



**RADIANT GLOBALTECH BERHAD**

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

*(Incorporated in Malaysia)*

**INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2023**

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**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2023<sup>(1)</sup>**

	UNAUDITED CURRENT YEAR QUARTER 30.06.23 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.06.22 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.06.23 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.06.22 RM'000
Revenue	31,945	36,561	65,859	66,205
Cost of sales	<u>(18,892)</u>	<u>(22,769)</u>	<u>(38,807)</u>	<u>(42,308)</u>
Gross profit	13,053	13,792	27,052	23,897
Other income	<u>347</u>	<u>397</u>	<u>524</u>	<u>774</u>
	13,400	14,189	27,576	24,671
Selling and distribution expenses	(563)	(440)	(968)	(764)
Administrative expenses	(10,348)	(9,642)	(19,961)	(16,750)
Other expenses	(715)	(456)	(1,763)	(828)
Finance costs	(12)	(17)	(27)	(37)
Net reversal / (impairment) on financial assets	<u>38</u>	<u>(25)</u>	<u>30</u>	<u>74</u>
Profit before taxation	1,800	3,609	4,887	6,366
Income tax expense	<u>(426)</u>	<u>(851)</u>	<u>(1,512)</u>	<u>(1,774)</u>
<b>Profit after taxation</b>	1,374	2,758	3,375	4,592
Other comprehensive income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	<u>(24)</u>	<u>53</u>	<u>(53)</u>	<u>42</u>
<b>Total comprehensive income for the financial period</b>	<u>1,350</u>	<u>2,811</u>	<u>3,322</u>	<u>4,634</u>
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Company	1,236	2,109	3,279	3,808
Non-controlling interests	<u>138</u>	<u>649</u>	<u>96</u>	<u>784</u>
	<u>1,374</u>	<u>2,758</u>	<u>3,375</u>	<u>4,592</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2023<sup>(1)</sup>  
(CONT'D)**

	UNAUDITED CURRENT YEAR QUARTER 30.06.23 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.06.22 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.06.23 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.06.22 RM'000
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>				
Owners of the Company	1,226	2,154	3,252	3,851
Non-controlling interests	124	657	70	783
	1,350	2,811	3,322	4,634
<b>Earnings per share attributable to owners of the Company:-</b>				
- Basic (Sen)	0.24 <sup>(2)</sup>	0.40	0.62 <sup>(2)</sup>	0.73
- Diluted (Sen)	0.24 <sup>(2)</sup>	0.40	0.62 <sup>(2)</sup>	0.73

**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 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 June 2023. The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities outstanding.

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023<sup>(1)</sup>**

	<b>Unaudited 30.06.23 RM'000</b>	<b>Audited 31.12.22 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7,831	6,109
Intangible assets	341	602
Right of use assets	10,401	10,661
Deferred tax assets	559	684
Goodwill on acquisition	11,447	11,447
	<u>30,579</u>	<u>29,503</u>
<b>CURRENT ASSETS</b>		
Inventories	11,308	16,290
Trade receivables	25,051	31,347
Other receivables, deposits and prepayments	3,919	3,798
Amount owing by related parties	790	565
Current tax assets	3,616	3,495
Short-term investments	11,988	14,418
Fixed deposits with licensed banks	1,200	1,192
Cash and bank balances	19,723	26,893
	<u>77,595</u>	<u>97,998</u>
<b>TOTAL ASSETS</b>	<u>108,174</u>	<u>127,501</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(182)	(155)
Retained profits	35,527	43,234
Shareholders' fund	69,817	77,551
Non-controlling interests	(697)	3,478
<b>TOTAL EQUITY</b>	<u>69,120</u>	<u>81,029</u>
<b>NON-CURRENT LIABILITIES</b>		
Provision	155	428
Lease liabilities	227	262
Hire purchase payables	181	129
Deferred revenue	88	105
Deferred tax liabilities	77	27
	<u>728</u>	<u>951</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	12,155	13,070
Other payables and accruals	22,829	28,753
Amount owing to related parties	2,413	2,338
Amount owing to directors	666	606
Lease liabilities	225	339
Hire purchase payables	35	34
Current tax liabilities	3	381
	<u>38,326</u>	<u>45,521</u>
<b>TOTAL LIABILITIES</b>	<u>39,054</u>	<u>46,472</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>108,174</u>	<u>127,501</u>

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023<sup>(1)</sup>  
(CONT'D)**

	<b>Unaudited 30.06.23</b>	<b>Audited 31.12.22</b>
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>13.3</u>	<u>14.8</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 2022 and the accompanying explanatory notes attached to this interim financial report.

