



RADIANT GLOBALTECH BERHAD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2022

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**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER
2022⁽¹⁾**

	UNAUDITED CURRENT YEAR QUARTER 31.12.22 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.12.21 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.12.22 RM'000	AUDITED PRECEDING YEAR TO DATE 31.12.21 RM'000
Revenue	41,045	39,434	139,518	134,025
Cost of sales	(26,707)	(25,604)	(89,477)	(88,613)
Gross profit	14,338	13,830	50,041	45,412
Other income	157	67	1,200	1,246
	14,495	13,897	51,241	46,658
Selling and distribution expenses	(561)	(536)	(1,234)	(1,322)
Administrative expenses	(8,843)	(8,440)	(34,938)	(31,140)
Other expenses	(720)	(363)	(2,233)	(2,109)
Finance costs	(4)	(17)	(56)	(114)
Net (impairment)/ reversal on financial assets	(345)	(12)	(384)	2
Profit before taxation	4,022	4,529	12,396	11,975
Income tax expense	(1,196)	(556)	(3,370)	(3,899)
Profit after taxation	2,826	3,973	9,026	8,076
Other comprehensive income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(94)	(22)	24	140
Total comprehensive income for the financial period/year	2,732	3,951	9,050	8,216
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	2,282	3,623	7,444	7,338
Non-controlling interests	544	350	1,582	738
	2,826	3,973	9,026	8,076

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER
2022⁽¹⁾ (CONT'D)**

	UNAUDITED CURRENT YEAR QUARTER 31.12.22 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31.12.21 RM'000	UNAUDITED CURRENT YEAR TO DATE 31.12.22 RM'000	AUDITED PRECEDING YEAR TO DATE 31.12.21 RM'000
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	2,217	3,612	7,482	7,428
Non-controlling interests	515	339	1,568	788
	2,732	3,951	9,026	8,216
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.43 ⁽²⁾	0.69	1.42 ⁽²⁾	1.40
- Diluted (Sen)	0.43 ⁽²⁾	0.69	1.42 ⁽²⁾	1.40

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 December 2022. The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities outstanding.

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER
2022⁽¹⁾**

	Unaudited 31.12.22 RM'000	Audited 31.12.21 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,963	1,452
Investment property	3,994	-
Intangible assets	602	1,182
Right of use assets	10,708	11,256
Deferred tax assets	647	718
Goodwill on acquisition	11,447	11,447
	<u>29,361</u>	<u>26,055</u>
CURRENT ASSETS		
Inventories	16,380	7,575
Trade receivables	31,807	31,281
Other receivables, deposits and prepayments	10,528	3,871
Amount owing by related parties	344	1,110
Current tax assets	3,424	2,597
Short-term investments	14,418	21,955
Fixed deposits with licensed banks	1,192	1,162
Cash and bank balances	26,710	13,079
	<u>104,803</u>	<u>82,630</u>
TOTAL ASSETS	<u>134,164</u>	<u>108,685</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(155)	(193)
Retained profits	43,210	38,392
Shareholders' fund	77,527	72,671
Non-controlling interests	3,459	1,891
TOTAL EQUITY	<u>80,986</u>	<u>74,562</u>
NON-CURRENT LIABILITIES		
Provision	428	375
Lease liabilities	286	565
Deferred revenue	115	258
Deferred tax liabilities	27	14
	<u>856</u>	<u>1,212</u>
CURRENT LIABILITIES		
Trade payables	20,475	12,732
Other payables and accruals	28,190	16,755
Amount owing to a related party	2,331	2,281
Amount owing to directors	606	512
Lease liabilities	369	550
Current tax liabilities	351	81
	<u>52,322</u>	<u>32,911</u>
TOTAL LIABILITIES	<u>53,178</u>	<u>34,123</u>
TOTAL EQUITY AND LIABILITIES	<u>134,164</u>	<u>108,685</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER
2022⁽¹⁾ (CONT'D)**

