



RADIANT GLOBALTECH BERHAD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 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 SEPTEMBER
2023⁽¹⁾**

	UNAUDITED CURRENT YEAR QUARTER 30.09.23 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.09.22 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.09.23 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.09.22 RM'000
Revenue	31,593	32,268	97,452	98,473
Cost of sales	(19,612)	(20,462)	(58,419)	(62,770)
Gross profit	11,981	11,806	39,033	35,703
Other income	352	269	876	1,043
	12,333	12,075	39,909	36,746
Selling and distribution expenses	(79)	91	(1,047)	(673)
Administrative expenses	(9,609)	(9,345)	(29,570)	(26,095)
Other expenses	(730)	(685)	(2,492)	(1,513)
Finance costs	(46)	(15)	(73)	(52)
Net impairment on financial assets	(233)	(113)	(204)	(39)
Profit before taxation	1,636	2,008	6,523	8,374
Income tax expense	(628)	(400)	(2,140)	(2,174)
Profit after taxation	1,008	1,608	4,383	6,200
Other comprehensive income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	78	76	25	118
Total comprehensive income for the financial period	1,086	1,684	4,408	6,318
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	1,016	1,354	4,295	5,162
Non-controlling interests	(8)	254	88	1,038
	1,008	1,608	4,383	6,200

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UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER
2023⁽¹⁾ (CONT'D)**

	UNAUDITED CURRENT YEAR QUARTER 30.09.23 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30.09.22 RM'000	UNAUDITED CURRENT YEAR TO DATE 30.09.23 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30.09.22 RM'000
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	1,078	1,414	4,330	5,265
Non-controlling interests	8	270	78	1,053
	1,086	1,684	4,408	6,318
Earnings per share attributable to owners of the Company:-				
- Basic (Sen)	0.19 ⁽²⁾	0.26	0.82 ⁽²⁾	0.98
- Diluted (Sen)	0.19 ⁽²⁾	0.26	0.82 ⁽²⁾	0.98

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 September 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 SEPTEMBER
2023⁽¹⁾**

	Unaudited 30.09.23 RM'000	Audited 31.12.22 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8,754	6,109
Intangible assets	195	602
Right of use assets	10,571	10,661
Deferred tax assets	613	684
Goodwill on acquisition	11,447	11,447
	<u>31,580</u>	<u>29,503</u>
CURRENT ASSETS		
Inventories	7,588	16,290
Trade receivables	23,868	31,347
Other receivables, deposits and prepayments	4,830	3,798
Amount owing by related parties	1,272	565
Current tax assets	3,821	3,495
Short-term investments	10,787	14,418
Fixed deposits with licensed banks	1,200	1,192
Cash and bank balances	17,464	26,893
	<u>70,830</u>	<u>97,998</u>
TOTAL ASSETS	<u>102,410</u>	<u>127,501</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	48,153	48,153
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(120)	(155)
Retained profits	36,543	43,234
Shareholders' fund	70,895	77,551
Non-controlling interests	(689)	3,478
TOTAL EQUITY	<u>70,206</u>	<u>81,029</u>
NON-CURRENT LIABILITIES		
Provision	151	428
Lease liabilities	734	262
Hire purchase payables	170	129
Deferred revenue	41	105
Deferred tax liabilities	60	27
	<u>1,156</u>	<u>951</u>
CURRENT LIABILITIES		
Trade payables	9,857	13,070
Other payables and accruals	18,026	28,753
Amount owing to related parties	2,361	2,338
Amount owing to directors	561	606
Lease liabilities	174	339
Hire purchase payables	35	34
Current tax liabilities	34	381
	<u>31,048</u>	<u>45,521</u>
TOTAL LIABILITIES	<u>32,204</u>	<u>46,472</u>
TOTAL EQUITY AND LIABILITIES	<u>102,410</u>	<u>127,501</u>

