/assets which are not recognised in the financial statements are as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax liabilities:				
- Accelerated capital allowances	(48,000)	(450,000)	-	(50,000)
- Others	-	(91,000)	-	(18,000)
	(48,000)	(541,000)	-	(68,000)
Deferred tax assets:				
- Inventories written down	4,161,000	3,643,000	-	-
- Impairment losses on trade receivables	723,000	1,032,000	-	310,000
- Unutilised of tax losses	2,224,000	2,002,000	-	-
- Deferred revenue	110,000	455,000	-	-
- Others	229,000	440,000	-	7,000
	7,447,000	7,572,000	-	317,000
	7,399,000	7,031,000	-	242,000

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The unused tax losses are allowed to be utilised for 10 (2020 - 7) consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

34. EARNINGS PER SHARE

	The Group	
	2021	2020
Profit after taxation attributable to owners of the Company (RM)	7,337,648	1,600,335
Weighted average number of ordinary shares in issue	525,200,000	525,200,000
Basic earnings per share (sen)	1.40	0.30

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share are equal to the basic earnings per share.

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35. ACQUISITION OF SUBSIDIARIES

On 1 November 2020, the Company acquired 80% equity interests in GFS for a total cash consideration of RM11,600,000.

On 18 May 2021, the Company acquired 70% equity interests in ARMS for a total cash consideration of RM1,900,000.

On 23 September 2021, the Company acquired 70% equity interests in WPORTAL and WPOS respectively for a total cash consideration of RM1,120,000 and RM1 respectively.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(a) Identifiable Assets Acquired and Liabilities Assumed

	The Group	
	2021	**2020**
	RM	**RM**
Plant and equipment (Note 6)	128,485	219,709
Right-of-use assets (Note 7)	206,396	224,652
Inventories	51,931	2,944,327
Trade and other receivables	303,289	10,051,523
Current tax assets	12,929	725,899
Cash and bank balances	535,861	3,753,344
Deferred tax liabilities (Note 24)	(4,448)	-
Trade and other payables	(617,379)	(12,618,207)
Amount owing to a director	(797,282)	-
Bankers' acceptances	-	(728,000)
Lease liabilities (Note 22)	(212,661)	(263,240)
Net identifiable assets acquired	(392,879)	4,310,007
Less: Non-controlling interest measured at the proportionate share of the fair value of the net identifiable assets	117,863	(862,002)
Fair value of net identifiable assets acquired	(275,016)	3,448,005

(b) Cash Flows Arising from Acquisition

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Purchase consideration settled in cash considerations	3,020,001	11,600,000	3,020,001	11,600,000
Less: Cash and bank balances of subsidiaries acquired (item (a) above)	(535,861)	(3,753,344)	-	-
Net cash outflow from the acquisition of subsidiaries	2,484,140	7,846,656	3,020,001	11,600,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. ACQUISITION OF SUBSIDIARIES (CONT'D)

(c) Goodwill Arising from Acquisition

	The Group	
	2021	2020
	RM	RM
Total consideration transferred (item (b) above)	3,020,001	11,600,000
Less: Fair value of identifiable net assets acquired (item (a) above)	392,879	(4,310,007)
Non-controlling interests (item (c)(i) below)	(117,863)	862,002
Goodwill from the acquisition of subsidiaries (Note 9)	3,295,017	8,151,995

(i) The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

(ii) The goodwill is attributable to the workforce and the high profitability of the acquired business as well as the synergies expected to be achieved from integrating the subsidiaries into the Group's existing hardware, maintenance and software segment. The goodwill is not deductible for tax purposes

(d) Impact of Acquisition on the Group's Results

The acquired subsidiaries have contributed the following results to the Group:-

	The Group	
	2021	2020
	RM	RM
Revenue	2,397,486	12,124,025
Profit after taxation	325,304	1,626,402

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation would have been RM135,599,121 and RM5,322,714 (2020 - RM111,270,010 and RM1,381,105) respectively.

36. CASH FLOW INFORMATION

(a) The cash disbursed for the addition of right-of-use assets is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Right-of-use assets				
Cost of right-of-use assets acquired (Note 7)	671,390	398,759	-	-
Less: Addition of new lease liabilities (item (b) below)	(671,390)	(398,759)	-	-
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
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36. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Amount owing to directors RM	Bankers' acceptances RM	Term loan RM	Leases liabilities RM	Total RM
2021					
At 1 January	120,000	728,000	720,574	870,478	2,439,052
Changes in Financing Cash Flows					
Repayment of principal	(405,500)	(728,000)	(720,574)	(704,853)	(2,558,927)
Repayment of interests	-	(14,048)	(24,662)	(66,069)	(104,779)
	(405,500)	(742,048)	(745,236)	(770,922)	(2,663,706)
Non-cash Changes					
Acquisition of subsidiaries (Note 35)	797,282	-	-	212,661	1,009,943
Acquisition of new leases	-	-	-	671,390	671,390
Changes due to lease modification	-	-	-	63,001	63,001
Interest expense recognised in profit or loss (Note 32)	-	14,048	24,662	66,069	104,779
Exchange fluctuation differences	-	-	-	2,383	2,383
At 31 December	511,782	-	-	1,115,060	1,626,842
2020					
At 1 January	106,452	-	1,399,691	832,877	2,339,020
Changes in Financing Cash Flows					
Advances	13,548	-	-	-	13,548
Proceeds from drawndown	-	8,514,540	-	-	8,514,540
Repayment of principal	-	(8,514,540)	(679,117)	(615,733)	(9,809,390)
Repayment of interests	-	(26,751)	(75,227)	(35,600)	(137,578)
	13,548	(26,751)	(754,344)	(651,333)	(1,418,880)
Non-cash Changes					
Acquisition of subsidiaries (Note 35)	-	728,000	-	263,240	991,240
Acquisition of new leases	-	-	-	398,759	398,759
Modifications of leases	-	-	-	(4,552)	(4,552)
Interest expense recognised in profit or loss (Note 32)	-	26,751	75,227	35,600	137,578
Exchange fluctuation differences	-	-	-	(4,113)	(4,113)
At 31 December	120,000	728,000	720,574	870,478	2,439,052