	Unaudited 31.12.22	Audited 31.12.21
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>14.8</u>	<u>13.8</u>

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

	<---- Non-Distributable ---->			Distributable	Attributable	Non-	Total
	Share	Merger	Foreign	Retained	to	controlling	Equity
	Capital	Deficit	Exchange	Profits	Owners of	interests	
			Translation		the		
			Reserve		Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.21	48,153	(13,681)	(283)	31,054	65,243	1,220	66,463
Profit after taxation	-	-	-	7,338	7,338	738	8,076
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	90	-	90	50	140
Total comprehensive income for the financial year	-	-	90	7,338	7,428	788	8,216
Non-controlling interests on incorporation of subsidiary companies	-	-	-	-	-	(117)	(117)
Balance as at 31.12.21 (Audited)	48,153	(13,681)	(193)	38,392	72,671	1,891	74,562
Balance as at 1.1.22	48,153	(13,681)	(193)	38,392	72,671	1,891	74,562
Profit after taxation	-	-	-	7,444	7,444	1,582	9,026
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	38	-	38	(14)	24
Total comprehensive income for the financial year	-	-	38	7,444	7,482	1,568	9,050
Distribution to owners of the Company:							
- Dividends	-	-	-	(2,626)	(2,626)	-	(2,626)
Balance as at 31.12.22 (Unaudited)	48,153	(13,681)	(155)	43,210	77,527	3,459	80,986

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-
TO-DATE ENDED 31 DECEMBER 2022⁽¹⁾**

	CURRENT YEAR TO DATE 31.12.22 RM'000	AUDITED YEAR TO DATE 31.12.21 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	12,396	11,975
Adjustments for:		
Amortisation of intangible assets	579	579
Bad debt written off	16	10
Depreciation of property, plant and equipment	540	460
Depreciation of right-of-use assets	665	912
Loss/(Gain) on disposal of property, plant and equipment	9	(5)
Interest income	(242)	(345)
Interest expenses	57	113
Inventories written down	237	731
Inventories written off	388	-
Unrealised (gain)/loss on foreign exchange	(428)	41
Property, plant and equipment written off	22	-
Provision made during the financial year	47	43
Impairment/(Reversal) of impairment losses on trade receivables	384	(2)
Reversal of inventories previously written down	(320)	-
Operating profit before working capital changes	14,990	14,512
Increase in inventories	(9,712)	(764)
Increase in trade and other receivables	(6,057)	(3,939)
Increase/(Decrease) in trade and other payables	19,110	(6,916)
(Increase)/Decrease in amount owing by related parties	(344)	424
Increase/(Decrease) in amount owing to a related party	50	(1,121)
CASH FROM OPERATIONS	18,037	2,196
Income tax paid	(3,843)	(2,280)
Interest paid	-	(5)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	14,194	(89)
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of a subsidiary company	-	(2,484)
Purchase of property, plant and equipment	(1,051)	(144)
Purchase of intangible assets	-	(2)
Purchase of investment property	(3,994)	-
Proceed from disposal of property, plant and equipment	-	5
Interest received	242	345
Increase in fixed deposits with tenure more than 3 months	(22)	(110)
Increase in pledged fixed deposits with licensed banks	(8)	(11)
NET CASH FOR INVESTING ACTIVITIES	(4,833)	(2,401)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of directors	-	(406)
Dividend paid	(2,626)	-
Net changes of banker's acceptance	-	(728)
Interest paid	(57)	(105)
Repayment of term loans	-	(720)
Repayment of lease liabilities	(584)	(705)
NET CASH FOR FINANCING ACTIVITIES	(3,267)	(2,664)

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-
TO-DATE ENDED 31 DECEMBER 2022⁽¹⁾ (CONT'D)**