	<---- Non-Distributable ---->			Distributable	Attributable to Owners of the Company	Non-controlling interests	Total Equity
	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.22	48,153	(13,681)	(193)	38,392	72,671	1,891	74,562
Profit after taxation	-	-	-	7,468	7,468	1,601	9,069
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	38	-	38	(14)	24
Total comprehensive income for the financial year	-	-	38	7,468	7,506	1,587	9,093
Distribution to owners of the Company:							
- Dividends	-	-	-	(2,626)	(2,626)	-	(2,626)
<b>Balance as at 31.12.22 (Audited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(155)</b>	<b>43,234</b>	<b>77,551</b>	<b>3,478</b>	<b>81,029</b>
Balance as at 1.1.23	48,153	(13,681)	(155)	43,234	77,551	3,478	81,029
Profit after taxation	-	-	-	3,279	3,279	96	3,375
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	(27)	-	(27)	(26)	(53)
Total comprehensive income for the financial period	-	-	(27)	3,279	3,252	70	3,322
Distribution to owners of the Company:							
- Dividends	-	-	-	(2,626)	(2,626)	-	(2,626)
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	(8,360)	(8,360)	(4,245)	(12,605)
<b>Balance as at 30.06.23 (Unaudited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(182)</b>	<b>35,527</b>	<b>69,817</b>	<b>(697)</b>	<b>69,120</b>

**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 2022 and the accompanying explanatory notes attached to this interim financial report.

**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-  
TO-DATE ENDED 30 JUNE 2023<sup>(1)</sup>**

	<b>CURRENT YEAR TO DATE 30.06.23 RM'000</b>	<b>PRECEDING YEAR TO DATE 30.06.22 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,887	6,366
Adjustments for:		
Amortisation of intangible assets	262	291
Bad debts written off	28	-
Depreciation of property, plant and equipment	544	250
Depreciation of right-of-use assets	260	331
Loss on disposal of property, plant and equipment	117	-
Interest income	(215)	(108)
Interest expenses	28	37
Inventories written (back)/down	(7)	235
Inventories written off	11	-
Impairment losses on trade receivables	230	267
Unrealised gain on foreign exchange	(162)	(245)
Reversal of impairment losses on trade receivables	(260)	(193)
Operating profit before working capital changes	<u>5,723</u>	<u>7,231</u>
Decrease/(Increase) in inventories	4,978	(1,431)
Decrease in trade and other receivables	6,331	2,038
(Decrease)/Increase in trade and other payables	(7,063)	3,795
Increase in amount owing by related parties	(225)	(155)
Increase in amount owing to related parties	75	11
<b>CASH FROM OPERATIONS</b>	<u>9,819</u>	<u>11,489</u>
Income tax paid	(1,835)	(1,361)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>7,984</u>	<u>10,128</u>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary company	(12,605)	-
Purchase of property, plant and equipment	(2,267)	(28)
Interest received	215	108
Increase in fixed deposits with tenure more than 3 months	(8)	(7)
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>	<u>(14,665)</u>	<u>73</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(2,626)	(2,626)
Proceed from hire purchase payables	80	-
Interest paid	(28)	(37)
Repayment of hired purchase payables	(28)	(53)
Repayment of lease liabilities	(149)	(245)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<u>(2,751)</u>	<u>(2,961)</u>



**RADIANT GLOBALTECH BERHAD ((REGISTRATION NO.: 200301018877 (621297-A))  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-  
TO-DATE ENDED 30 JUNE 2023<sup>(1)</sup> (CONT'D)**

	<b>CURRENT YEAR TO DATE 30.06.23 RM'000</b>	<b>PRECEDING YEAR TO DATE 30.06.22 RM'000</b>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(9,432)	7,240
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(167)	9
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	41,311	35,034
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>31,712</u>	<u>42,283</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short-term investments	11,988	26,958
Cash and bank balances	19,723	15,325
Fixed deposits with licensed banks	1,200	1,169
	<u>32,911</u>	<u>43,452</u>
Less: Fixed deposits pledged to licensed banks	(500)	(492)
Fixed deposits with tenure of more than 3 months	(699)	(677)
	<u>31,712</u>	<u>42,283</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 2022 and the accompanying explanatory notes attached to this interim financial report.

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

**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 2022. 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 2022.

**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 2022 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 2023 and are applicable for the Group’s interim financial report for the quarter and year-to-date ended 30 June 2023, as disclosed below:

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

MFRS 17 Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Policies

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period ended 30 June 2023:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective for annual periods on or after</b>
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2023 (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 2022.