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Short-term investment	21,955,548	21,279,512	11,069,153	17,790,531
Fixed deposits with licensed banks	1,161,743	1,040,161	-	-
Cash and bank balances	13,078,793	18,751,085	1,087,365	947,225
	36,196,084	41,070,758	12,156,518	18,737,756
Less:				
Fixed deposits pledged to licensed banks (Note 17(b))	(484,626)	(473,527)	-	-
Fixed deposits with tenure of more than 3 months	(677,117)	(566,634)	-	-
	35,034,341	40,030,597	12,156,518	18,737,756

(d) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Payment of short-term leases	229,830	175,803	60,000	60,000
Payment of low-value assets	81,770	31,463	27,884	10,782
Interest paid on lease liabilities	66,069	35,600	-	-
Payment of lease liabilities	704,853	615,733	-	-
	1,082,522	858,599	87,884	70,782

37. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

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37. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Sales to subsidiaries	-	-	443,085	-
Sales to a related party	940,169	2,065,611	-	-
Purchases from a subsidiary	-	-	127,939	-
Purchases from a related party	-	1,813,981	-	-
Purchases of equipment and intangible asset from a related party	-	1,267,172	-	-
Advances to subsidiaries	-	-	243,818	2,572,631
Rental income from subsidiaries	-	-	36,000	-
Rental expenses to a subsidiary	-	-	60,000	60,000
Management fee to a related party	389,105	785,679	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Key Management Personnel Compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Directors of the Company				
Short-term employee benefits:				
- fees	137,400	137,400	137,400	137,400
- salaries, bonuses, incentives, allowances and others benefits	1,442,232	1,678,550	177,611	206,784
Defined contribution plans	172,740	197,024	21,204	25,246
	1,752,372	2,012,974	336,215	369,430
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses, incentives, allowances and others benefits	2,087,406	822,941	-	-
Defined contribution plans	211,050	55,940	-	-
	2,298,456	878,881	-	-
Total directors' remuneration	4,050,828	2,891,855	336,215	369,430

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key Management Personnel Compensation (Cont'd)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group	
	2021	**2020**
	RM	**RM**
Other Key Management Personnel		
Short-term employee benefits	2,240,002	2,046,165
Defined contribution plans	268,648	234,245
	2,508,650	2,280,410

38. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main reportable segments as follows:-

(a) Hardware and maintenance - involved in the marketing, sale and installation of hardware for the retail industry and provide on-going maintenance for the hardware and software products and solutions.

(b) Software - involved in the design, development, marketing, sales, enhancement, customisation and implementation of third party software and in-house software.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly deferred tax assets/liability, current tax assets/ liabilities, term loan, lease liabilities and bankers' acceptances.

38.1 BUSINESS SEGMENTS

	Hardware and Maintenance RM	Software RM	Group RM
2021			
Revenue			
External revenue	119,338,815	14,685,813	134,024,628
Inter-segment revenue	4,804,597	1,118,978	5,923,575
	124,143,412	15,804,791	139,948,203
Consolidation adjustments			(5,923,575)
Consolidated revenue			134,024,628

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM	Software RM	Group RM
2021			
Results			
Segment profit/(loss) before interest and taxation	12,544,093	(749,031)	11,795,062
Interest income			345,724
Finance costs			(113,732)
Consolidated profit before taxation			12,027,054
Income tax expense			(3,899,408)
Consolidation adjustments			(52,153)
Consolidated profit after taxation			8,075,493

Segment profit/(loss) includes the followings:-

Interest income	(166,120)	(179,604)	(345,724)
Interest expenses	98,446	15,286	113,732
Bad debts written off	10,523	-	10,523
Depreciation and amortisation	1,034,062	917,098	1,951,160*
Reversal of impairment losses on trade receivables	(33,511)	(249,894)	(283,405)
Impairment losses on trade receivables	255,744	13,593	269,337
Impairment losses on related parties	-	11,500	11,500
Gain on disposal of plant and equipment	(4,500)	-	(4,500)
Reversal of inventories previously written down	(172,114)	-	(172,114)
Inventories written down	713,241	17,619	730,860
Unrealised loss/(gain) on foreign exchange	49,606	(8,228)	41,378