	CURRENT YEAR TO DATE 31.12.22 RM'000	AUDITED YEAR TO DATE 31.12.21 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,094	(5,154)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	-	157
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	35,034	40,031
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>41,128</u>	<u>35,034</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISES:		
Short-term investments	14,417	21,955
Cash and bank balances	26,710	13,079
Fixed deposits with licensed banks	<u>1,192</u>	<u>1,162</u>
	42,319	36,196
Less: Fixed deposits pledged to licensed banks	(492)	(485)
Fixed deposits with tenure of more than 3 months	<u>(699)</u>	<u>(677)</u>
	<u>41,128</u>	<u>35,034</u>

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2022

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Financial Reporting Standards (“IFRS”) 34, Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 31 December 2021. These explanatory notes attached to the interim financial report provide explanations of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the FYE 31 December 2021.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted in the audited financial statements for FYE 31 December 2021 except for the adoption of the following MFRS and Amendments to MFRS which came into effect for annual periods beginning on or after 1 January 2022 and are applicable for the Group’s interim financial report for the quarter and year-to-date ended 31 December 2022, as disclosed below:

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

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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) do not have any material impact on the financial performance and position of the Group upon their initial application.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period ended 31 December 2022:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Policies	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2022 (CONT'D)

A2. Changes in Accounting Policies (Cont'd)

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is not expected to have a material impact on the financial statements of the Group upon their initial application.

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2021.

A4. Seasonal or Cyclical Factors

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

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

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

A6. Changes in Estimates

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

A7. Debt and Equity Securities

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

A8. Dividends Paid

There was no payment of dividend during the current financial quarter under review.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2022 (CONT'D)

A9. Segmental Reporting

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

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
Current year quarter ended 31 December 2022			
Revenue			
External revenue	34,042	7,003	41,045
Inter-segment revenue	363	1,031	1,394
	<u>34,405</u>	<u>8,034</u>	<u>42,439</u>
Consolidation adjustments			(1,394)
Consolidated revenue			<u>41,045</u>
Results			
Segmental profit before interest and taxation	3,215	741	3,956
Interest income			71
Finance costs			(5)
Consolidated profit before taxation			<u>4,022</u>
Income tax expense			(1,196)
Consolidated profit after taxation			<u>2,826</u>
Preceding year quarter ended 31 December 2021			
Revenue			
External revenue	34,069	5,365	39,434
Inter-segment revenue	182	685	867
	<u>34,251</u>	<u>6,050</u>	<u>40,301</u>
Consolidation adjustments			(867)
Consolidated revenue			<u>39,434</u>
Results			
Segmental profit before interest and taxation	3,336	1,121	4,457
Interest income			89
Finance costs			(17)
Consolidated profit before taxation			<u>4,529</u>
Income tax expense			(556)
Consolidated profit after taxation			<u>3,973</u>

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2022 (CONT'D)

A9. Segmental Reporting

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

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
Current year to date ended 31 December 2022			
Revenue			
External revenue	117,891	21,627	139,518
Inter-segment revenue	686	4,051	4,737
	<u>118,577</u>	<u>25,678</u>	<u>144,255</u>
Consolidation adjustments			(4,737)
Consolidated revenue			<u>139,518</u>
Results			
Segmental profit before interest and taxation	10,698	1,513	12,211
Interest income			242
Finance costs			(57)
Consolidated profit before taxation			<u>12,396</u>
Income tax expense			(3,370)
Consolidated profit after taxation			<u>9,026</u>
Preceding year to date ended 31 December 2021			
Revenue			
External revenue	119,339	14,686	134,025
Inter-segment revenue	4,805	1,119	5,924
	<u>124,144</u>	<u>15,805</u>	<u>139,949</u>
Consolidation adjustments			(5,924)
Consolidated revenue			<u>134,025</u>
Results			
Segmental profit / (loss) before interest and taxation	12,544	(801)	11,743
Interest income			345
Finance costs			(113)
Consolidated profit before taxation			<u>11,975</u>
Income tax expense			(3,899)
Consolidated profit after taxation			<u>8,076</u>

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

There were no significant events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A11. Changes in the Composition of the Group

On 10 November 2022, the Company's wholly owned subsidiary, Radiant Global ADC Sdn. Bhd. incorporated a 100% owned subsidiary, namely RGTECH International Pte. Ltd. with a paid-up capital of SGD10,000.