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

	Unaudited 30.09.23	Audited 31.12.22
Number of issued shares ('000)	525,200	525,200
Net assets per ordinary share attributable to owners of the Company (Sen)	<u>13.5</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	Non-	Total
	Share	Merger	Foreign	Retained	to	controlling	Equity
	Capital	Deficit	Exchange	Profits	the	interests	
	RM'000	RM'000	Translation	RM'000	Company	RM'000	RM'000
			Reserve		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)
Balance as at 31.12.22 (Audited)	48,153	(13,681)	(155)	43,234	77,551	3,478	81,029
Balance as at 1.1.23	48,153	(13,681)	(155)	43,234	77,551	3,478	81,029
Profit after taxation	-	-	-	4,295	4,295	88	4,383
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	35	-	35	(10)	25
Total comprehensive income for the financial period	-	-	35	4,295	4,330	78	4,408
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)
Balance as at 30.09.23 (Unaudited)	48,153	(13,681)	(120)	36,543	70,895	(689)	70,206

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 SEPTEMBER 2023⁽¹⁾**

	CURRENT YEAR TO DATE 30.09.23 RM'000	PRECEDING YEAR TO DATE 30.09.22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,523	8,374
Adjustments for:		
Amortisation of intangible assets	408	434
Bad debts written off	1	-
Depreciation of property, plant and equipment	833	405
Depreciation of right-of-use assets	561	457
Gain on disposal of property, plant and equipment	(90)	-
Interest income	(355)	(171)
Interest expenses	73	52
Inventories written back	(759)	(31)
Inventories written off	752	226
Impairment losses on trade receivables	516	39
Unrealised gain on foreign exchange	(268)	(405)
Reversal of impairment losses on trade receivables	(312)	-
Operating profit before working capital changes	<u>7,883</u>	<u>9,380</u>
Decrease/(Increase) in inventories	8,708	(3,429)
Decrease in trade and other receivables	6,399	3,555
(Decrease)/Increase in trade and other payables	(14,216)	926
Increase in amount owing by related parties	(707)	(242)
Increase/(Decrease) in amount owing to related parties	23	(35)
CASH FROM OPERATIONS	<u>8,090</u>	<u>10,155</u>
Income tax paid	<u>(2,708)</u>	<u>(2,444)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>5,382</u>	<u>7,711</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of a subsidiary company	(12,605)	-
Proceed from sales of property, plant and equipment	241	-
Purchase of property, plant and equipment	(3,317)	(704)
Purchase of investment property	-	(3,994)
Interest received	355	171
Increase in fixed deposits with tenure more than 3 months	(8)	(9)
NET CASH FOR INVESTING ACTIVITIES	<u>(15,334)</u>	<u>(4,536)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(2,626)	(2,626)
Proceed from hire purchase payables	80	-
Interest paid	(73)	(52)
Repayment of hired purchase payables	(39)	-
Repayment of lease liabilities	(328)	(432)
NET CASH FOR FINANCING ACTIVITIES	<u>(2,986)</u>	<u>(3,110)</u>

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

	CURRENT YEAR TO DATE 30.09.23 RM'000	PRECEDING YEAR TO DATE 30.09.22 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(12,938)	65
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(121)	5
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>28,252</u>	<u>35,104</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short-term investments	10,787	18,596
Cash and bank balances	17,464	16,508
Fixed deposits with licensed banks	1,200	1,171
	<u>29,451</u>	<u>36,275</u>
Less: Fixed deposits pledged to licensed banks	(500)	(492)
Fixed deposits with tenure of more than 3 months	(699)	(679)
	<u>28,252</u>	<u>35,104</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 SEPTEMBER 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 September 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 September 2023:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods on or after
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 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 SEPTEMBER 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 SEPTEMBER 2023 (CONT'D)