*After consolidation adjustments of RM52,153.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM	Software RM	Group RM
2021			
Assets			
Segment assets	69,239,647	64,136,595	133,376,242
Unallocated assets:			
- deferred tax assets			718,327
- current tax assets			2,597,598
Consolidation adjustments			(28,007,339)
Consolidated total assets			108,684,828
Additions to non-current assets other than financial instruments and deferred tax assets are:-			
Plant and equipment	45,504	98,455	143,959
Right-of-use assets	671,390	-	671,390
Intangible assets	1,556	-	1,556
Liabilities			
Segment liabilities	30,225,664	9,284,755	39,510,419
Unallocated liabilities:			
- deferred tax liabilities			14,300
- lease liabilities			1,115,060
- current tax liabilities			80,660
Consolidation adjustments			(6,598,162)
Consolidated total liabilities			34,122,277
2020			
Revenue			
External revenue	64,952,900	11,181,071	76,133,971
Inter-segment revenue	997,452	303,516	1,300,968
	65,950,352	11,484,587	77,434,939
Consolidation adjustments			(1,300,968)
Consolidated revenue			76,133,971

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM	Software RM	Group RM
2020			
Results			
Segment profit/(loss) before interest and taxation	2,511,113	(1,816,099)	695,014
Interest income			626,284
Finance costs			(138,414)
Consolidated profit before taxation			1,182,884
Income tax expense			(773,152)
Consolidation adjustments			(52,153)
Consolidated profit after taxation			357,579
Segment profit/(loss) includes the followings:-			
Interest income	(185,031)	(441,253)	(626,284)
Interest expenses	138,414	-	138,414
Depreciation and amortisation	1,297,646	707,357	2,005,003*
Reversal of impairment losses on trade receivables	(26,599)	-	(26,599)
Impairment losses on trade receivables	392,373	381,470	773,843
Impairment losses on intangible assets	429,773	-	429,773
Reversal of inventories previously written down	(1,307,555)	-	(1,307,555)
Inventories written down	1,021,481	-	1,021,481
Unrealised loss on foreign exchange	87,964	(3,429)	84,535

*After consolidation adjustments of RM52,153.

	Hardware and Maintenance RM	Software RM	Group RM
Assets			
Segment assets	67,010,473	64,343,125	131,353,598
Unallocated assets:			
- deferred tax assets			601,140
- current tax assets			4,285,973
Consolidation adjustments			(29,078,266)
Consolidated total assets			107,162,445
Additions to non-current assets other than financial instruments and deferred tax assets are:-			
Plant and equipment	786,294	6,220	792,514
Right-of-use assets	398,759	-	398,759
Intangible assets	537,216	31,904	569,120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

	Hardware and Maintenance RM	Software RM	Group RM
2020			
Liabilities			
Segment liabilities	37,299,288	8,415,900	45,715,188
Unallocated liabilities:			
- deferred tax liabilities			44,500
- lease liabilities			870,478
- term loan			720,574
- bankers' acceptances			728,000
Consolidation adjustments			(7,380,373)
Consolidated total liabilities			40,698,367

38.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	The Group 2021 RM	The Group 2020 RM
Malaysia	24,373,786	22,154,922
Cambodia	204,108	47,763
Vietnam	266,555	50,287
Thailand	491,782	552,680
	25,336,231	22,805,652

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. OPERATING SEGMENTS (CONT'D)

38.2 GEOGRAPHICAL INFORMATION (CONT'D)

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At A Point in Time		Over Time		Group	
	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM
Australia	26,870	-	-	-	26,870	-
Cambodia	284,729	887,345	264,459	255,069	549,188	1,142,414
China	57,970	-	-	-	57,970	-
Hong Kong	4,573	173,534	-	-	4,573	173,534
Japan	-	57,362	-	-	-	57,362
Malaysia	86,411,308	39,778,407	37,853,661	23,812,355	124,264,969	63,590,762
Philippines	787	-	-	474,667	787	474,667
Singapore	867,370	1,040,244	1,062,783	1,103,746	1,930,153	2,143,990
Taiwan	8,796	7,850	-	-	8,796	7,850
Thailand	4,921,472	4,747,656	10,934	83,687	4,932,406	4,831,343
Vietnam	2,094,764	3,140,357	147,227	552,193	2,241,991	3,692,550
Myammar	-	19,499	-	-	-	19,499
Others*	6,925	-	-	-	6,925	-
	94,685,564	49,852,254	39,339,064	26,281,717	134,024,628	76,133,971

*Consists of Hong Kong, Indonesia, British Pound, Euro, Saudi Riyal and Mexican Peso.