A12. Fair Value of Financial Instruments

There were no gain or losses arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

A13. Capital Commitments

There were no capital commitments for the current financial quarter under review.

A14. Contingent Liabilities

The Group has no contingent liabilities as at the date of this report.

A15. Related Party Transactions

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

	Unaudited Current Year Quarter 31.12.22 RM'000	Unaudited Current Year to Date 31.12.22 RM'000
Related parties by virtue of common directors		
- Rental expenses	8	32
Related parties by virtue of major shareholders		
- Sales of Hardware and Software	1,227	4,491

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

B1. Review of Group Performance

For the quarter ended 31 December 2022 (4Q22)

For the fourth quarter ended 31 December 2022 (4Q22), the Group reported 4.1% higher revenue of RM41.0 million from RM39.4 million in the preceding year corresponding quarter ended 31 December 2021 (4Q21).

RM34.0 million or 82.9% of the revenue in 4Q22 was contributed by the Hardware and Maintenance segment, while the remaining RM7.0 million or 17.1% was derived from the Software segment.

As a comparison, RM34.1 million or 86.5% of the Group's revenue in 4Q21 was derived from the Hardware and Maintenance segment, while the remaining RM5.3 million or 13.5% was from the Software segment.

The Group recorded 3.6% higher gross profit to RM14.3 million in 4Q22 from RM13.8 million in 4Q21 despite overall gross profit margin decreased to 34.9% in 4Q22 from 35.0% in 4Q21. The increased in revenue mainly contributed from the implementation of on-going software projects as well as new customers on board to the Group's Software segment.

The Group recorded profit before taxation of RM4.0 million in 4Q22 as compared to RM4.5 million in 4Q21. The decreased in profit before taxation mainly due to increase in staff costs, impairment on slow moving goods and impairment of trade receivables in 4Q22.

For the year ended 31 December 2022 (4CQ22)

For 4CQ22, the Group reported 4.1% higher revenue of RM139.5 million from RM134.0 million in the previous corresponding twelve months ended 31 December 2021 (4CQ21).

RM117.9 million or 84.5% of the revenue in 4CQ22 was contributed by the Hardware and Maintenance segment, while the remaining RM21.6 million or 15.5% was derived from the Software segment.

As a comparison, RM119.3 million or 89.0% of the revenue in 4CQ21 was contributed by the Hardware and Maintenance segment, while the remaining RM14.7 million or 11.0% was derived from the Software segment.

The Group recorded 10.1% higher gross profit to RM50.0 million in 4CQ22 from RM45.4 million in 4CQ21. Overall gross profit margin increased to 35.8% in 4CQ22 from 33.9% in 4CQ21. The increased mainly due to higher revenue contributed from its Software segment on the implementation of new and on-going projects during the year as well as new customers on board to the Group's Software segment.

The Group recorded profit before taxation of RM12.4 million in 4CQ22 as compared to RM12.0 million in 4CQ21. It was in line with higher revenue contribution from its Software segment. The increased in profit before tax in 4CQ22 was also due to profit contributed from Thailand subsidiary as compared to a loss in 4CQ21.

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

B2. Comparison with Immediate Preceding Quarter Results

	Quarter Ended		<---- Changes ---->	
	31.12.2022 RM'000	30.09.2022 RM'000	RM'000	%
Revenue	41,045	32,268	8,777	27.2
Profit before taxation	<u>4,022</u>	<u>2,008</u>	<u>2,014</u>	<u>100.3</u>

The Group's revenue of RM41.0 million for the current quarter under review was 27.2% higher than the RM32.3 million recorded in the previous quarter due to deployment of hardware projects as well as implementation of new software projects.

