

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of RGT Berhad ("RGTBHD" or "the Company") is committed in ensuring that good corporate governance is practised throughout RGTBHD and its subsidiaries ("the Group") by adopting the principles set out in the Malaysian Code of Corporate Governance ("MCCG" or the "Code"). The Corporate Governance ("CG") are applied herewith to safeguard the stakeholders' interest and enhancing its shareholders' value. Good corporate governance practices adopted by the Group is important for the long-term success and sustainability of the Group.

The Corporate Governance Overview Statement ("CG Statement") is prepared in compliance with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the CG Report 2023 ("CG Report") of the Company. Both documents are available on RGTBHD's website at www.rgtberhad.com.

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year ended 30 June 2023 ("FYE 2023").

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board sets directions through strategic planning by leading and directing the Group's business operations to enhance the shareholders' value. The Board discharges its responsibilities by, among others, promoting good corporate governance, ensuring shareholders are kept informed of the Group's performance and major developments, monitors implementation plans, ensuring the systems of risk management and internal control are in place and effective. The Board has delegated specific responsibilities to the Board Committees, namely, the Audit Committee ("AC"), Remuneration Committee ("RC"), Nomination Committee ("NC") and Risk Management Committee ("RMC"). These Board Committees operate within the defined terms of references approved by the Board.

The Management is accountable to the Board for the execution of the Board's strategic plans and directions. The Management carries out and executes the day-to-day business and operational matters or such other matters to meet the Board's directions and eventually to achieve the Board's goals of enhancing the shareholder's value.

The Board has also direct access to Senior Management and has unrestricted and immediate access to information relating to the Group's business and affairs in the discharge of their duties. The Board will invite the Senior Management to attend meetings for reporting on major issues relating to their respective responsibilities.

The key responsibilities of the Chairman are ensuring the Board's effectiveness and conduct. He also promotes an open environment for debate and ensures effective contributions from all Directors. At general meetings, the Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management. Chief Executive Officer ("CEO"), who is also an Executive Director, is in charge of the day-to-day operations of the business and provide strategic business decision, to be implemented by Management, for the benefit of all stakeholders. There is clear division of responsibilities between Chairman and the CEO. The Board is led by the Independent Non-Executive Chairman while the Management is led by CEO.

The Company's Board Charter set out the duties, responsibility and functions of the Board in accordance with the principles of good corporate governance. The Board Charter serves as a reference for the operation of the Board and is subject to periodic review to ensure that it remains consistent with the Board's roles and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

During the financial year, all Board Committees have held meetings on a regular basis and/or as and when required to discuss various issues that came within the Term of Reference. Their findings or recommendations are then tabled to the Board for deliberations and further actions. The Board meets on a quarterly basis with additional meetings convened when there are urgent issues or matters that require attention from the Board.

The Board has formalised a Code of Conduct and Ethics for Directors and Employees in discharging its roles and responsibilities effectively. The Code of Ethics require all Directors to observe high ethical business standards, to always act and must not have any conflict of interest situation with the Company and must ensure ethical behaviour in compliance with laws and regulations.

The Company has adopted a Whistleblowing Policy to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrong doings in the Company can be addressed promptly. This policy underlines its protection and reporting channels.

The Group has adopted an Anti-Bribery and Corruption Policy to comply with the provision of Malaysian Anti-Corruption Commission Act 2018. The Group is committed to conduct its business ethically by having procedures for prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. The Group had conducted proper briefings and training to all the employees to create awareness on the Anti-Bribery and Corruption Policy as the Group are legally obliged zero-tolerance on the corruption practices.

The Group is committed towards sustainable development and believes that sustainable corporate success requires the highest standard of corporate behaviour including measuring up to public expectations on its economic, environmental, social and corporate governance responsibilities. As a socially responsible citizen, the Group has approached the process of addressing higher expectations of economic, environmental, social and corporate governance responsibilities as part of how the Group normally works and thinks. The Group's effort in this regard including the corporate responsibility activities in the financial year under review have been set out in the Sustainability Statement in this Annual Report.

The Board members have full access to the Company Secretary, who is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. She provides advisory services to the Board, in relation to the Company's constitution, policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations to enhances the effective functioning of the Board and to ensure regulatory compliance.

The Board Charter, Code of Conduct and Ethics, Whistleblowing Policy and Anti-Bribery & Corruption Policy are available at the Company's website at www.rgtberhad.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition

As at the date of this Annual Report, the Board comprised of six (6) Directors: three (3) Independent Non-Executive and three (3) Executive as follows:-

Designation	Name of Directors
Independent Non-Executive Director	Dato' Ir. Low Keng Kok, Chairman
	Dr. Ooi Hun Pin
	Dato' Lim Yong Jin
Executive Director	Datuk Lim Seat Hoe, CEO
	Lee Soo Ching
	Ng Choon Keat

The details of directors' background, experiences and qualifications are set out under Profile of Directors in this Annual Report.

The Board acknowledges that an appropriate mix of knowledge, skills, industry experience, gender, ethnicity and age is fundamental to the right board composition to ensure that diverse perspectives and insights are expressed in the decision making process for the best interest of the Group.

The Board is assisted by NC which is chaired by an Independent Non-Executive Director to review, amongst other, the size and composition of the Board. NC reviews the effectiveness of the Board and performance of each individual director and assess the independence of Non-Executive Directors on an annual basis to determine if the Board has the right size and sufficient diversity with independence elements that meet the Company's objectives and strategic goal.

On 24 August 2023, an assessment of the effectiveness of the Board, respective Board Committee and Independence were carried out in respect of the FYE 2023. Appraisal form comprised both qualitative and quantitative performance criteria to evaluate the performance of the Board as well as each Board Committee. The NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committee and agreed that it has the necessary mix of skill, experience and other necessary qualities to serve effectively.

Notwithstanding the recommendation of the Code, the Board is presently of the view that there is no necessity to fix a maximum tenure limit for Independent Non-Executive Directors as there are significant advantages to be gained from the long-serving Independent Non-Executive Directors who possess tremendous insight and knowledge of the Group businesses and affairs. However, those Independent Non-Executive Directors that have served more than nine (9) years will be subject to shareholders' approval for the re-appointment during the annual general meeting ("AGM").

The Board is supportive of gender diversity in the boardroom. Lee Soo Ching is presently the sole female of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

The diversity in the age, ethnicity and gender of the Board were as follows:-

As at 30 June 2023

Directorate	Executive 3	Independent Non-Executive 3	Non-Independent Non-Executive 0
Gender	Male 5	Female 1	
Nationality	Malaysian 6	Foreigner 0	
Ethnicity	Bumiputra 0	Chinese 6	
Age	40 - 49 1	50 - 59 1	60 and above 4

The Board complies with both MMLR and MCCG in regards to the ratio of Independent Non-Executive Directors.

Attendance in Board Meetings

During the FYE 2023, the Board held five (5) meetings to deliberate and decide on various issues. The major deliberation, in terms of issue discussed and the conclusion arrived by the Board during the meetings, are recorded by the Company Secretary with the minutes signed by the Chairman of the meetings. Meetings are also organised for the Board Committees.

Details of attendance of each Director at the meetings of the Board and respective Board Committees meetings during the financial year under review are as follows:-

Name of Directors	Board	AC	NC	RC	RMC
Dato' Ir. Low Keng Kok	5 / 5	5 / 5	1 / 1	2 / 2	–
Datuk Lim Seat Hoe	5 / 5	–	–	–	–
Lee Soo Ching	5 / 5	–	–	–	3 / 3
Dr. Ooi Hun Pin	5 / 5	5 / 5	1 / 1	2 / 2	–
Ng Choon Keat	5 / 5	–	–	–	–
Dato' Lim Yong Jin	5 / 5	5 / 5	1 / 1	2 / 2	3 / 3

The Board is satisfied with the time commitment given by the Directors as demonstrated by their full attendance at the meetings of the Board and Board Committees.

In additional, all Directors do not hold more than five (5) directorships in public listed companies as required under paragraph 15.06 of the MMLR of Bursa Securities to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. A Director shall notify the Chairman before he/she accepts any new directorships in other public listed companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

Directors' Training

The training programmes or seminars attended by the Directors during FYE 2023 are as follows:-

Name of Director	Training Programmes / Seminars Attended	No. of Hours
Dato' Ir. Low Keng Kok	(i) Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers	1.5 hours
	(ii) Exploring Equity Valuation	4 hours
Datuk Lim Seat Hoe	(i) Exploring Equity Valuation	4 hours
Lee Soo Ching	(i) ESG Reporting: A Key to Value Creation Today	7 hours
Dr. Ooi Hun Pin	(i) Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers	1.5 hours
	(ii) How the Audit Committees and Auditors can work together towards reliable audited financial statements	2.5 hours
	(iii) Negotiation and Influencing Skills for Successful Outcomes	7 hours
Ng Choon Keat	(i) Exploring Equity Valuation	4 hours
Dato' Lim Yong Jin	(i) Risk Culture Building – The Future of Risk Management	4 hours
	(ii) Exploring Equity Valuation	4 hours

III. Remuneration

It is the Company's policy to remunerate Directors adequately to attract and retain the Directors of the necessary calibre to manage its business in promoting business stability and growth. The determination of the remuneration of each Independent Non-Executive Director is decided by the Board as a whole. The Board reimburses any reasonable expense incurred by these Directors in the course of their duties as Directors.

The RC is responsible to recommend to the Board on the remuneration framework as well as the remuneration package of Executive Directors to ensure that rewards commensurate with their contributions to the Group's growth and profitability in order to align the interest of the Directors with those of the shareholders. The RC also ensures the level of remuneration for Independent Non-Executive Directors and Executive Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

The current Board Remuneration was approved by the shareholders at the 41st Annual General Meeting of the Company held on 18 November 2022.