**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 30 JUNE 2023 (CONT'D)**

**A9. Segmental Reporting**

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

	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Current year quarter ended 30 June 2023</b>			
<b>Revenue</b>			
External revenue	26,162	5,783	31,945
Inter-segment revenue	604	1,212	1,816
	<u>26,766</u>	<u>6,995</u>	<u>33,761</u>
Consolidation adjustments			(1,816)
Consolidated revenue			<u>31,945</u>
<b>Results</b>			
Segmental profit before interest and taxation	1,664	25	1,689
Interest income			124
Finance costs			(13)
Consolidated profit before taxation			1,800
Income tax expense			(426)
Consolidated profit after taxation			<u>1,374</u>
<b>Preceding year quarter ended 30 June 2022</b>			
<b>Revenue</b>			
External revenue	31,357	5,204	36,561
Inter-segment revenue	157	1,468	1,625
	<u>31,514</u>	<u>6,672</u>	<u>38,186</u>
Consolidation adjustments			(1,625)
Consolidated revenue			<u>36,561</u>
<b>Results</b>			
Segmental profit before interest and taxation	3,376	172	3,548
Interest income			78
Finance costs			(17)
Consolidated profit before taxation			3,609
Income tax expense			(851)
Consolidated profit after taxation			<u>2,758</u>

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2023 (CONT'D)**
**A9. Segmental Reporting**

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

	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Current year to date ended 30 June 2023</b>			
<b>Revenue</b>			
External revenue	52,161	13,698	65,859
Inter-segment revenue	10,270	1,721	11,991
	<u>62,431</u>	<u>15,419</u>	<u>77,850</u>
Consolidation adjustments			(11,991)
Consolidated revenue			<u>65,859</u>
<b>Results</b>			
Segmental profit before interest and taxation	3,499	1,201	4,700
Interest income			215
Finance costs			(28)
Consolidated profit before taxation			<u>4,887</u>
Income tax expense			(1,512)
Consolidated profit after taxation			<u>3,375</u>
<b>Preceding year to date ended 30 June 2022</b>			
<b>Revenue</b>			
External revenue	56,827	9,378	66,205
Inter-segment revenue	224	1,659	1,883
	<u>57,051</u>	<u>11,037</u>	<u>68,088</u>
Consolidation adjustments			(1,883)
Consolidated revenue			<u>66,205</u>
<b>Results</b>			
Segmental profit before interest and taxation	5,957	338	6,295
Interest income			108
Finance costs			(37)
Consolidated profit before taxation			<u>6,366</u>
Income tax expense			(1,774)
Consolidated profit after taxation			<u>4,592</u>

**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 2 May 2023, Radiant Globaltech Berhad (“RGTECH”) entered into a conditional share purchase agreement (“SPA”) with Jejaka 7 Capital Sdn Bhd to acquire the remaining 200,000 ordinary shares in Grand-Flo Spritvest Sdn Bhd (“GFS”) not already owned by RGTECH, representing 20% equity interest in GFS for a total purchase consideration of RM12,605,000 to be satisfied entirely by cash. The Proposed Acquisition was duly passed by the shareholders of the Company by way of poll via voting at the EGM of the Company held on 23 June 2023.

The acquisition was completed on 30 June 2023. Consequently, GFS became a wholly-owned subsidiary of RGTECH.

**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:

	<b>Unaudited Current Year Quarter 30.06.23 RM'000</b>	<b>Unaudited Current Year to Date 30.06.23 RM'000</b>
Related parties by virtue of common directors		
- Rental expenses	26	52
Related parties by virtue of major shareholders		
- Sales of Hardware and Software	1,833	2,901

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

**B1. Review of Group Performance**

For the quarter ended 30 June 2023 (2Q23)

For the second quarter ended 30 June 2023 (2Q23), the Group reported 12.8% lower revenue of RM31.9 million from RM36.6 million in the preceding year corresponding quarter ended 30 June 2022 (2Q22).

RM26.1 million or 81.8% of the revenue in 2Q23 was contributed by the Hardware and Maintenance segment, while the remaining RM5.8 million or 18.2% was derived from the Software segment.

As a comparison, RM31.4 million or 85.8% of the Group's revenue in 2Q22 was derived from the Hardware and Maintenance segment, while the remaining RM5.2 million or 14.2% was from the Software segment.

The Group recorded 5.1% lower gross profit to RM13.1 million in 2Q23 from RM13.8 million in 2Q22 despite overall gross profit margin increase to 41.1% in 2Q23 from 37.7% in 2Q22. The decrease in gross profit was mainly due to less deployment of projects in Hardware and Maintenance Segment.

The Group recorded profit before taxation of RM1.8 million in 2Q23 as compared to RM3.6 million in 2Q22. It was mainly due to lower gross profit (despite increase in Gross Profit Margin as stated above) contributed from Hardware and Maintenance segment which was exacerbated by the increase in administrative expenses and other expenses in 2Q23.

For the six months ended 30 June 2023 (1H23)

For 1H23, the Group reported 0.5% lower revenue of RM65.9 million from RM66.2 million in the previous corresponding six months ended 30 June 2022 (1H22).