38.3 MAJOR CUSTOMERS

The following was major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group Revenue		Segments
	2021	2020	
	RM	RM	
Customer A	-	11,901,508	Hardware and maintenance
Customer B	22,787,220	-	Hardware and maintenance
Customer C	15,610,582	-	Hardware and maintenance

39. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

NOTES TO THE FINANCIAL STATEMENTS
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39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Brunei Dollar ("BND"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	USD RM	**SGD RM**	**BND RM**	**Others* RM**	**Total RM**
The Group					
2021					
Financial assets					
Trade receivables	1,294,126	578,522	32,866	2,102,641	4,008,155
Cash and bank balances	1,305,279	64,473	-	1,629	1,371,381
	2,599,405	642,995	32,866	2,104,270	5,379,536
Financial liability					
Trade payables	1,288,357	16	-	196,404	1,484,777
Net financial assets/ Currency exposure	1,311,048	642,979	32,866	1,907,866	3,894,759

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	USD RM	SGD RM	BND RM	Others* RM	Total RM
The Group					
2020					
Financial assets					
Trade receivables	2,054,220	1,067,009	812	3,671	3,125,712
Cash and bank balances	1,227,611	89,966	-	1,643	1,319,220
	3,281,831	1,156,975	812	5,314	4,444,932
Financial liabilities					
Trade payables	1,272,840	19,962	-	75,865	1,368,667
Amount owing to related parties	-	-	-	1,856,897	1,856,897
	1,272,840	19,962	-	1,932,762	3,225,564
Net financial assets/(liabilities)/ Currency exposure	2,008,991	1,137,013	812	(1,927,448)	1,219,368

* Consists of Brunei Dollar, Japanese Yen, Australian Dollar, British Pound, New Zealand Dollar, Euro, Indonesia Rupiah and Thailand Baht.

	USD RM	SGD RM	Total RM
The Company			
2021			
Financial asset			
Trade receivables	76,364	126,071	202,435
Net financial asset/ Currency exposure	76,364	126,071	202,435

NOTES TO THE FINANCIAL STATEMENTS
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39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	USD RM	SGD RM	Total RM
The Company (Cont'd)			
2020			
Financial asset			
Trade receivables	285,516	171,099	456,615
Net financial asset/ Currency exposure	285,516	171,099	456,615

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Effects on Profit After Taxation				
USD/RM				
- strengthened by 10%	131,105	200,899	7,636	28,552
- weakened by 10%	(131,105)	(200,899)	(7,636)	(28,552)
SGD/RM				
- strengthened by 10%	64,298	113,701	12,607	17,110
- weakened by 10%	(64,298)	(113,701)	(12,607)	(17,110)
BND/RM				
- strengthened by 10%	3,287	81	-	-
- weakened by 10%	(3,287)	(81)	-	-
Others/RM				
- strengthened by 10%	190,787	(192,745)	-	-
- weakened by 10%	(190,787)	192,745	-	-

There is no impact on the Group and the Company's equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's fixed deposits with licensed banks and lease liabilities are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to the interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period are disclosed in Notes 28 and 29 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021	**2020**
	RM	**RM**
Effects on Profit After Taxation		
Increase of 100 basis points	-	(14,486)
Decrease of 100 basis points	-	14,486

There is no impact on the Group's equity.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
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39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group and the Company's major concentration of credit risk relate to the trade receivables (including related parties) at the end of the reporting period is as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Major concentration of credit risk	18%	-	12%	34%
Number of customers	1	-	1	2

In addition, the Group and the Company also determine concentration of credit risk by monitoring the geographical region of its trade receivables (including related parties) on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia	29,181,219	23,885,888	1,725,308	1,572,533
Singapore	563,152	1,016,731	126,379	164,743
Philippines	-	123,359	-	123,359
Indonesia	7,855	7,548	-	-
Vietnam	438,425	364,631	-	-
Thailand	2,130,869	1,674,463	-	-
Cambodia	30,378	135,427	-	-
Others	38,537	835	-	-
	32,390,435	27,208,882	1,851,687	1,860,635

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM1,491,341 in the previous year, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS
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39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due. The Group uses a more lagging past due criterion for trade receivables when it is more appropriate to reflect their loss patterns.

<u>Trade Receivables</u>

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) has been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2020 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their. The Group has identified the unemployment rate and Gross Domestic Product ("GDP") as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Individual Impairment RM	Collective Allowance RM	Carrying Amount RM
The Group				
2021				
Not past due	21,500,549	-	-	21,500,549
Past due:				
- less than 3 months	8,273,997	-	-	8,273,997
- 3 to 6 months	1,982,453	-	(14,912)	1,967,541
- over 6 months	960,414	-	(312,066)	648,348
Credit impaired	978,733	(698,756)	(279,977)	-
	33,696,146	(698,756)	(606,955)	32,390,435
2020				
Not past due	16,958,296	-	-	16,958,296
Past due:				
- less than 3 months	3,933,006	-	-	3,933,006
- 3 to 6 months	2,991,423	-	(1,706)	2,989,717
- over 6 months	3,997,324	-	(669,461)	3,327,863
Credit impaired	635,221	(635,221)	-	-
	28,515,270	(635,221)	(671,167)	27,208,882

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Individual Impairment RM	Collective Allowance RM	Carrying Amount RM
The Company				
2021				
Not past due	1,288,076	-	-	1,288,076
Past due:				
- less than 3 months	434,892	-	-	434,892
- 3 to 6 months	98,996	-	(1,545)	97,451
- over 6 months	94,245	-	(62,977)	31,268
Credit impaired	50,278	(50,278)	-	-
	1,966,487	(50,278)	(64,522)	1,851,687
2020				
Not past due	897,039	-	-	897,039
Past due:				
- less than 3 months	490,797	-	-	490,797
- 3 to 6 months	424,512	-	-	424,512
- over 6 months	254,042	-	(205,755)	48,287
Credit impaired	104,124	(104,124)	-	-
	2,170,514	(104,124)	(205,755)	1,860,635