On 24 August 2023, the RC undertook a review of the Board Remuneration with the view to determine its competitiveness and sufficiency to attract, retain and motivate individuals with strong credentials, high calibre and astute insights to serve on the Board. The Board approved the recommendation by RC in respect to the revisions to the Board Remuneration which will be put forth to the shareholders for approval at the 42nd AGM, in accordance with Sections 230 and 340 (1)(c) of the CA.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. Remuneration (Cont'd)

A summary of the Directors' remuneration paid or payable to all Directors of the Company and the Group is set out below:-

	Fees (RM)	Salaries (RM)	Bonuses, Allowances and Other Emoluments (RM)	Statutory Contributions (RM)	Total (RM)
The Company					
Dato' Ir. Low Keng Kok	60,000	—	2,500	—	62,500
Datuk Lim Seat Hoe	—	—	—	—	—
Lee Soo Ching	—	—	—	—	—
Dr. Ooi Hun Pin	42,000	—	2,500	—	44,500
Ng Choon Keat	—	—	—	—	—
Dato' Lim Yong Jin	36,000	—	2,500	—	38,500
TOTAL	138,000	—	7,500	—	145,500
The Group					
Dato' Ir. Low Keng Kok	60,000	—	2,500	—	62,500
Datuk Lim Seat Hoe	—	504,000	21,718	31,500	557,218
Lee Soo Ching	—	336,000	29,119	43,680	408,799
Dr. Ooi Hun Pin	42,000	—	2,500	—	44,500
Ng Choon Keat	—	384,000	17,119	48,000	449,119
Dato' Lim Yong Jin	36,000	—	2,500	—	38,500
TOTAL	138,000	1,224,000	75,456	123,180	1,560,636

The Board is of the view that disclosure of Top 5 Key Senior Management personnel's remuneration on a named basis and in bands of RM50,000.00 each may not be in the best interest of the Group due to confidentiality and sensitivity of the information. Thus, the Board has opted not to disclose it.

Terms of Reference of RC are available at the Company's website at www.rgtberhad.com.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The AC comprised solely of Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board and this is to ensure the effectiveness and independence of the Committee.

Dr. Ooi Hun Pin is a member of the Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the MMLR. The AC members have the overall competence required to fulfil their duties based on the organisation and operations of the Group, at least 1 member of the AC is competent in respect of finance and audit.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

I. Audit Committee (Cont'd)

The Terms of Reference of the AC has incorporated the recommendation of Practice 9.2 of the MCCG i.e. requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the AC. Nonetheless, there was no former key audit partner being appointed as an Independent Director nor member of AC.

The Company has established a policy to assess the suitability, objectivity and independence of the External Auditor. In the annual assessment on the suitability, objectivity and independence of the External Auditors, the AC is also guided by, amongst others, External Auditors Evaluation Form recommended by MCCG Guide 2021 and Paragraph 15.21 of the MMLR.

II. Risk Management and Internal Control Framework

The Board acknowledges its responsibilities in the risk governance and oversight functions in order to manage the overall risk exposure of the Group. The Board has formed a RMC which is chaired by Dato' Lim Yong Jin.

The Company has outsourced to BDO Governance Advisory Sdn Bhd, an independent professional accounting and consulting firm to carry internal audit function and provide independent assurance on the adequacy and effectiveness of the risk management and internal control of the Group. The AC reviewed and deliberated on the findings together with the recommendation and management action plan from Internal Auditors.

On 24 August 2023, the Board received assurance from the CEO and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively to safeguard the Group's assets, as well as shareholders' investments, and the interests of other stakeholders. The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

I. Communication with Stakeholders

RGTBHD recognised the importance of timely and thorough dissemination to shareholders and stakeholders. The Company provides relevant and timely information regarding the release of quarterly financial results, annual report and circular to shareholders on our website or through Bursa Securities' website. The Company's website also serves as a communication channel between the Company with its shareholders and stakeholders.

II. Conduct of General Meetings

The Board acknowledges that AGM is an important means of communicating with its shareholders. Therefore, RGTBHD dispatched its notice of the 41st AGM to shareholders at least 28 days before the AGM, which is in line with Practice 13.1 of the Code. Shareholders are given sufficient time to make arrangement to attend the general meeting either in person or by corporate representatives, proxies or attorneys. In accordance with the Company's Constitution, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his/her behalf in any general meeting. The proxy need not be a member of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

II. Conduct of General Meetings (Cont'd)

All the resolutions set out in the notice of general meeting will be put to vote by poll. During the meeting, the Independent Non-Executive Chairman will invite shareholders to raise questions pertaining to the proposed resolutions before putting the motions to vote by poll.

Before the commencement of poll voting, the Share Registrar will brief shareholders on the poll voting procedures. An independent scrutineer will be appointed to undertake the polling and vote counting verification whilst the Company's Share Registrar will be the polling administrator.

The Company Secretary will announce the results of the poll and the outcome of the general meeting to Bursa Securities via the Bursa LINK and the said announcement can also be accessed via the Company's website at www.rgtberhad.com.

The 41st AGM was physically held on 18 November 2022. All members of the Board and representatives of the Management attended the meeting to respond to the question raised by shareholders or proxies.

Minutes of this AGM was uploaded to the corporate website within 30 business days from the date of the AGM.

The Company continues to explore the leveraging of technology, to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at general meetings of the Company. Announcement of the detailed results of the poll voting had been made to the public accordingly.

This Statement was made in accordance with a Board resolution dated 29 September 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Board of Directors ("Board") of RGT Berhad ("RGTBHD" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("this Statement") for the financial year ended 30 June 2023 ("FYE 2023") which was prepared in accordance with the Malaysian Code on Corporate Governance ("MCCG" or the "Code") and Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

BOARD AND MANAGEMENT RESPONSIBILITIES IN RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises the importance of maintaining a sound risk management framework and internal control system to cover controls relating to risk management, financial, operational and compliance to achieve the following objectives:-

1. Safeguard the shareholders' interest and assets of the Group;
2. Identify and manage risk affecting the Group;
3. Ensure compliance with regulatory requirements;
4. Ensure compliance with Code of Conduct and Ethics for Directors, Employee Handbook and other internal memorandum;
5. Ensure the effectiveness and efficiency of operations to achieve objectives of the Group; and
6. Ensure the integrity and reliability of financial information.

Functionally, risk management is the responsibility of all Executive Directors and Management staff members. The Executive Directors and Senior Management organise informal meetings and discussions to discuss and manage business risks of the Group to ensure that businesses are under control.

The Board has empowered the Audit Committee ("AC") to review the adequacy and effectiveness of internal controls through the internal audits conducted by the Internal Auditors. The audit findings/weaknesses, audit recommendations and Management responses are tabled by the Internal Auditors during the AC meetings and thereafter escalated to the Board. In addition, the AC obtained feedback from the External Auditors on the audit risk and control issues highlighted by them in the course of their statutory audit.

The Risk Management Committee ("RMC") which is headed by Dato' Lim Yong Jin to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic and operational risks. The RMC has an overall responsibility for monitoring and approving the Enterprise Risk Management ("ERM") framework and ensure that risk management is embedded in all key processes implemented by the Group, evaluating the potential impact and likelihood of the risks identified and mitigating controls. At its scheduled meetings in FYE 2023, the RMC had reviewed and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the overall risk exposure of the Group.

RISK MANAGEMENT

The Board has established an ERM framework to continuously identify and evaluate all key risks faced by the Group and RMC is tasked to report to the Board. The Group is adopting the COSO Enterprise Risk Management framework which is the internationally recognised risk management framework presently.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (Cont'd)

The Group's system of risk management presently focuses on operational risks, particularly pertaining to quality of manufacturing and credit risks which are the regular subject matters of meetings of Management and the Board.

RISK MANAGEMENT FRAMEWORK

Key aspects of the risk management process during the year under review were:

Risk Identification	<ul style="list-style-type: none"> Identifying the sources of risks, both internal and external, the causes and consequences of the risk and the existence of controls currently in place
Risk Assessment and Evaluation	<ul style="list-style-type: none"> Assessment of the likelihood and impact of the risks identified Evaluating the control strategies in relation to the risks
Risk Profiling and Treatment of Risk	<ul style="list-style-type: none"> Senior Management facilitated discussion with Head of Department to assess the reasonableness of the risks identified and the appropriateness of the proposed mitigating actions.
Monitoring and Reporting	<ul style="list-style-type: none"> Baseline risk profile for all risks identified and shortlisted principal risks will be presented to Board Report and tracking the outcome of ERM through risk register dashboard to Board and RMC

The ERM framework is reviewed and revised as and when necessary to ensure it remains relevant and adequate to manage the Group's risks, which continue to evolve along with the changing business environment.

KEY ELEMENTS OF INTERNAL CONTROL

The Group has put in place the following key elements of internal controls processes to manage the risk to achieve the established goals and provide reasonable assurance to safeguard the Group's assets against losses: -

1. Group Organisation Structure

The Board has established a clear organisation structure with defined lines of responsibilities and accountability aligned to the Group's business and operations requirements.

2. Oversight by Respective Board Committee

The Board has delegated specific duties, roles and responsibilities to respective Board Committee, namely AC, Nomination Committee, Remuneration Committee and RMC. These Committees have the authority to examine all matters within the scope defined in their respective terms of references and report their recommendations to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL (Cont'd)

3. Limit of Authorities

Limit of authorities is imposed on Executive Directors and Management within the Group in respect of the day-to-day operation, investment, acquisitions and disposal of assets.

4. Standard Operating Policies and Procedures

Policies and procedures are set out in operations manuals, guidelines and directives issued by the Group that govern the key business processes such as production, business development, procurement, finance, information technology and etc. which are updated from time to time to ensure compliance with internal controls and the relevant laws and regulations.

5. Human Resource Guidelines

There are guidelines within the Group for hiring and termination of staff, formal training and development programmes for staff and annual performance appraisals to ensure that the staff are kept up to date with the necessary competencies in carrying out their duties and responsibilities.

6. Code of Conduct and Ethics and Employee Handbook

Code of Conduct and Ethics is established and adopted for the Directors while the Employee Handbook where employment concerns (including ethics) are dealt with fairly and consistently to ensure standards of good practice and ethical values in all business practices to be observed by all employees of the Group.