A9. Segmental Reporting

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

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
Current year quarter ended 30 September 2023			
Revenue			
External revenue	25,654	5,939	31,593
Inter-segment revenue	272	904	1,176
	<u>25,926</u>	<u>6,843</u>	<u>32,769</u>
Consolidation adjustments			(1,176)
Consolidated revenue			<u>31,593</u>
Results			
Segmental profit/(loss) before interest and taxation	1,829	(287)	1,542
Interest income			140
Finance costs			(46)
Consolidated profit before taxation			<u>1,636</u>
Income tax expense			(628)
Consolidated profit after taxation			<u>1,008</u>
Preceding year quarter ended 30 September 2022			
Revenue			
External revenue	27,022	5,246	32,268
Inter-segment revenue	99	1,361	1,460
	<u>27,121</u>	<u>6,607</u>	<u>33,728</u>
Consolidation adjustments			(1,460)
Consolidated revenue			<u>32,268</u>
Results			
Segmental profit before interest and taxation	1,526	434	1,960
Interest income			63
Finance costs			(15)
Consolidated profit before taxation			<u>2,008</u>
Income tax expense			(400)
Consolidated profit after taxation			<u>1,608</u>

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2023 (CONT'D)

A9. Segmental Reporting

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

	Hardware and Maintenance RM'000	Software RM'000	Group RM'000
Current year to date ended 30 September 2023			
Revenue			
External revenue	77,815	19,637	97,452
Inter-segment revenue	10,542	2,625	13,167
	<u>88,357</u>	<u>22,262</u>	110,619
Consolidation adjustments			(13,167)
Consolidated revenue			<u>97,452</u>
Results			
Segmental profit before interest and taxation	5,327	914	6,241
Interest income			355
Finance costs			(73)
Consolidated profit before taxation			6,523
Income tax expense			(2,140)
Consolidated profit after taxation			<u>4,383</u>
Preceding year to date ended 30 September 2022			
Revenue			
External revenue	83,849	14,624	98,473
Inter-segment revenue	323	3,020	3,343
	<u>84,172</u>	<u>17,644</u>	101,816
Consolidation adjustments			(3,343)
Consolidated revenue			<u>98,473</u>
Results			
Segmental profit before interest and taxation	7,483	772	8,255
Interest income			171
Finance costs			(52)
Consolidated profit before taxation			8,374
Income tax expense			(2,174)
Consolidated profit after taxation			<u>6,200</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

There were no changes in the composition of the Group during the current financial quarter under review.

A12. Fair Value of Financial Instruments

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

A13. Capital Commitments

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

A14. Contingent Liabilities

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

A15. Related Party Transactions

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

	Unaudited Current Year Quarter 30.09.23 RM'000	Unaudited Current Year to Date 30.09.23 RM'000
Related parties by virtue of common directors		
- Rental expenses	26	78
Related parties by virtue of major shareholders		
- Sales of Hardware and Software	1,912	4,813

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 September 2023 (3Q23)

For the third quarter ended 30 September 2023 (3Q23), the Group reported 2.2% lower revenue of RM31.6 million from RM32.3 million in the preceding year corresponding quarter ended 30 September 2022 (3Q22).

RM25.7 million or 81.3% of the revenue in 3Q23 was contributed by the Hardware and Maintenance segment, while the remaining RM5.9 million or 18.7% was derived from the Software segment.

As a comparison, RM27.0 million or 83.6% of the Group's revenue in 3Q22 was derived from the Hardware and Maintenance segment, while the remaining RM5.3 million or 16.4% was from the Software segment.

The Group recorded 1.7% higher gross profit to RM12.0 million in 3Q23 from RM11.8 million in 3Q22. Overall gross profit margin increased to 38.0% in 3Q23 from 36.5% in 3Q22. The increase in gross profit was mainly due to higher revenue generated in Software segment in 3Q23 compared to 3Q22 which yield higher gross profit margin.

The Group recorded profit before taxation of RM1.6 million in 3Q23 as compared to RM2.0 million in 3Q22. The decrease was mainly due to defer deployment of projects in Hardware and Maintenance segment which was exacerbated by the increase in overall expenses.

For the nine months ended 30 September 2023 (3CQ23)

For 3CQ23, the Group reported 1.0% lower revenue of RM97.5 million from RM98.5 million in the previous corresponding nine months ended 30 September 2022 (3CQ22).

RM77.8 million or 79.8% of the revenue in 3CQ23 was contributed by the Hardware and Maintenance segment, while the remaining RM19.7 million or 20.2% was derived from the Software segment.