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Company measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts. The Company has identified the unemployment rate and Gross Domestic Product ("GDP") as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
The Group						
2021						
Non-derivative Financial Liabilities						
Trade payables	-	12,731,691	12,731,691	12,731,691	-	-
Other payables and accruals	-	12,184,778	12,184,778	12,184,778	-	-
Amount owing to related parties	-	2,280,553	2,280,553	2,280,553	-	-
Amount owing to directors	-	511,782	511,782	511,782	-	-
Lease liabilities	4.23 - 7.42	1,115,060	1,244,280	641,322	530,717	72,241
		28,823,864	28,953,084	28,350,126	530,717	72,241

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
The Group					
2020					
Non-derivative Financial Liabilities					
Trade payables	-	15,802,070	15,802,070	15,802,070	-
Other payables and accruals	-	13,508,503	13,508,503	13,508,503	-
Amount owing to related parties	-	1,856,897	1,856,897	1,856,897	-
Amount owing to directors	-	120,000	120,000	120,000	-
Term loan	7.42	720,574	750,923	750,923	-
Bankers' acceptances	3.80	728,000	740,418	740,418	-
Lease liabilities	4.64 - 7.42	870,478	941,847	601,819	340,028
		33,606,522	33,720,658	33,380,630	340,028

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company			
2021			
Non-derivative Financial Liabilities			
Trade payables	441,995	441,995	441,995
Other payables and accruals	960,367	960,367	960,367
	1,402,362	1,402,362	1,402,362

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company			
2020			
Non-derivative Financial Liabilities			
Trade payables	390,252	390,252	390,252
Other payables and accruals	3,538,377	3,538,377	3,538,377
Amount owing to subsidiaries	350,788	350,788	350,788
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	1,491,341	1,491,341
	4,279,417	5,770,758	5,770,758

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

39.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Financial Assets				
Fair Value Through Profit or Loss				
Short-term investment	21,955,548	21,279,512	11,069,153	17,790,531
Amortised Cost				
Trade receivables	31,280,728	27,208,882	1,851,687	1,860,635
Other receivables	67,650	87,218	-	-
Amount owing by subsidiaries	-	-	4,066,522	3,098,631
Amount owing by related parties	1,109,707	-	-	-
Fixed deposits with licensed banks	1,161,743	1,040,161	-	-
Cash and bank balances	13,078,793	18,751,085	1,087,365	947,225
	46,698,621	47,087,346	7,005,574	5,906,491
Financial Liability				
Amortised Cost				
Trade payables	12,731,691	15,802,070	441,995	390,252
Other payables and accruals	12,184,778	13,508,503	960,367	3,538,377
Amount owing to subsidiaries	-	-	-	350,788
Amount owing to related parties	2,280,553	1,856,897	-	-
Amount owing to directors	511,782	120,000	-	-
Term loan	-	720,574	-	-
Bankers' acceptances	-	728,000	-	-
	27,708,804	32,736,044	1,402,362	4,279,417

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	(262,610)	(103,000)	(166,190)	-
Amortised Cost				
Net (gains)/losses recognised in profit or loss	(30,480)	344,873	(183,624)	(190,070)
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	138,588	165,566	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2021								
Financial Asset								
Short-term investments	-	21,955,548	-	-	-	-	21,955,548	21,955,548
2020								
Financial Asset								
Short-term investments	-	21,279,512	-	-	-	-	21,279,512	21,279,512
Financial Liability								
Term loan	-	-	-	-	720,574	-	720,574	720,574

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Company								
2021								
Financial Asset								
Short-term investments	-	11,069,153	-	-	-	-	11,069,153	11,069,153
2020								
Financial Asset								
Short-term investment	-	17,790,531	-	-	-	-	17,790,531	17,790,531

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair value of money market fund is determined by reference to statement provided by the respective financial institution, with which the investments were entered into.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

In the previous year, the fair value of the Group's term loan that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 21 April 2021, the Company has entered into a SSA with Mr. Lee Thiam Sew and Mr. Teh How Kiat for the proposed acquisition of 210,000 ordinary shares in ARMS, representing 70% of the issued share capital of ARMS for a consideration of RM1,900,000.

On 18 May 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed.

(ii) On 4 August 2021, the Company has entered into a SSA with Mr. Yap Poh Keong for the proposed acquisition of 179,900 ordinary shares in WPORTAL, representing 70% of the issued share capital of WPORTAL for a consideration of RM1,120,000.

On 23 September 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed.

(iii) On 4 August 2021, the Company has entered into a SSA with Jejak Menang Sdn. Bhd. for the proposed acquisition of 2,100,000 WPOS shares, representing 70% of the issued share capital of WPOS for a consideration of RM1.

On 23 September 2021, all the conditions precedent stipulated in the SSA have been fulfilled and the proposed acquisition has been completed.