7. Whistleblowing Policy

Whistleblowing Policy is to provide an avenue for employees to report any suspected fraud, unethical behaviour and improper conduct in the workplace in a safe and confidential manner.

8. Anti-Bribery and Corruption Policy

Anti-Bribery and Corruption Policy is to provide procedures for the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices which can lead to serious reputational damage to the Group. The Policy is applicable to the Board, management, and all employees of the Group including the company's suppliers, contractors, subcontractors, agents or intermediary, and any other person associated with or acting on behalf of the Group. The Group is committed to conduct its business ethically with zero-tolerance on the corruption practices within the organisation.

9. Periodical Meetings

Executive Directors together with Senior Management hold monthly management meetings to discuss and monitor each business unit's financial performance, business overview, direction and development and resolve any major issues arising from operations, change of business environment and plan for corrective actions.

The Board conducts regular visits to the business units.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL (Cont'd)

10. Audits

- (a) The Board has outsourced the internal audit function to BDO Governance Advisory Sdn Bhd ("BDO"), an independent professional firm of consultants. Internal Audit is responsible for the evaluation of the adequacy and effectiveness of risk management and internal control system.

During the year under review, BDO has conducted a total of four (4) core auditable areas and a review of risk management, covering the following business processes:-

- Inventory Management;
- Procurement Management;
- Sales to Receipt; and
- Human Resources Management.

The Internal Audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on the risk profile which has been updated from time to time. The audit focuses on high risk areas to assess if adequate action plans has been put in place to address the risks associated with audit findings. The audit ascertains that the risks are effectively mitigated by the existing controls or the internal auditors will recommend further controls to mitigate the risks. The internal auditors conduct their reviews and the findings, recommendations for improvements and management responses are reported with periodic follow-up on the implementation of action plans.

All recommendations for improvement over the internal control procedures are tabled on a regular basis to the AC. The internal auditors will also perform necessary follow up and review on the corrective actions plans as agreed by the respective management teams.

- (b) The Internal Audit team is required to conduct assessments of the internal control system pertaining to the processes of the relevant business/functional units which have a bearing on the financial information of the Group, to ensure the reliability and integrity of such information.
- (c) The External Auditors annual audit plan and audit review memorandum are tabled annually to the AC for deliberation and approval.

11. Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken by Management to review the coverage of the assets as recorded in the current fixed asset register and their respective carrying amount and "replacement values", that is the prevailing market price for the same or similar item, where applicable. The Group also undertakes fire consequential loss insurance coverage to ensure it is sufficiently insured against any losses arising from various perils faced in the Group's operations.

12. Compliance Management

The compliance management covers compliance to all legal obligations imposed on the Group, in particular laws, regulations, rules and major identified guidelines or legal requirements. It also covers risk-based compliance to internal policies and procedures, code of ethics and business conduct.

In FYE 2023, there were no major non-compliance issues encountered.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

BOARD ASSURANCE AND LIMITATION

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively in all material aspect, based on the risk management and internal control system of the Group.

The Board is satisfied that the existing level of risk management and internal control system are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses that would require separate disclosure in the Annual Report.

The Board is committed to continuously strengthen the Group's risk management and internal control systems with the evolving business development. Nonetheless, it should be noted that all risk management and of internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal control of the Group can only provide reasonable but not absolute assurance material misstatements, frauds and losses.

In summary, the system of risk management and internal control which has been put in place could only provide reasonable but would not be an absolute assurance against any material misstatement, fraud and/or financial loss.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for the inclusion in the Annual Report 2023. As set out in their terms of engagement, the procedures were performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report.

Based on review by External Auditors, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of the Listed Issuers and Practice 10.1 and 10.2 of the Malaysian Code on Corporate Governance 2021 to be set out, nor is it factually inaccurate.

CONCLUSION

The Board is of the view that the system of risk management and internal control is in place for FYE 2023, and up to the date of approval of this Statement, accords with the guidelines and that it is adequate to achieve the Group's objectives stated above is sound and sufficient to safeguard the Group's assets, as well as the shareholders investments, and the interests of customers, regulators, employees and other stakeholders.

This Statement was made in accordance with a Board resolution dated 29 September 2023.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of RGT Berhad ("RGTBHD") ("the Company") is pleased to present the Audit Committee ("AC" or "Committee") Report for the financial year ended 30 June 2023 ("FYE 2023").

The AC was established with the primary objective of assisting the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices and internal control system of the Group.

COMPOSITION

The AC comprises of three (3) members; all Independent Non-Executive Directors. The composition of AC meets the requirement of Paragraph 15.09 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR").

Chairman : **Dr. Ooi Hun Pin**
(Independent Non-Executive Director)

Member : **Dato' Ir. Low Keng Kok**
(Independent Non-Executive Director)

Dato' Lim Yong Jin
(Independent Non-Executive Director)

The AC Chairman, Dr. Ooi Hun Pin is a member of the Malaysian Institute of Accountants ("MIA"). No alternate Director is appointed as a member of AC. All members are financially literate and are able to understand matters under the purview of the AC.

TERMS OF REFERENCE

The Term of Reference of the AC is published on the Company's website at www.rgtberhad.com.

MEETINGS

The AC held five (5) meetings during the FYE 2023. The meetings were convened in a structured manner by formal notice of meeting with meeting agenda and reports being sent to AC members at least 7 days before the meeting date. Minutes of each AC meetings were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board for information. As and when necessary, the Senior Management, Internal Auditors and External Auditors or relevant personnel are invited to attend its meetings, to brief the AC on specific issues, to provide insights and advice on report discussed. Details of the attendance of each member are as follows:-

Name of Committee Members	Number of Meetings Attended/ Total Number of Meetings Held	Percentage of Attendance
Dr. Ooi Hun Pin	5/5	100%
Dato' Ir. Low Keng Kok	5/5	100%
Dato' Lim Yong Jin	5/5	100%

The meetings were held on 29 August 2022, 28 September 2022, 18 November 2022, 9 February 2023 and 11 May 2023.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES UNDERTAKEN DURING THE FINANCIAL YEAR

In line with the Terms of Reference of AC, the activities carried out by the AC during the FYE 2023 in the discharge of its duties and responsibilities are as follows:-

1. Financial Reporting

The AC reviewed the quarterly financial statements and audited financial statements (as the case may be), prior to making recommendations to the Board for approval and release of the Group's financial results to Bursa Securities, as follows:-

Date of AC Meeting	Main items of the agenda of meeting(s)
29 August 2022	<ul style="list-style-type: none"> Audited fourth quarter results of the Group for FYE 2022; Audited Financial Statements for FYE 2022; and Draft Internal Audit Plan ("IA") for the FYE 2023
28 September 2022	Audit Committee Report and Statement on Risk Management and Internal Control
18 November 2022	Unaudited 1 st quarter results for the period ended 30 September 2022
9 February 2023	Unaudited 2 nd quarter results for the period ended 31 December 2022
11 May 2023	Unaudited 3 rd quarter results for the period ended 31 March 2023

The quarterly financial statements for the 1st, 2nd and 3rd quarters of FYE 2023, which were prepared in accordance with the requirements as set out in Appendix 9B of the MMLR and in compliance with Malaysian Financial Reporting Standards ("MFRSs") 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board, were reviewed at the AC at its meetings.

On 24 August 2023, the AC had also reviewed the draft audited 4th quarter financial results of FYE 2023 and the audited financial statements of the Company and the Group for the FYE 2023. The AC's recommendations were presented to the subsequent Board's meeting for approval.

2. External Audit

On 29 August 2022 and 11 May 2023, the Committee met with the External Auditors without the presence of the Management.

On 29 August 2022:-

- the AC received and reviewed the Audit Review Memorandum ("ARM") for FYE 2022 and Crowe Malaysia PLT ("CM") briefed the AC on the status of audit completion of the Group and outstanding audit areas as summarised in the ARM;
- the AC reviewed and discussed with CM on the audited financial statements for the FYE 2022 and to recommend for the Board's approval before presentation and receipt by shareholders of the Company at the 41st AGM.

On 11 May 2023, CM tabled the Audit Plan prior to the commencement of audit of financial statements for FYE 2023, particularly, outlined the audit approach, Areas of Audit Emphasis and Accounting Standards Update to the Committee.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES UNDERTAKEN DURING THE FINANCIAL YEAR (Cont'd)

2. External Audit (Cont'd)

During the meeting held on 24 August 2023, CM tabled its ARM FYE 2023 and briefed the Committee on their findings, amongst others, 3 accounting and audit issues identified and 3 Key audit matters. At the same meeting, copies of the EA Evaluation Form (as recommended by the Corporate Governance Guide 2021) in respect for the FYE 2023 were being distributed at the Meeting for review ("the Assessment"). The Committee concluded that based on the Assessment, amongst others as set out below, the EA Performance for FYE 2023 was found adequate and thereby recommended the re-appointment of CM as the EA of the Group to the Board for approval by its shareholders at the forthcoming 42nd AGM:-

- after having satisfied with its audit independence and the performance of CM throughout its course of audit FYE 2023;
- satisfied that the calibre, quality processes/performance of EA;
- able to give adequate technical support when audit issue arises; and
- adequate experience and resources of CM and audit engagements.

3. IA Function

The Group had appointed an independent professional consulting firm, BDO Governance Advisory Sdn Bhd ("BDO") to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. BDO reports directly to the AC on its activities based on the approved annual IA Plan. The cost incurred for the IA function of the Group in respect of FYE 2023 was RM58,000.00 (4 Audit areas/cycles and 1 review of risk management as shown in the table below). The AC is of the opinion that the amount spent in FYE2023 is adequate to provide an effective IA function.

The Internal Auditors presented its findings together with recommendation and management action plan to the Committee for review on 29 August 2022, 9 February 2023 and 11 May 2023 respectively. On 29 August 2022, the Committee reviewed and approved the IA Plan FYE 2023 for adoption. Besides, the Committee also followed up from time to time the updates and corrective actions by the Management on audited areas reported in the prior quarters.