The Group recorded profit before taxation of RM4.0 million in the current quarter as compared to RM2.0 million in the previous quarter. The increased was in line with higher revenue contribution from its Hardware and Maintenance segments as well as Software segment.

B3. Prospects

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

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

The Board is cautiously optimistic of the 2023 outlook and will continue to manage our business prudently as the Group has embarked on a series of future plans. Our Group's prospects are underpinned by a healthy balance sheet, expanding presence in Malaysia and regionally, as well as the growing market for business digitalisation.

B4. Profit Forecast

The Group did not issue any profit forecast or guarantee during the current financial quarter under review.

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

B5. Income Tax Expense

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
Income tax expense	1,041	427	3,250	3,634
Under / (Over) provision in previous financial year	68	(8)	30	427
Deferred tax	87	137	90	(162)
	<u>1,196</u>	<u>556</u>	<u>3,370</u>	<u>3,899</u>
Effective tax rate (%) ⁽¹⁾	<u>29.7</u>	<u>12.3</u>	<u>27.2</u>	<u>32.6</u>

Notes:

- (1) The Group's effective tax rate for the quarter ended 31 December 2022 of 29.7% is higher than the statutory tax rate of 24.0% mainly due to higher non-deductible expenses such as impairment on slow moving goods and impairment on trade receivables.
- (2) Income tax expense is recognised based on management's best estimate.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B7. Group Borrowings and Debt Securities

The Group's borrowings are as follows:

	Unaudited 31.12.22 RM'000	Audited 31.12.21 RM'000
Current:		
Lease liabilities	<u>369</u>	<u>550</u>
Non-current:		
Lease liabilities	<u>286</u>	<u>565</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

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

B8. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation.

B9. Dividend

No dividend has been declared or recommended for payment by the Company during the current financial quarter under review.

B10. Earnings Per Share

The basic and diluted earnings per share for the current financial quarter and year-to-date are computed as follows:

	Quarter Ended		Year-To-Date Ended	
	31.12.22	31.12.21	31.12.22	31.12.21
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company	2,282	3,623	7,444	7,338
	<u>2,282</u>	<u>3,623</u>	<u>7,444</u>	<u>7,338</u>
	Quarter Ended		Year-To-Date Ended	
	31.12.22	31.12.21	31.12.22	31.12.21
Weighted average number of ordinary shares ('000)	525,200	525,200	525,200	525,200
	<u>525,200</u>	<u>525,200</u>	<u>525,200</u>	<u>525,200</u>
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.43	0.69	1.42	1.40
- Diluted ⁽²⁾ (Sen)	0.43	0.69	1.42	1.40
	<u>0.43</u>	<u>0.69</u>	<u>1.42</u>	<u>1.40</u>

Notes:

- (1) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 December 2022.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

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

B11. Notes to the Statements of Profit or Loss and Other Comprehensive Income

Profit before taxation is arrived at after charging / (crediting):-

	Quarter Ended		Year-To-Date Ended	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
Amortisation of intangible assets	145	145	579	579
Bad debts written off	16	-	16	10
Depreciation of property, plant and equipment	135	117	540	460
Depreciation of right-of-use assets	208	214	665	912
Fair value on gain on investment	(90)	(13)	(320)	(62)
Loss/(Gain) on disposal of property, plant and equipment	9	-	9	(5)
Interest income	(71)	(89)	(242)	(345)
Interest expenses	5	17	57	109
Realised (gain)/loss foreign exchange	(22)	(35)	90	119
Unrealised loss/(gain) on foreign exchange	67	54	(108)	103
Inventories (write back)/written down	(52)	-	(83)	731
Inventories written off	162	-	388	-
Net impairment/(reversal) on impairment losses on trade receivables	345	12	384	(2)

BY ORDER OF THE BOARD