LIST OF PROPERTIES AS AT 31 DECEMBER 2021

Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Gross Built up Area (Sq. ft)	Existing Use	Audited Net Carrying Amount as at 31 December 2021 (RM'000)
Radiant Global ADC Sdn Bhd No. 8, Jalan 3/91A Taman Shamelin Perkasa Batu 3 1/2, Cheras 56100 Kuala Lumpur Wilayah Persekutuan Malaysia	02.05.2008	Three (3)-storey intermediate semi-detached factory	Leasehold expiring on 11.09.2082	38	14,738	Office, warehouse and customer support service office	3,208
Radiant Global ADC Sdn Bhd Unit 03-06, Level 3, Tower B Vertical Business Suite Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	09.09.2015	An office unit on the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	14	2,362	Head office	2,136
Radiant Global ADC Sdn Bhd Unit 03-07, Level 3, Tower B Vertical Business Suite Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	09.09.2015	An office unit on the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	14	939	Head office	869
Radiant Globaltech Berhad Unit 03-08, Level 3, Tower B Vertical Business Suite Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	29.06.2016	An office unit on the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	14	2,659	Head office	2,576

LIST OF PROPERTIES AS AT 31 DECEMBER 2021

Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Gross Built up Area (Sq. ft)	Existing Use	Audited Net Carrying Amount as at 31 December 2021 (RM'000)
Radiant Globaltech Berhad Unit 03-01, Level 3, Tower B Vertical Business Suite Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia	30.08.2019	An office unit on the 3rd floor of a 32-storey office building	Leasehold expiring on 16.08.2106	14	1,445	Head office	1,525

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2022

Total number of issued shares : 525,200,000 ordinary shares
Class of equity securities : Ordinary Shares ("Shares")
Voting rights by poll : One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	1	0.03	12	0.00
100 - 1,000 shares	429	11.14	231,088	0.04
1,001 - 10,000 shares	1,690	43.88	10,410,200	1.98
10,001 - 100,000 shares	1,484	38.54	52,768,000	10.05
100,001 – less than 5% of issued shares	242	6.28	105,257,700	20.04
5% and above of issued shares	5	0.13	356,533,000	67.89
Total	**3,851**	**100.00**	**525,200,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Global Merits Sdn. Bhd.	129,968,800	24.75	-	-
Practical Resources Sdn. Bhd.	97,947,200	18.65	-	-
Global Success Network Sdn. Bhd.	80,905,000	15.40	-	-
AI Capital Sdn. Bhd.	47,712,000	9.08	-	-
Yap Ban Foo	-	-	129,968,800[a]	24.75
Yap Sin Sang	-	-	97,947,200[b]	18.65
Ng Lee Tieng	1,917,300	0.37	80,905,000[c]	15.40
Lee Thiam Wah	-	-	82,822,300[d]	15.77
Tan Chuan Hock	-	-	47,712,000[e]	9.08

Notes:

(a) Deemed interested by virtue of his interest in Global Merits Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("CA 2016").
(b) Deemed interested by virtue of his interest in Practical Resources Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.
(c) Deemed interested by virtue of her spouse's interest in Global Success Network Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.
(d) Deemed interested by virtue of the shares held by his spouse, Ng Lee Tieng and his interest in Global Success Network Sdn. Bhd. pursuant to Section 8 of the CA 2016.
(e) Deemed interested by virtue of his interest in AI Capital Sdn. Bhd. pursuant to Section 8(4) of the CA 2016.

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Dato' Siow Kim Lun	500,000	0.10	-	-
Tevanaigam Randy Chitty	1,490,000	0.28	-	-
Mashitah Binti Osman	100,000	0.02	-	-
Yap Ban Foo	-	-	129,968,800	24.75
Yap Sin Sang	-	-	97,947,200	18.65

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2022

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1.	Practical Resources Sdn. Bhd.	97,947,200	18.65
2.	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Private Wealth Management for Global Merits Sdn. Bhd. (PW-M01057) (423111)*	95,954,133	18.27
3.	IFast Nominees (Tempatan) Sdn. Bhd. *Global Success Network Sdn. Bhd.*	80,905,000	15.40
4.	AI Capital Sdn. Bhd.	47,712,000	9.08
5.	Global Merits Sdn. Bhd.	34,014,667	6.48
6.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Khor Jan Yeow (8083119)*	9,850,300	1.88
7.	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Private Wealth Management for Cheng Ping Liong (PW-M00974 (422098)*	9,500,000	1.81
8.	Tan Gek Toh	2,500,000	0.48
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Tan Bak Hong (PB)*	1,997,400	0.38
10.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wong Weng Poh (7000353)*	1,940,100	0.37
11.	Ng Lee Tieng	1,917,300	0.37
12.	Keoh Git Ngoo	1,888,900	0.36
13.	HLIB Nominees (Tempatan) Sdn. Bhd. *Hong Leong Bank Bhd for Lim Kean Boon*	1,880,000	0.36
14.	Kueh Chay Seng	1,685,000	0.32
15.	Liew Khin Kheong	1,586,800	0.30
16.	Tran Phu Vinh	1,516,000	0.29
17.	Tevanaigam Randy Chitty	1,400,000	0.27
18.	Yap Keong Wah	1,244,700	0.23
19.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chin Yong Loon (6000433)*	1,232,400	0.23
20.	Tran Minh Nhut	1,150,000	0.22
21.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wong Weng Poh (7000068)*	1,076,900	0.21
22.	Yang Siew Wai	1,000,000	0.19
23.	Lim Kiat Hin	975,000	0.19
24.	Aw Kheng Tong	972,800	0.19
25.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chee Sai Mun*	961,900	0.18
26.	Ong Bok Lim	900,000	0.17
27.	Wong Chee Meng	840,000	0.16
28.	Tan Phan Lieh	757,200	0.14
29.	Yap Siok Chin	750,000	0.14
30.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wong Hee Fah (E-KLG)*	714,000	0.14