During the FYE 2023, Internal Auditors have conducted a review on risk management and internal control for the following areas:-

No	Audit areas/cycles
1	Inventory Management
2	Risk Management
3	Procurement Management
4	Sales to Receipt
5	Human Resources Management

During FYE 2023, the Committee had on 29 August 2022 and 11 May 2023 respectively met with the Internal Auditors without the presence of the Management. Internal Auditors has concluded that the staff and the Management have been providing full co-operation throughout their audit thus far and no major internal control issue the IA would require the Committee's attention.

The AC had assessed the adequacy and effectiveness of IA Function for FYE 2023 at its meeting held on 24 August 2023 ("IA Assessment"). The AC concluded that based on the IA Assessment, the IA Function was found to be adequate.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES UNDERTAKEN DURING THE FINANCIAL YEAR (Cont'd)

4. Related Party Transactions

- Reviewed the related party transactions entered into by the Company and its subsidiaries in conformity to the established procedures in adherence to the MMLR.
- Reviewed recurrent related party transactions on quarterly basis to ascertain if the transactions were at arm's length basis and on normal commercial terms.

The AC reviewed the Statement on Risk Management and Internal Control in respect of FYE 2023 on 24 August 2023 for publication in the Annual Report 2023. Further information on the IA Function and its activities are set out in the Statement on Risk Management and Internal Control in the Annual Report 2023.

This AC Report is issued in accordance with a resolution dated 29 September 2023.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

There were no corporate proposals during the financial year ended 30 June 2023 ("FYE 2023").

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for FYE 2023 by the Company's Auditors, or a firm or company affiliated to the Auditors are as follows: -

Category	Audit Fee RM	Non-Audit Fees ^ RM
Company	86,000	13,000
Subsidiaries	129,200	62,200
Total	215,200	75,200

^ Non-audit fees consist of review of the Statement on Risk Management and Internal Control and taxation fee.

EMPLOYEES SHARE OPTION SCHEME

There was no Employees Share Option Scheme implemented by the Company during the financial year.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests either still subsisting as at 30 June 2023 or entered into since the end of the previous financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Pursuant to Paragraph 15.26(a) of Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the Board of Directors ("Board") of RGT Berhad ("RGTBHD" or "the Company") is required to issue a statement explaining their responsibilities for preparing the annual audited financial statements.

The Board has prepared the audited financial statements which gave a true and fair view of the state of affairs, its results and cash flows, of the Group (RGTBHD and its subsidiaries, collectively) and the Company. In preparing the financial statements, the Board has considered the following:-

- That the Group and the Company have used appropriate accounting policies, and these are applied consistently;
- That reasonable and prudent judgements and estimates were made;
- That the approved accounting standards in Malaysia have been adopted; and
- That the financial statements have been prepared on a going concern basis.

The Board is responsible for ensuring that the Company and subsidiary companies maintain proper accounting records which disclose with reasonable accuracy the financial positions of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Board has general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

This Statement was made in accordance with a Board resolution dated 29 September 2023.

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 30 June 2023.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to:-		
- Owners of the Company	1,756,368	(361,561)
- Non-controlling interests	727,184	0
	<u>2,483,552</u>	<u>(361,561)</u>

Dividends

No dividends were recommended, declared or paid by the Company during the financial year.

In August 2023, the Company declared an interim single tier dividend of 0.6 sen per share amounting to RM6,344,940 in respect of the financial year ending 30 June 2024. The dividend is payable in September 2023.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

Issue of shares or debentures

During the financial year, the Company issued 111,435,822 ordinary shares pursuant to the exercise of 111,435,822 warrants at an exercise price of RM0.10 per share.

The Company did not issue any debentures during the financial year.

Share options

The Company did not grant any share options during the financial year.

Bad and doubtful debts

Before the financial statements were prepared, 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 provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

Current assets

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets 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 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 would render adherence to the existing methods of valuation of assets or liabilities of the Group or the Company misleading or inappropriate.

Contingent and other liabilities

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

- (i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability which has arisen since the end of the financial year.

No contingent or other liability 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 affect the ability of the Group or 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 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 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.

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 or the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

Directors

The directors in office since the beginning of the financial year are:-

Directors of the Company

Dato' Ir. Low Keng Kok
Datuk Lim Seat Hoe
Lee Soo Ching
Dr. Ooi Hun Pin
Ng Choon Keat
Dato' Lim Yong Jin

Directors of subsidiaries (other than directors of the Company)

Hor Lim Chee
Tan Song Chai
Lam Kim Goon
See Han Liong
Yew Chong Hooi
Kau Yoon Thiam
Ong Liang Kheng
Ooi Swang Kieat
Lye Chai Foong

Directors' interests

According to the register of directors' shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:-

Name of director	Balance at 1.7.2022	Number of ordinary shares				
		Direct interest		Balance at 30.6.2023	Deemed interest	
		Bought	(Sold)		Balance at 1.7.2022	Balance at 30.6.2023
Dato' Ir. Low Keng Kok	2,000,000	0	0	2,000,000	0	0
Datuk Lim Seat Hoe	17,300,000	0	0	17,300,000	267,500,000	267,500,000
Lee Soo Ching	3,650,000	0	0	3,650,000	0	0
Dr. Ooi Hun Pin	500,000	300,000	0	800,000	0	0
Ng Choon Keat	42,500,000	0	0	42,500,000	277,625,000	277,625,000
Dato' Lim Yong Jin	2,100,000	0	0	2,100,000	0	0

By virtue of their interests in shares in the Company, Datuk Lim Seat Hoe and Ng Choon Keat are deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' REPORT (CONT'D)

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in Note 25 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.

Neither during nor at the end of the financial year, was the Company a party to any arrangement 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.

Indemnity and insurance for directors and officers

There was no indemnity given to any director or officer of the Group or the Company during the financial year. The Group maintains a liability insurance for its directors and officers and the annual insurance costs incurred for 2023/2024 amounted to RM5,500.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The auditors' remuneration is disclosed in Note 24 to the financial statements. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

Signed in accordance with a resolution of the directors dated 24 August 2023

Ng Choon Keat

Lee Soo Ching

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 73 to 123 give a true and fair view of the financial position of the Group and the Company as at 30 June 2023 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.

Signed in accordance with a resolution of the directors dated 24 August 2023

Ng Choon Keat

Lee Soo Ching

STATUTORY DECLARATION

I, Lee Soo Ching, being the director primarily responsible for the financial management of RGT Berhad, do solemnly and sincerely declare that the financial statements set out on pages 73 to 123 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 abovenamed
Lee Soo Ching at George Town in the State of Penang on
this 24 August 2023

Lee Soo Ching

Before me

Shamini A/P M Shanmugam
No.: P157
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of RGT Berhad
198101004909 (71024-T) (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RGT Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and 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 73 to 123.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2023, 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 are independent of the Group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><u>Impairment of goodwill (Refer to Notes 3 and 6 to the financial statements)</u></p> <p>The Group carries significant goodwill. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. The impairment test involves significant judgements and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins, discount rate, etc.</p>	<p>Our audit procedures included, among others:-</p> <ul style="list-style-type: none"> • Evaluating whether the method used by the Group in measuring the recoverable amount is appropriate in the circumstances. • Making enquiries of and challenging management on the key assumptions and inputs used in the measurement method. • Evaluating whether the key assumptions and inputs used are reasonable and consistent by taking into consideration the past performance, future growth, market development, etc. • Performing stress tests and sensitivity analyses to assess the impacts of those key assumptions and inputs on the measurement of recoverable amount.

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of RGT Berhad
198101004909 (71024-T) (Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Key audit matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><u>Valuation of inventories (Refer to Notes 3 and 10 to the financial statements)</u></p> <p>The Group carries significant inventories. The assessment of inventory write-downs due to excess quantities, obsolescence and decline in net realisable value below cost involves judgements and estimation uncertainty in forming expectations about future sales and demands.</p>	<p>Our audit procedures included, among others:-</p> <ul style="list-style-type: none"> Obtaining an understanding of:- <ul style="list-style-type: none"> the Group's inventory management process; how the Group identifies and assesses inventory write-downs; and how the Group makes the accounting estimates for inventory write-downs. Reviewing the ageing analysis of inventories and testing the reliability thereof. Examining the perpetual records for inventory movements and to identify slow moving aged items. Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories. Reviewing the net realisable value of major inventories. Evaluating the reasonableness and adequacy of the allowance for inventories recognised for identified exposures.
<p><u>Impairment of receivables (Refer to Notes 3 and 11 to the financial statements)</u></p> <p>The Group carries significant receivables and is subject to major credit risk exposure. The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions.</p>	<p>Our audit procedures included, among others:-</p> <ul style="list-style-type: none"> Obtaining an understanding of:- <ul style="list-style-type: none"> the Group's control over the receivable collection process; how the Group identifies and assesses the impairment of receivables; and how the Group makes the accounting estimates for impairment. Reviewing the ageing analysis and past due status of receivables and testing the reliability thereof. Reviewing the subsequent cash collections for major receivables and overdue amounts. Making inquiries of management regarding the action plans to recover overdue amounts. Comparing and challenging management's view on the recoverability of overdue amounts to historical patterns of collections. Reviewing the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the provision matrix. Evaluating the reasonableness and adequacy of the resulting loss allowance recognised.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

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 directors' report (but does not include the financial statements of the Group and the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of RGT Berhad
198101004909 (71024-T) (Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Information other than the financial statements and auditors' report thereon (Cont'd)

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and request that a correction be made. If the directors refuse to make the correction, we shall take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom our auditors' report is prepared.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and 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 the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and 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 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 part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement 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 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of RGT Berhad
198101004909 (71024-T) (Incorporated in Malaysia)

Report on the Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

- 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.
- 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 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 the Company, including the disclosures, and whether the financial statements of the Group and 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 the Company of the current period 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.