As a comparison, RM83.8 million or 85.1% of the revenue in 3CQ22 was contributed by the Hardware and Maintenance segment, while the remaining RM14.7 million or 14.9% was derived from the Software segment.

The Group recorded 9.2% higher gross profit to RM39.0 million in 3CQ23 from RM35.7 million in 3CQ22. Overall gross profit margin increased to 40.0% in 3CQ23 from 36.2% in 3CQ22. The increase was mainly due to projects completed in the Software segment which yielded higher gross profit.

The Group recorded profit before taxation of RM6.5 million in 3CQ23 as compared to RM8.4 million in 3CQ22. The decrease was mainly due to increase in overall expenses in 3CQ23.

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 ---->	
	30.09.2023 RM'000	30.06.2023 RM'000	RM'000	%
Revenue	31,593	31,945	(352)	(1.1)
Profit before taxation	<u>1,636</u>	<u>1,800</u>	<u>(166)</u>	<u>(9.2)</u>

The Group's revenue of RM31.6 million for the current quarter under review was 1.1% lower than the RM31.9 million recorded in the previous quarter due to defer deployment of projects in Hardware and Maintenance segment in current quarter.

The Group recorded profit before taxation of RM1.6 million in the current quarter as compared to RM1.8 million in the previous quarter. The decreased mainly due to less revenue generated in the Hardware and Maintenance segment and increased in other expenses such as impairment of trade receivables.

B3. Prospects

The Group is in the midst of expanding 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 our customers' digital 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.

Backed by our healthy balance sheet and robustness of our various solutions, we intend to capitalise on software, maintenance and support services segments to create a long-term sustainable revenue stream. We are 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.

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	
	30.09.23 RM'000	30.09.22 RM'000	30.09.23 RM'000	30.09.22 RM'000
Income tax expense	766	390	2,092	2,210
(Over) provision in previous financial year	(63)	(38)	(63)	(38)
Deferred tax	(75)	48	111	2
	<u>628</u>	<u>400</u>	<u>2,140</u>	<u>2,174</u>
Effective tax rate (%) ⁽¹⁾	<u>38.4</u>	<u>19.9</u>	<u>32.8</u>	<u>26.0</u>

Notes:

- (1) The Group's effective tax rate for the second quarter ended 30 September 2023 of 38.4% is lower than the statutory tax rate of 24.0% mainly due to increase in non-deductible expenses and unrecognised deferred tax assets arising from business losses of the subsidiaries.
- (2) Income tax expense is recognised based on management's best estimate.

B6. Status of Corporate Proposals

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 30.09.23 RM'000	Audited 31.12.22 RM'000
Current:		
Lease liabilities	174	339
Hire purchase payables	35	34
	<u>209</u>	<u>373</u>
Non-current:		
Lease liabilities	734	262
Hire purchase payables	170	129
	<u>904</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	
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company	1,016	1,354	4,295	5,162
	<u>1,016</u>	<u>1,354</u>	<u>4,295</u>	<u>5,162</u>
	Quarter Ended		Year-To-Date Ended	
	30.09.23	30.09.22	30.09.23	30.09.22
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 ⁽¹⁾ (Sen)	0.19	0.26	0.82	0.98
- Diluted ⁽²⁾ (Sen)	0.19	0.26	0.82	0.98
	<u>0.19</u>	<u>0.26</u>	<u>0.82</u>	<u>0.98</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 September 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	
	30.09.23 RM'000	30.09.22 RM'000	30.09.23 RM'000	30.09.22 RM'000
Amortisation of intangible assets	146	143	408	434
Depreciation of property, plant and equipment	289	155	833	405
Depreciation of right-of-use assets	301	126	561	457
Gain on disposal of property, plant and equipment	(207)	-	(90)	-
Interest income	(140)	(63)	(355)	(171)
Interest expenses	46	15	73	52
Realised loss foreign exchange	35	78	689	112
Unrealised gain on foreign exchange	(106)	(160)	(268)	(405)
Net inventories (written back)/written down	(11)	(40)	(7)	195
Net (reversal)/impairment on impairment losses on trade receivables	233	113	204	39

BY ORDER OF THE BOARD