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting ("19th AGM" or "Meeting") of RADIANT GLOBALTECH BERHAD ("Radiant Globaltech" or "the Company") will be held at Green III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 24 June 2022 at 2:30 p.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:-

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.	**PLEASE REFER TO EXPLANATORY NOTE 1**
2	To approve the payment of Directors' fees and benefits of RM400,000.00 for the financial year ending 31 December 2022.	**ORDINARY RESOLUTION 1**
3.	To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution:-	
	i. Mr. Yap Sin Sang	**ORDINARY RESOLUTION 2**
	ii. Mr. Tevanaigam Randy Chitty	**ORDINARY RESOLUTION 3**
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting ("AGM") of the Company and to authorise the Directors to fix their remuneration.	**ORDINARY RESOLUTION 4**

AS SPECIAL BUSINESS:-

To consider and if thought fit, to pass with or without any modifications, the following resolutions:-

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** — **ORDINARY RESOLUTION 5**

"THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier."

NOTICE OF ANNUAL GENERAL MEETING

6. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **ORDINARY RESOLUTION 6**

"THAT authority be and is hereby given in line with Rule 10.09 of the Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.3 of the Circular to Shareholders in relation to the Proposed Shareholders' Mandate dated 29 April 2022 which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or

(ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Shareholders' Mandate in the best interest of the Company."

7. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **SPECIAL RESOLUTION**

"THAT the proposed amendments to the Constitution of the Company as set out in the "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

NOTICE OF ANNUAL GENERAL MEETING

8. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324)
(SSM PC No.: 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
29 April 2022

Notes:

a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.

d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -

   (i) <u>In hard copy form</u>
   In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) <u>By electronic form</u>
   The proxy form can be electronically lodged via TIIH Online website at https://tiih.online. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.

g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 16 June 2022. Only members whose names appear in the General Meeting Record of Depositors as at 16 June 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.

NOTICE OF ANNUAL GENERAL MEETING

i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting. The Administrative Notes had taken into account the latest measures to-date to deal with the COVID-19 situation announced and/or implemented in Malaysia which affects the holding or conduct of general meetings. The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting. Kindly check Bursa Securities' and the Company's website at www.rgtech.com.my for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2021

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval of members for the Audited Financial Statements. Hence, Agenda No. 1 will not be put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the financial year ending 31 December 2022.

The proposed Directors' fees and any benefits for the financial year ending 31 December 2022 is inclusive of a proposed special Directors' fee amounting to 0.5 month of the current fee for each of the Independent Directors of the Company as a reward for their commitment and contributions to the Group since their appointment.

In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Mr. Yap Sin Sang and Mr. Tevanaigam Randy Chitty will retire pursuant to Clause 85 of the Company's Constitution ("the Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 19^{th} AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the said retiring Directors are provided in the Directors' Profile on Pages 6 to 10 of the Company's Annual Report 2021.

NOTICE OF ANNUAL GENERAL MEETING

4. **Item 5 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The Company had at its Eighteenth AGM held on 25 June 2021 ("18th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to allot and issue shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this AGM.

As at the date of this Notice, no new shares in the Company were allotted and issued pursuant to the 20% General Mandate granted to the Directors at the 18th AGM which will lapse at the conclusion of this AGM.

The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek the 20% General Mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act. This 20% General Mandate may be utilised by the Company to allot and issue new ordinary shares until 31 December 2022 and thereafter, unless extended by Bursa Securities, the 10% limit under Rule 6.04(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate and on 23 December 2021, further extended the implementation and utilisation of this 20% General Mandate to 31 December 2022 to allow a listed issuer to seek a higher general mandate under Rule 6.04 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for the issue of new securities.

<u>The Board of Directors' Statement</u>

The Board of Directors of Radiant Globaltech ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by the COVID-19 pandemic, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

5. **Item 6 of the Agenda – Proposed Shareholders' Mandate**

The Ordinary Resolution 6 proposed under item 6 of the Agenda, if passed, will give the mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue and/or trading nature in accordance with Rule 10.09 of the Listing Requirements of Bursa Securities. This mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Please refer to the Circular to Shareholders dated 29 April 2022 for further details.

6. **Item 7 of the Agenda – Proposed Amendments to the Constitution of the Company**

The proposed amendments to the Constitution of the Company ("Proposed Amendments") under item 7 of the Agenda are mainly to enhance administrative efficiency.