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

Eddy Chan Wai Hun
02182/10/2023 J
Chartered Accountant

Date: 24 August 2023

Penang

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 RM	2022 RM (Restated)
Non-current assets			
Property, plant and equipment	4	106,664,818	99,941,363
Right-of-use assets	5	22,584,746	23,463,729
Goodwill	6	34,377,957	34,377,957
Investments	8	0	108,230
Deferred tax assets	9	885,137	764,713
		<u>164,512,658</u>	<u>158,655,992</u>
Current assets			
Inventories	10	19,766,713	19,241,942
Receivables	11	25,146,521	23,287,603
Prepayments	12	4,401,528	2,202,662
Current tax assets		2,693,259	2,452,614
Cash and cash equivalents	13	35,850,548	30,256,277
		<u>87,858,569</u>	<u>77,441,098</u>
Current liabilities			
Payables	14	19,210,962	17,191,216
Loans and borrowings	15	12,570,777	14,805,797
Lease liabilities	16	1,496,069	1,437,416
Derivatives	17	363,612	155,313
Contract liabilities	18	2,839,815	2,810,018
Current tax liabilities		393,856	1,027,253
		<u>36,875,091</u>	<u>37,427,013</u>
Net current assets		<u>50,983,478</u>	<u>40,014,085</u>
Non-current liabilities			
Payables	14	0	2,872,728
Loans and borrowings	15	44,474,124	39,181,971
Lease liabilities	16	1,708,677	2,334,416
Deferred tax liabilities	9	8,464,205	7,850,262
Deferred income on government grants	19	791,296	0
		<u>55,438,302</u>	<u>52,239,377</u>
Net assets		<u>160,057,834</u>	<u>146,430,700</u>
Equity			
Share capital	20	248,608,465	231,830,106
Reserves	21	(121,609,700)	(115,907,211)
Retained profits		25,029,792	23,205,712
Equity attributable to owners of the Company		<u>152,028,557</u>	<u>139,128,607</u>
Non-controlling interests	22	8,029,277	7,302,093
Total equity		<u>160,057,834</u>	<u>146,430,700</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 RM	2022 RM
Revenue	23	107,321,730	121,237,082
Cost of goods sold		(83,126,559)	(90,168,984)
Gross profit		24,195,171	31,068,098
Interest income		169,088	82,315
Other income		1,586,109	1,104,690
Administrative and general expenses		(19,462,200)	(17,370,063)
Finance costs		(2,391,129)	(1,077,457)
Profit before tax	24	4,097,039	13,807,583
Tax expense	26	(1,613,487)	(2,016,213)
Profit for the financial year		2,483,552	11,791,370
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		2,483,552	11,791,370
Profit for the financial year attributable to:-			
- Owners of the Company		1,756,368	10,000,040
- Non-controlling interests	22	727,184	1,791,330
		2,483,552	11,791,370
Comprehensive income for the financial year attributable to:-			
- Owners of the Company		1,756,368	10,000,040
- Non-controlling interests		727,184	1,791,330
		2,483,552	11,791,370
Earnings per share:-	27		
- Basic (sen)		0.18	1.25
- Diluted (sen)		0.18	1.11

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Non-distributable			Distributable		Equity attributable to owners of the Company			Non-controlling interests	Total equity
	Share capital	Warrant reserve	Consolidation reserve	Retained profits	Company	RM	RM	RM		
Balance at 1 July 2021	78,147,586	7,006,379	0	17,124,379	102,278,344	35,587,190		137,865,534		
Acquisition of subsidiaries	0	0	0	0	0	2,713,873		2,713,873		
Issue of shares pursuant to exercise of warrants	3,882,520	(1,303,890)	0	0	2,578,630	0		2,578,630		
Issue of shares to non-controlling interests	0	0	0	0	0	3,900,000		3,900,000		
Dividend to owners of the Company (Note 28)	0	0	0	(3,918,707)	(3,918,707)	0		(3,918,707)		
Dividend to non-controlling interests	0	0	0	0	0	(4,000,000)		(4,000,000)		
Contributions by/(Distributions to) owners	3,882,520	(1,303,890)	0	(3,918,707)	(1,340,077)	(100,000)		(1,440,077)		
Changes in ownership interests in subsidiaries	149,800,000	0	(121,609,700)	0	28,190,300	(32,690,300)		(4,500,000)		
Total transactions with owners	153,682,520	(1,303,890)	(121,609,700)	(3,918,707)	26,850,223	(32,790,300)		(5,940,077)		
Profit (representing comprehensive income) for the financial year	0	0	0	10,000,040	10,000,040	1,791,330		11,791,370		
Balance at 30 June 2022	231,830,106	5,702,489	(121,609,700)	23,205,712	139,128,607	7,302,093		146,430,700		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Non-distributable			Distributable	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Warrant reserve	Consolidation reserve	(Accumulated losses)/ Retained profits	RM	RM	RM
Balance at 1 July 2022	231,830,106	5,702,489	0	(98,403,988)	139,128,607	7,302,093	146,430,700
- As previously reported	0	0	(121,609,700)	121,609,700	0	0	0
- Reclassification (Note 36)							
- As restated	231,830,106	5,702,489	(121,609,700)	23,205,712	139,128,607	7,302,093	146,430,700
Issue of shares pursuant to exercise of warrants (representing total transactions with owners)	16,778,359	(5,634,777)	0	0	11,143,582	0	11,143,582
Transfer of warrant reserve to retained profits upon expiry of warrants	0	(67,712)	0	67,712	0	0	0
Profit (representing comprehensive income) for the financial year	0	0	0	1,756,368	1,756,368	727,184	2,483,552
Balance at 30 June 2023	248,608,465	0	(121,609,700)	25,029,792	152,028,557	8,029,277	160,057,834

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Profit before tax		4,097,039	13,807,583
Adjustments for:-			
Amortisation of deferred income		(51,767)	0
Depreciation of property, plant and equipment		7,620,686	4,479,003
Depreciation of right-of-use assets		1,976,262	1,842,741
Fair value gains on financial instruments		(101,181)	(69,475)
Gain on disposal of property, plant and equipment		(269,771)	(6,999)
Interest expense		2,391,129	1,077,457
Interest income		(169,088)	(82,315)
Loss on disposal of subsidiary	7	4,593	0
Property, plant and equipment written off		6,859	84,409
Reversal of inventories written down		0	(77,157)
Unrealised gain on foreign exchange		(610,752)	(346,617)
Operating profit before working capital changes		14,894,009	20,708,630
Changes in:-			
Inventories		(524,771)	7,593,071
Receivables		(1,156,378)	(12,900,209)
Prepayments		(1,212,205)	1,348,317
Payables		(1,139,761)	(2,501,515)
Contract liabilities		29,797	(1,347,605)
Derivatives		(155,313)	(7,101)
Cash generated from operations		10,735,378	12,893,588
Tax paid		(2,404,469)	(2,827,412)
Tax refunded		410,459	0
Net cash from operating activities		8,741,368	10,066,176
Cash flows from investing activities			
Acquisition of property, plant and equipment	29	(15,337,667)	(40,335,448)
Acquisition of quoted investments		0	(20,006)
Acquisition of right-of-use assets	29	(75,808)	(5,176,543)
Acquisition of subsidiaries, net of cash acquired		0	(17,712,577)
Disposal of subsidiary, net of cash disposed of	7	(6,093)	0
Grants received		843,063	0
Interest and fund distributions received		830,781	417,714
Proceeds from disposal of property, plant and equipment		269,779	7,000
Proceeds from disposal of quoted investments		116,719	0
Net cash used in investing activities		(13,359,226)	(62,819,860)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 RM	2022 RM
Cash flows from financing activities			
Acquisition of shares from non-controlling interests		0	(4,500,000)
(Decrease)/Increase in short-term loans and borrowings (net)	29	(4,449,544)	8,577,544
Dividend paid to owners of the Company		0	(3,918,707)
Dividend paid to non-controlling interests		0	(4,000,000)
Drawdown of term loans	29	13,600,054	28,386,723
Interest paid		(2,391,129)	(1,077,457)
Issue of shares pursuant to exercise of warrants		11,143,582	2,578,630
Issue of shares to non-controlling interests		0	3,900,000
Payment of lease liabilities	29	(1,588,559)	(1,480,921)
Repayment of term loans	29	(5,704,852)	(2,805,959)
Withdrawal/(Placement) of term deposits pledged as security (net)		551,514	(62,318)
Net cash from financing activities		11,161,066	25,597,535
Currency translation differences		(8,898)	35,176
Net increase/(decrease) in cash and cash equivalents		6,534,310	(27,120,973)
Cash and cash equivalents brought forward		25,746,779	52,867,752
Cash and cash equivalents carried forward	13	32,281,089	25,746,779

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

STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 RM	2022 RM
Non-current assets			
Investments in subsidiaries	7	245,028,809	245,063,809
Current assets			
Receivables	11	6,450,000	3,100,000
Prepayments		8,157	14,585
Current tax assets		5,750	0
Cash and cash equivalents	13	6,804,890	3,323,763
		13,268,797	6,438,348
Current liabilities			
Payables	14	3,189,964	4,301,308
Current tax liabilities		0	2,500
		3,189,964	4,303,808
Net current assets		10,078,833	2,134,540
Non-current liabilities			
Payables	14	0	2,872,728
Net assets		255,107,642	244,325,621
Equity			
Share capital	20	248,608,465	231,830,106
Reserves	21	0	5,702,489
Retained profits		6,499,177	6,793,026
Total equity		255,107,642	244,325,621