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

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

The Group recorded 13.4% higher gross profit to RM27.1 million in 1H23 from RM23.9 million in 1H22. Overall gross profit margin increased to 41.1% in 1H23 from 36.1% in 1H22. The increase was mainly due to projects completed in the Software segment which yielded higher gross profit.

The Group recorded profit before taxation of RM4.9million in 1H23 as compared to RM6.4 million in 1H22. The decrease was mainly due increases in administrative expenses as well as other expenses in 1H23.

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

**B2. Comparison with Immediate Preceding Quarter Results**

	Quarter Ended		<---- Changes ---->	
	30.06.2023 RM'000	31.03.2023 RM'000	RM'000	%
Revenue	31,945	33,914	(1,969)	(5.8)
Profit before taxation	<u>1,800</u>	<u>3,087</u>	<u>(1,287)</u>	<u>(41.7)</u>

The Group's revenue of RM31.9 million for the current quarter under review was 5.8% lower than the RM33.9 million recorded in the previous quarter due to lower revenue contributed from its Software segment as projects completed in previous quarter.

The Group recorded profit before taxation of RM1.8 million in the current quarter as compared to RM3.1 million in the previous quarter. The decrease was mainly due to less revenue generated in the Software segment as explained above and increase in administrative expenses such as staff costs and professional fees on a recent corporate exercise.

**B3. Prospects**

The Group aims to expand our customer base to various other industries, leveraging on our strong track record with prominent retailers and industrial companies. The Group plans to integrate our hardware and software solutions for both industrial and retail markets into more robust and customizable offerings that will fulfil enterprises' technology needs.

With the reopening of international borders, the Group will focus our efforts on securing and implementing business enhancement solutions for our existing customers in the region, as well as capturing new market share.

Nonetheless, backed by our strong healthy balance sheet and robustness of our various solutions, we intend to capitalize on software, maintenance and support services segments to create a long-term sustainable revenue stream. The Group is cautiously optimistic about our business outlook for 2023 and expect that demand for retail and industrial automation solutions will remain strong, driven by businesses' desire to increase digitalisation and automation to increase our overall revenue and business value.

**B4. Profit Forecast**

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



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

**B5. Income Tax Expense**

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
Income tax expense	241	709	1,327	1,820
Deferred tax	185	142	185	(46)
	<u>426</u>	<u>851</u>	<u>1,512</u>	<u>1,774</u>
Effective tax rate (%) <sup>(1)</sup>	<u>23.7</u>	<u>23.6</u>	<u>30.9</u>	<u>27.9</u>

**Notes:**

- (1) The Group's effective tax rate for the second quarter ended 30 June 2023 of 23.6% is lower than the statutory tax rate of 24.0% mainly due to utilisation of deferred tax assets.
- (2) Income tax expense is recognised based on management's best estimate.

**B6. Status of Corporate Proposals**

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

**B7. Group Borrowings and Debt Securities**

The Group's borrowings are as follows:

	Unaudited 30.06.23 RM'000	Audited 31.12.22 RM'000
<b>Current:</b>		
Lease liabilities	225	339
Hire purchase payables	35	34
	<u>260</u>	<u>373</u>
<b>Non-current:</b>		
Lease liabilities	227	262
Hire purchase payables	181	129
	<u>408</u>	<u>391</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

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

**B8. Material Litigation**

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

**B9. Dividend**

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

**B10. Earnings Per Share**

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

	Quarter Ended		Year-To-Date Ended	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
Profit after taxation attributable to owners of the Company	1,236	2,109	3,279	3,808
	<u>1,236</u>	<u>2,109</u>	<u>3,279</u>	<u>3,808</u>
	Quarter Ended		Year-To-Date Ended	
	30.06.23	30.06.22	30.06.23	30.06.22
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 <sup>(1)</sup> (Sen)	0.24	0.40	0.62	0.73
- Diluted <sup>(2)</sup> (Sen)	0.24	0.40	0.62	0.73
	<u>0.24</u>	<u>0.40</u>	<u>0.62</u>	<u>0.73</u>

**Notes:**

- (1) The basic earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 June 2023.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

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

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

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

	Quarter Ended		Year-To-Date Ended	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
Amortisation of intangible assets	147	146	262	291
Depreciation of property, plant and equipment	272	123	544	250
Depreciation of right-of-use assets	139	171	260	331
Loss on disposal of property, plant and equipment	148	-	117	-
Interest income	(124)	(78)	(215)	(108)
Interest expenses	13	17	28	37
Realised loss foreign exchange	68	29	654	34
Unrealised gain on foreign exchange	(173)	(192)	(162)	(245)
Inventories written down/(written back)	25	(8)	(7)	235
Net (reversal)/impairment on impairment losses on trade receivables	(38)	25	(30)	(74)

**BY ORDER OF THE BOARD**