The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF RADIANT GLOBALTECH BERHAD ("THE COMPANY")

This is the Appendix A referred to in item 7 of the Agenda of the Notice of Nineteenth Annual General Meeting of the Company dated 29 April 2022.

Clause No.	Existing Clause	Proposed Clause
61 *Meetings of members at two or more venues*	The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.	**(a)** The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. **(b) For a hybrid general meeting,** the main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. **(c)** For **a** fully virtual general meeting, the broadcast venue **or the online meeting platform which located in Malaysia** shall be **recognised as** the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting. **(d) For a fully virtual general meeting, the main venue of the meeting shall be the broadcast venue which shall be located in Malaysia and the Chairman shall be present at the broadcast venue of the meeting; or the Uniform Resource Locator ("URL") address of the online meeting platform or the physical address of the Registrant shall be in Malaysia and the Chairman who is present virtually at the meeting shall be deemed to be present at the main venue of the meeting.**
107(b) *Meeting of Directors*	A member of the Board may participate in a meeting of the Board by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such Director shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the Board.	**The meeting of the Directors may be held by fully virtual or hybrid at more than one venue using any technology or method.** A member of the Board **or any invitees** may participate in ~~a~~ **the** meeting ~~of the Board~~ by means of a telephone conference, or any other audio, or audio visual, **or** communication means which allows all persons participating in the meeting to hear and speak with each other and such Director **or person** shall be regarded for all purposes as personally ~~attending~~ **attended** such a meeting and **such Director** shall be counted in a quorum and be entitled to vote on the resolution**s** tabled at ~~a~~ **the** meeting ~~of the Board~~.

APPENDIX A

Clause No.	Existing Clause	Proposed Clause
107(c) *Meeting of Directors*	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.	**- Deleted -**
123(a) *Participation at Committee Meeting by way of telephone and video conference*	Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the committee.	Notwithstanding any provisions to the contrary contained in this Constitution, **the committee meetings may be held by fully virtual or hybrid at more than one venue using any technology or method**. ~~any~~ **A committee** member ~~of a committee~~ **or any invitees** may participate ~~at a committee~~ **in the** meeting by means of a telephone conference or any other audio, or audio visual, **or** communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member **or person** shall be regarded for all purposes as personally ~~attending~~ **attended** such a meeting and **such committee member** shall be counted in a quorum and be entitled to vote on the resolution**s** tabled at ~~a meeting of~~ the committee **meeting**.
123(b) *Participation at Committee Meeting by way of telephone and video conference*	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.	**- Deleted -**
135(a) *Preparation, ~~and~~ circulation* ***and publication*** *of audited financial statements and reports of directors and auditors thereon*	The Directors shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.	The Directors shall cause to be prepared **and circulated** ~~, sent~~ to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.

APPENDIX A

Clause No.	Existing Clause	Proposed Clause
135(b) *Preparation, ~~and~~ circulation **and publication** of audited financial statements and reports of directors and auditors thereon*	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent to every Member of, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent **or circulated** to every Member of **the Company**, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.

PROXY FORM

RADIANT GLOBALTECH BERHAD
[Registration No. 200301018877 (621297-A)]
(Incorporated in Malaysia)

I/We *_______________________________________ NRIC/Passport/Registration No.*___________________________
(Full name in block)

of ____
(full address)

with email address _________________________________mobile phone no. _________________________________

being a member/members* of **RADIANT GLOBALTECH BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

and / or*

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Nineteenth Annual General Meeting ("19th AGM" or "Meeting") of the Company will be held at Green III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 24 June 2022 at 2:30 p.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	**Ordinary Resolutions**	**For**	**Against**
1.	To approve the payment of Directors' fees and benefits of RM400,000.00 for the financial year ending 31 December 2022.		
2.	To re-elect Mr. Yap Sin Sang as a Director of the Company.		
3.	To re-elect Mr. Tevanaigam Randy Chitty as a Director of the Company.		
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
5.	To approve the general authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
6.	To approve the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		
No.	**Special Resolution**	**For**	**Against**
1.	To approve the proposed amendments to the Constitution of the Company.		

**delete whichever is not applicable*

Dated this ___________ day of ___________ 2022

____
Signature of Member(s) / Common Seal

Notes:-

a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.

d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic form

The proxy form can be electronically lodged via TIIH Online website at https://tiih.online. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.

g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 16 June 2022. Only members whose names appear in the General Meeting Record of Depositors as at 16 June 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.

i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting. The Administrative Notes had taken into account the latest measures to-date to deal with the COVID-19 situation announced and/or implemented in Malaysia which affects the holding or conduct of general meetings. The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting. Kindly check Bursa Securities' and the Company's website at www.rgtech.com.my for the latest updates on the status of the Meeting.

FOLD
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AFFIX
STAMP

The Share Registrar
Tricor Investors & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

FOLD
HERE

RADIANT GLOBALTECH BERHAD
[Registration No. 200301018877 (621297-A)] (Incorporated in Malaysia)

Unit 03-06 & 03-07, Level 3, Tower B,
Vertical Business Suite, Avenue 3,
Bangsar South, No.8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.

Tel : +603-2242 2059
Email : info@rgtech.com.my

www.rgtech.com.my