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 RM	2022 RM
Revenue	23	0	12,000,000
Interest income		179,703	65,499
Other income		5,265	95,210
Administrative and general expenses		(545,616)	(2,120,743)
Finance costs		0	(42,880)
(Loss)/Profit before tax	24	<u>(360,648)</u>	<u>9,997,086</u>
Tax expense	26	(913)	(10,000)
(Loss)/Profit for the financial year		<u>(361,561)</u>	<u>9,987,086</u>
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		<u>(361,561)</u>	<u>9,987,086</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Share capital RM	Non- distributable Warrant reserve RM	Distributable Retained profits RM	Total equity RM
Balance at 1 July 2021	78,147,586	7,006,379	724,647	85,878,612
Issue of shares pursuant to:-				
- Acquisition of shares from non-controlling interests	149,800,000	0	0	149,800,000
- Exercise of warrants	3,882,520	(1,303,890)	0	2,578,630
Dividend to owners of the Company (Note 28)	0	0	(3,918,707)	(3,918,707)
Total transactions with owners	153,682,520	(1,303,890)	(3,918,707)	148,459,923
Profit (representing comprehensive income) for the financial year	0	0	9,987,086	9,987,086
Balance at 30 June 2022	231,830,106	5,702,489	6,793,026	244,325,621
Issue of shares pursuant to exercise of warrants (representing total transactions with owners)	16,778,359	(5,634,777)	0	11,143,582
Transfer of warrant reserve to retained profits upon expiry of warrants	0	(67,712)	67,712	0
Loss (representing comprehensive income) for the financial year	0	0	(361,561)	(361,561)
Balance at 30 June 2023	248,608,465	0	6,499,177	255,107,642

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
(Loss)/Profit before tax		(360,648)	9,997,086
Adjustments for:-			
Dividend income		0	(12,000,000)
Fair value losses/(gains) on financial instruments		79,574	(95,210)
Gain on disposal of subsidiary		(5,000)	0
Interest expense		0	42,880
Interest income		(179,703)	(65,499)
Operating loss before working capital changes		(465,777)	(2,120,743)
Changes in:-			
Prepayments		6,428	5,215
Payables		(339,461)	378,220
Cash absorbed by operations		(798,810)	(1,737,308)
Tax paid		(9,163)	(7,500)
Net cash used in operating activities		(807,973)	(1,744,808)
Cash flows from investing activities			
Acquisition of shares from non-controlling interests		0	(4,500,000)
Acquisition of subsidiaries		0	(20,800,000)
Capital repayment from subsidiary		0	1,465,000
Dividends received		0	12,000,000
Interest and fund distributions received		305,518	233,629
Net advance to subsidiary		(3,350,000)	(1,000,000)
Proceeds from disposal of subsidiary		40,000	0
Subscription for shares in subsidiaries		0	(9,100,000)
Net cash used in investing activities		(3,004,482)	(21,701,371)
Cash flows from financing activities			
Dividend paid		0	(3,918,707)
Interest paid		0	(42,880)
Issue of shares pursuant to exercise of warrants		11,143,582	2,578,630
Net (repayment to)/advance from subsidiary		(3,850,000)	3,850,000
Net cash from financing activities		7,293,582	2,467,043
Net increase/(decrease) in cash and cash equivalents		3,481,127	(20,979,136)
Cash and cash equivalents brought forward		3,323,763	24,302,899
Cash and cash equivalents carried forward	13	6,804,890	3,323,763

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. General information

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 7.

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang, Malaysia and its principal place of business is located at No. 1032, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, Malaysia.

The consolidated financial statements set out on pages 73 to 78 together with the notes thereto cover the Company and its subsidiaries ("Group"). The separate financial statements of the Company set out on pages 79 to 82 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM").

The financial statements were authorised for issue in accordance with a resolution of the directors dated 24 August 2023.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

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

The following MFRSs became effective for the financial year under review:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.1 Basis of preparation of financial statements (cont'd)

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

2.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.2 Business combinations (cont'd)

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

- (a) the aggregate of:-
 - (i) the acquisition-date fair value of the consideration transferred;
 - (ii) the amount of any non-controlling interests; and
 - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

2.3 Basis of consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. 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, and any resulting increase or decrease in equity attributable to owners of the Company is included in consolidation reserve.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.4 Property, plant and equipment (cont'd)

Freehold land and capital work-in-progress are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Buildings	2% - 10%
Cleanroom facility and equipment	10% - 20%
Computer	40%
Machinery	10% - 25%
Motor vehicles	20%
Office equipment, furniture, fittings and renovation	10% - 33%
Solar equipment	4%
Tools and equipment	10% - 20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.5 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Initial recognition and measurement

When the Group acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group has elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

Subsequent measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.7.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.5 Leases (cont'd)

Subsequent measurement (cont'd)

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

2.6 Investments in subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.7.

2.7 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than deferred tax assets and inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

2.8 Inventories

Inventories are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.9 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.10. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.10 Financial assets

Financial assets of the Group and the Company consist of quoted investments, receivables, derivatives and cash and cash equivalents.

Initial recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.16). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

(i) Amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables, cash and bank balances and term deposits are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

(ii) Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is to both collect contractual cash flows and sell financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group and the Company do not have any financial assets classified under this category.

(iii) Fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. All quoted investments, derivatives and short-term funds are classified under this category. Any gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 Financial Instruments. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

2.11 Financial liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings, contingent consideration, derivatives and financial guarantee contracts.

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Contingent consideration and derivatives are subsequently measured at fair value through profit or loss. Any gain or loss is recognised in profit or loss.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.11 Financial liabilities (cont'd)

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

2.12 Foreign currency transactions and translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date, whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

2.13 Share capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.14 Warrant reserve

The warrant reserve relates to the portion of proceeds from the rights issue ascribed to the attached warrants. The proceeds are allocated between the share capital and warrant reserve based on the respective fair value of the two types of equity instruments issued. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account.

2.15 Fair value measurement

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.15 Fair value measurement (cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following or a combination thereof:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Financial assets and financial liabilities

The carrying amounts of receivables, cash and bank balances, term deposits, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of derivatives and short-term funds are directly measured using their unadjusted market values quoted by financial institutions (i.e. Level 1).

The fair value of contingent consideration is measured using probability-weighted present value technique by discounting the expected future cash flows using the Bank Negara's weighted average lending rate (i.e. Level 2).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.16 Revenue from contracts with customers

The Group recognises revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

- (i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- (ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.
- (iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.
- (iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.
- (v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Rendering of services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. units delivered.

2.17 Other income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Interest income for financial assets measured at amortised cost is recognised in profit or loss using the effective interest method. Interest or fund distribution income for financial assets measured at fair value through profit or loss is included in their net fair value gains or losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statement of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are deducted in reporting the related expense in the statement of comprehensive income.

2.19 Employee benefits

Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

Defined contribution plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

2.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Significant accounting policies (cont'd)

2.21 Income taxes (cont'd)

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand 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. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

3. Judgements and estimation uncertainty

Judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Impairment of goodwill

Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. The impairment test involves significant judgements and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins, discount rate, etc. The carrying amount of goodwill is disclosed in Note 6.

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 10).

Impairment of receivables

The Group and the Company recognise loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 11).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. Property, plant and equipment

Group

	Freehold land RM	Buildings RM	Cleanroom facility and equipment RM	Computer RM	Machinery RM	Motor vehicles RM	Office equipment, furniture, fittings and renovation RM	Solar equipment RM	Tools and equipment RM	Capital work-in- progress RM	Total RM
Cost											
Balance at 1 July 2021	0	25,346,804	11,700	2,414,577	21,660,762	255,169	3,729,978	0	6,191,145	18,605,980	78,216,115
Acquisition of subsidiaries	1,650,000	451,907	0	48,332	7,603,461	936,661	591,841	0	0	0	11,282,202
Additions	0	9,901,983	1,751,840	589,378	4,112,634	0	652,261	0	268,485	24,124,316	41,400,897
Transfer from right-of-use assets	0	0	0	0	0	758,868	0	0	0	0	758,868
Disposals/Write-offs	0	0	0	(24,011)	(79,840)	0	(466,541)	0	(130,066)	0	(700,458)
Reclassifications	0	24,481,474	0	0	5,637,969	0	7,678,748	0	0	(37,798,191)	0
Balance at 30 June 2022	1,650,000	60,182,168	1,763,540	3,028,276	38,934,986	1,950,698	12,186,287	0	6,329,564	4,932,105	130,957,624
Additions	0	520,319	1,066,305	756,817	3,133,290	0	1,329,746	151,826	295,734	7,096,969	14,351,006
Transfer from right-of-use assets	0	0	0	0	0	873,057	0	0	0	0	873,057
Disposals/Write-offs	0	0	0	(11,399)	(785,023)	(342,002)	(14,500)	0	(1,560)	0	(1,154,484)
Reclassifications	0	557,897	0	25,658	4,748,139	0	664,814	860,348	21,418	(6,878,274)	0
Balance at 30 June 2023	1,650,000	61,260,384	2,829,845	3,799,352	46,031,392	2,481,753	14,166,347	1,012,174	6,645,156	5,150,800	145,027,203

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. Property, plant and equipment (cont'd)

	Freehold land RM	Buildings RM	Cleanroom facility and equipment RM	Computer RM	Machinery RM	Motor vehicles RM	Office equipment, furniture, fittings and renovation RM	Solar equipment RM	Tools and equipment RM	Capital work-in-progress RM	Total RM
Accumulated depreciation											
Balance at 1 July 2021	0	1,885,242	870	2,051,395	11,726,127	255,165	1,962,701	0	3,771,772	0	21,653,272
Acquisition of subsidiaries	0	51,907	0	25,012	3,473,518	936,656	257,862	0	0	0	4,744,955
Depreciation	0	791,737	35,397	289,629	2,184,211	0	505,379	0	672,650	0	4,479,003
Transfer from right-of-use assets	0	0	0	0	0	755,079	0	0	0	0	755,079
Disposals/Write-offs	0	0	0	(24,006)	(79,835)	0	(399,168)	0	(113,039)	0	(616,048)
Balance at 30 June 2022	0	2,728,886	36,267	2,342,030	17,304,021	1,946,900	2,326,774	0	4,331,383	0	31,016,261
Depreciation	0	1,520,225	204,403	625,134	3,285,184	3,786	1,373,424	37,113	571,417	0	7,620,686
Transfer from right-of-use assets	0	0	0	0	0	873,055	0	0	0	0	873,055
Disposals/Write-offs	0	0	0	(10,891)	(780,467)	(342,000)	(13,433)	0	(826)	0	(1,147,617)
Balance at 30 June 2023	0	4,249,111	240,670	2,956,273	19,808,738	2,481,741	3,686,765	37,113	4,901,974	0	38,362,385
Carrying amount											
Balance at 1 July 2021	0	23,461,562	10,830	363,182	9,934,635	4	1,767,277	0	2,419,373	18,605,980	56,562,843
Balance at 30 June 2022	1,650,000	57,453,282	1,727,273	686,246	21,630,965	3,798	9,859,513	0	1,998,181	4,932,105	99,941,363
Balance at 30 June 2023	1,650,000	57,011,273	2,589,175	843,079	26,222,654	12	10,479,582	975,061	1,743,182	5,150,800	106,564,818

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. Property, plant and equipment (cont'd)

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group are as follows:-

	2023 RM	2022 RM
Freehold land	1,650,000	1,650,000
Buildings	53,031,273	54,576,087
Cleanroom facility and equipment	1,309,500	1,457,792
Machinery	10,588,388	6,500,327
Solar equipment	975,061	0
Capital work-in-progress	5,090,800	3,965,178
	72,645,022	68,149,384

5. Right-of-use assets

Group

	Leasehold land RM	Buildings RM	Cleanroom facility and equipment RM	Machinery RM	Motor vehicles RM	Tools and equipment RM	Total RM
Balance at 1 July 2021	14,155,011	1,654,086	1,181,299	0	792,874	0	17,783,270
Acquisition of subsidiaries	0	4,144	0	458,708	128,386	0	591,238
Additions	5,645,944	0	0	87,682	148,715	119,000	6,001,341
Remeasurement of lease liabilities	0	934,410	0	0	0	0	934,410
Depreciation	(334,019)	(737,651)	(267,463)	(36,018)	(461,640)	(5,950)	(1,842,741)
Transfer to property, plant and equipment	0	0	0	0	(3,789)	0	(3,789)
Balance at 30 June 2022	19,466,936	1,854,989	913,836	510,372	604,546	113,050	23,463,729
Additions	0	587,473	0	0	509,808	0	1,097,281
Depreciation	(445,820)	(898,463)	(267,464)	(63,267)	(277,448)	(23,800)	(1,976,262)
Transfer to property, plant and equipment	0	0	0	0	(2)	0	(2)
Balance at 30 June 2023	19,021,116	1,543,999	646,372	447,105	836,904	89,250	22,584,746

The Group acquired the rights to use the leasehold land as its principal places of business for 42 to 60 (2022 : 42 to 60) years. It also leases the buildings as factory and staff hostel for 2 to 5 (2022 : 2 to 5) years. The rights to use the cleanroom facility and equipment, machinery, motor vehicles and tools and equipment were acquired under hire purchase financing whereby ownership will be transferred by the end of the lease terms of 3 to 5 (2022 : 3 to 5) years.

The leasehold land has been pledged as security for credit facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. Goodwill

Group

	2023 RM	2022 RM
Balance at 1 July	34,377,957	17,147,367
Acquisition of subsidiaries	0	17,230,590
Balance at 30 June	<u>34,377,957</u>	<u>34,377,957</u>

Goodwill is attributable to the following subsidiaries, each representing a separate cash-generating unit ("CGU"):-

	2023 RM	2022 RM
Rapid Growth Technology Sdn. Bhd.	17,147,367	17,147,367
Keenness Precision Engineering Sdn. Bhd.	5,925,512	5,925,512
Top Degree (M) Sdn. Bhd.	11,305,078	11,305,078
	<u>34,377,957</u>	<u>34,377,957</u>

The recoverable amounts of the CGUs were determined based on their value in use calculated using cash flow projections. The cash flow projections were based on the most recent financial budgets/forecasts approved by management which covered a period of 5 years. A growth rate of 0% was used to extrapolate the cash flow projections beyond the 5 years covered by the financial budgets/forecasts. A discount rate of 13.29% (2022 : 18.03%) per annum was applied to the cash flow projections.

Barring any unforeseen circumstances, management believes that no reasonably possible change in the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amount.

7. Investments in subsidiaries

Company

	2023 RM	2022 RM
Unquoted shares - at cost	246,120,025	246,155,025
Impairment losses	(1,091,216)	(1,091,216)
	<u>245,028,809</u>	<u>245,063,809</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

7. Investments in subsidiaries (cont'd)

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activity
		2023	2022	
T-Venture Industries (M) Sdn. Bhd.	Malaysia	100%	100%	Manufacture of moulded plastic products
Rapid Growth Technology Sdn. Bhd. ("RGTSB")	Malaysia	100%	100%	Manufacture and sale of air freshener dispensers, hygiene care products and plastic parts
RGT Industries Sdn. Bhd.	Malaysia	100%	100%	Design, manufacture and sale of moulded plastic products to various industries together with secondary processes
Top Degree (M) Sdn. Bhd.	Malaysia	70%	70%	Design, manufacture and sale of machinery, high precision parts and related accessories
Keenness Precision Engineering Sdn. Bhd.	Malaysia	70%	70%	Precision machining and tooling for moulds and machine parts
AKnight Resources Sdn. Bhd.	Malaysia	0%	100%	Inactive
<u>Subsidiary of RGTSB</u>				
Rapid Growth Industries Sdn. Bhd.	Malaysia	100%	100%	Inactive

Disposal of subsidiary

In August 2022, the Company disposed of its entire equity interest in AKnight Resources Sdn. Bhd. for cash consideration of RM40,000. The effects of the disposal on the consolidated statement of cash flows are as follows:-

	Group RM
Cash and cash equivalents	46,093
Payables	(1,500)
Net assets disposed of	44,593
Loss on disposal	(4,593)
Cash consideration received	40,000
Cash and cash equivalents disposed of	(46,093)
Disposal of subsidiary, net of cash disposed of	(6,093)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. Investments

Group

	2023 RM	2022 RM
Quoted unit trust - at fair value	0	108,230

The fair values of quoted investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

9. Deferred tax assets and deferred tax liabilities

	2023 RM	Group 2022 RM
Balance at 1 July	(7,085,549)	(5,138,951)
Acquisition of subsidiaries	0	(870,150)
Deferred tax income/(expense) relating to origination and reversal of temporary differences	448,194	(1,124,535)
Recognition of previously unrecognised deferred tax assets	0	330,000
Deferred tax liabilities underprovided in prior year	(941,713)	(281,913)
Balance at 30 June	(7,579,068)	(7,085,549)
Disclosed as:-		
- Deferred tax assets	885,137	764,713
- Deferred tax liabilities	(8,464,205)	(7,850,262)
	(7,579,068)	(7,085,549)
In respect of:-		
- (Taxable)/Deductible temporary differences of:-		
- Property, plant and equipment	(7,218,068)	(5,648,549)
- Right-of-use assets	(2,977,000)	(4,071,000)
- Inventories	3,000	3,000
- Financial instruments	(30,000)	(31,000)
- Lease liabilities	868,000	1,185,000
- Unused capital allowances	834,000	626,000
- Unused tax losses	941,000	851,000
	(7,579,068)	(7,085,549)

As at 30 June 2023, the Group and the Company have unused tax losses amounting to RM14,618,000 (2022 : RM14,618,000) for which no deferred tax assets have been recognised. The unused tax losses can be carried forward until the year of assessment 2028.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

10. Inventories

Group

	2023 RM	2022 RM
Raw materials	10,573,867	11,452,827
Work-in-progress	5,772,563	2,129,077
Finished goods	2,651,298	5,248,273
Goods-in-transit	768,985	411,765
	<u>19,766,713</u>	<u>19,241,942</u>

11. Receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables	24,567,577	22,807,499	0	0
Other receivables	578,944	480,104	0	0
Amount due from subsidiary	0	0	6,450,000	3,100,000
	<u>25,146,521</u>	<u>23,287,603</u>	<u>6,450,000</u>	<u>3,100,000</u>

Trade receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 30 June 2023, there were 2 (2022 : 2) major groups of customers that individually accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounted to RM14,214,767 (2022 : RM12,588,276). The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	Group	
	2023 RM	2022 RM
Malaysia	5,455,612	4,667,868
Other Asian countries	5,661,113	6,799,447
North America	6,411,381	6,424,973
Europe	6,846,304	4,888,743
Others	193,167	26,468
	<u>24,567,577</u>	<u>22,807,499</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11. Receivables (cont'd)

Trade receivables (cont'd)

The credit terms of trade receivables range from 30 to 130 days. The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:-

	2023 RM	Group 2022 RM
Not past due	18,518,445	18,151,241
1 to 30 days past due	3,576,308	4,167,383
31 to 60 days past due	1,687,267	278,228
61 to 90 days past due	711,118	138,444
More than 90 days past due	74,439	72,203
	<u>24,567,577</u>	<u>22,807,499</u>

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables are not considered to be material and hence, have not been recognised.

Amount due from subsidiary

The amount due from subsidiary is unsecured, bearing interest at 4.83% (2022 : 3.89%) per annum and repayable on demand.

12. Prepayments

Group

	2023 RM	2022 RM
Prepayments for acquisition of property, plant and equipment	1,899,451	912,790
Prepayments for operating expenses	2,502,077	1,289,872
	<u>4,401,528</u>	<u>2,202,662</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. Cash and cash equivalents

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	4,911,135	10,616,992	292,226	286,914
Term deposits	3,569,459	4,120,973	0	0
Short-term funds - at fair value	27,369,954	15,518,312	6,512,664	3,036,849
	35,850,548	30,256,277	6,804,890	3,323,763

Cash and bank balances and term deposits are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

The term deposits have been pledged as security for credit facilities granted to the Group and are not freely available for use.

The effective interest rates of term deposits as at 30 June 2023 ranged from 2.25% to 2.40% (2022 : 1.55% to 1.85%) per annum.

Short-term funds represent highly liquid investments in money market funds managed by financial institutions that invest in low-risk instruments, and are readily redeemable with insignificant risk of changes in value. Their fair values were directly measured using the unadjusted market values quoted by the financial institutions (i.e. Level 1).

For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and cash equivalents	35,850,548	30,256,277	6,804,890	3,323,763
Bank overdrafts	0	(388,525)	0	0
Term deposits pledged as security	(3,569,459)	(4,120,973)	0	0
	32,281,089	25,746,779	6,804,890	3,323,763

14. Payables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	11,202,738	10,813,515	0	0
Other payables	4,930,107	6,377,701	111,847	451,308
Amount due to subsidiary	0	0	0	3,850,000
	16,132,845	17,191,216	111,847	4,301,308
Contingent consideration - at fair value	3,078,117	2,872,728	3,078,117	2,872,728
	19,210,962	20,063,944	3,189,964	7,174,036

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

14. Payables (cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Disclosed as:-				
- Current liabilities	19,210,962	17,191,216	3,189,964	4,301,308
- Non-current liabilities	0	2,872,728	0	2,872,728
	<u>19,210,962</u>	<u>20,063,944</u>	<u>3,189,964</u>	<u>7,174,036</u>

Except for contingent consideration, payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade and other payables

The credit terms of trade and other payables range from 7 to 120 days.

Amount due to subsidiary

The amount due to subsidiary was unsecured, bearing interest at 3.89% per annum and repayable on demand.

Contingent consideration

This represents the balance contingent consideration payable to vendors of Top Degree (M) Sdn. Bhd. and Keenness Precision Engineering Sdn. Bhd. pursuant to share sale agreements.

15. Loans and borrowings

Group

	2023 RM	2022 RM
Secured		
Banker acceptances	0	1,682,544
Bank overdrafts	0	388,525
Revolving credits	3,700,000	6,000,000
Term loans	52,916,901	45,021,699
Unsecured		
Banker acceptances	428,000	895,000
	<u>57,044,901</u>	<u>53,987,768</u>
Disclosed as:-		
- Current liabilities	12,570,777	14,805,797
- Non-current liabilities	44,474,124	39,181,971
	<u>57,044,901</u>	<u>53,987,768</u>

Secured loans and borrowings are secured against certain property, plant and equipment (Note 4) and right-of-use assets (Note 5).

The effective interest rates of loans and borrowings as at 30 June 2023 ranged from 4.25% to 4.65% (2022 : 2.26% to 6.89%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

15. Loans and borrowings (cont'd)

Except for term loans, loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Term loans are repayable over 4 to 25 years. The repayment analysis is as follows:-

	2023 RM	2022 RM
Gross loan instalments:-		
- Within 1 year	10,596,421	7,205,468
- 1 to 5 years	39,391,027	36,088,686
- After 5 years	15,208,012	8,317,507
Total contractual undiscounted cash flows	65,195,460	51,611,661
Future finance charges	(12,278,559)	(6,589,962)
Present value of term loans	52,916,901	45,021,699

The fair values of term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

16. Lease liabilities

Group

	2023 RM	2022 RM
Gross lease liabilities:-		
- Within 1 year	1,607,548	1,581,305
- 1 to 5 years	1,792,763	2,456,959
Total contractual undiscounted cash flows	3,400,311	4,038,264
Future finance charges	(195,565)	(266,432)
Present value of lease liabilities	3,204,746	3,771,832
Disclosed as:-		
- Current liabilities	1,496,069	1,437,416
- Non-current liabilities	1,708,677	2,334,416
	3,204,746	3,771,832

The incremental borrowing rates applied to lease liabilities as at 30 June 2023 ranged from 3.50% to 7.93% (2022 : 3.50% to 7.93%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

17. Derivatives

Group

	2023 RM	2022 RM
Forward exchange contracts - at fair value	<u>363,612</u>	<u>155,313</u>

Forward exchange contracts are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 30 June 2023, the Group had contracts with financial institutions due within 1 year to deal with the following currencies at contractual forward rates:-

	2023		2022	
	To buy	To sell	To buy	To sell
Contract I	RM10,339,000	USD2,300,000	RM6,365,000	USD1,450,000
Contract II	<u>0</u>	<u>0</u>	JPY73,240,000	RM2,520,000

The fair values of forward exchange contracts were directly measured using their unadjusted market values quoted by the financial institutions (i.e. Level 1).

18. Contract liabilities

Group

	2023 RM	2022 RM
Balance at 1 July	2,810,018	569,237
Acquisition of subsidiaries	0	3,588,386
Revenue recognised from opening contract liabilities	(2,810,018)	(4,157,623)
Excess of consideration over revenue recognised	<u>2,839,815</u>	<u>2,810,018</u>
Balance at 30 June	<u>2,839,815</u>	<u>2,810,018</u>

As disclosed in Note 2.16, the Group generally satisfies its performance obligations at a point in time upon delivery of goods. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

19. Deferred income on government grants

Group

	2023 RM	2022 RM
Balance at 1 July	0	0
Grants related to property, plant and equipment	843,063	0
Amortisation	(51,767)	0
Balance at 30 June	<u>791,296</u>	<u>0</u>

The Group received grants from the local government for purchase of certain machinery. The grants covered 50% of the machinery costs subject to the limits approved by the local government.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

20. Share capital

	No. of ordinary shares with no par value	RM
Issued and fully paid		
Balance at 1 July 2021	652,767,856	78,147,586
Issue of shares pursuant to exercise of warrants	25,786,300	3,882,520
Issue of shares pursuant to acquisition of shares from non-controlling interests	267,500,000	149,800,000
Balance at 30 June 2022	946,054,156	231,830,106
Issue of shares pursuant to exercise of warrants	111,435,822	16,778,359
Balance at 30 June 2023	1,057,489,978	248,608,465

21. Reserves

	2023 RM	Group 2022 RM (Restated)	2023 RM	Company 2022 RM
Warrant reserve	0	5,702,489	0	5,702,489
Consolidation reserve	(121,609,700)	(121,609,700)	0	0
	<u>(121,609,700)</u>	<u>(115,907,211)</u>	<u>0</u>	<u>5,702,489</u>

Warrant reserve

Group and Company

	No. of warrants	RM
Balance at 1 July 2021	138,561,224	7,006,379
Exercise of warrants	(25,786,300)	(1,303,890)
Balance at 30 June 2022	112,774,924	5,702,489
Exercise of warrants	(111,435,822)	(5,634,777)
Transfer to retained profits upon expiry of warrants	(1,339,102)	(67,712)
Balance at 30 June 2023	0	0

In April 2018, the Company undertook a renounceable rights issue of 348,797,448 new ordinary shares at RM0.10 per share together with 174,398,724 free detachable warrants.

The salient features of the warrants are as follows:-

- The warrants are detachable and separately tradable.
- Each warrant entitles the holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM0.10.
- The warrants are exercisable over a period of 5 years until 14 May 2023.
- The exercise price of the warrants may be adjusted in accordance with the terms and conditions set out in the Deed Poll governing the warrants.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

21. Reserves (cont'd)

Consolidation reserve

This represents the decrease in equity arising from the changes in ownership interests in subsidiaries as disclosed in Note 36.

22. Non-controlling interests ("NCI")

Group

	Accumulated NCI		(Loss)/Profit allocated to NCI	
	2023 RM	2022 RM	2023 RM	2022 RM
Rapid Growth Technology Sdn. Bhd. and its subsidiary	0	0	0	698,980
RGT Industries Sdn. Bhd.	0	0	0	404,130
Top Degree (M) Sdn. Bhd.	4,012,672	4,416,061	(403,389)	331,343
Keenness Precision Engineering Sdn. Bhd.	4,016,605	2,886,032	1,130,573	356,877
	<u>8,029,277</u>	<u>7,302,093</u>	<u>727,184</u>	<u>1,791,330</u>

The details of the subsidiaries that have NCI are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest held by NCI		Principal activity
		2023	2022	
Top Degree (M) Sdn. Bhd. ("TDSB")	Malaysia	30%	30%	Design, manufacture and sale of machinery, high precision parts and related accessories
Keenness Precision Engineering Sdn. Bhd. ("KPSB")	Malaysia	30%	30%	Precision machining and tooling for moulds and machine parts

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

22. Non-controlling interests ("NCI") (cont'd)

The summarised financial information (before inter-company eliminations) of the above subsidiaries is as follows:-

	TDSB RM	KPSB RM
2023		
Non-current assets	16,224,864	11,806,090
Current assets	14,358,450	10,870,620
Current liabilities	(9,756,956)	(1,755,165)
Non-current liabilities	(7,450,781)	(7,532,860)
Net assets	13,375,577	13,388,685
Revenue	19,897,204	8,755,835
(Loss)/Profit (representing comprehensive income)	(1,344,627)	3,768,580
Net cash (used in)/from operating activities	(1,912,474)	3,236,741
Net cash used in investing activities	(7,042,533)	(1,899,192)
Net cash from financing activities	3,609,232	2,615,054
Net cash (outflow)/inflow	(5,345,775)	3,952,603
2022		
Non-current assets	10,698,604	10,440,987
Current assets	15,512,557	5,471,927
Current liabilities	(8,115,937)	(1,466,476)
Non-current liabilities	(3,375,020)	(4,826,333)
Net assets	14,720,204	9,620,105
Revenue	16,087,342	3,140,119
Profit (representing comprehensive income)	1,104,477	1,189,590
Net cash from operating activities	1,614,779	87,418
Net cash used in investing activities	(8,653,002)	(4,213,020)
Net cash from financing activities	12,786,787	5,343,793
Net cash inflow	5,748,564	1,218,191

23. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers:-				
- Sale of goods	98,648,266	118,189,432	0	0
- Rendering of services	8,673,464	3,047,650	0	0
	107,321,730	121,237,082	0	0
Other source of revenue:-				
- Dividend income	0	0	0	12,000,000
	107,321,730	121,237,082	0	12,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

23. Revenue (cont'd)

Disaggregation of revenue from contracts with customers

	2023 RM	Group 2022 RM
Major products/services:-		
- Engineered polymer products	78,751,062	102,106,340
- Automated machinery	13,773,329	10,681,922
- Precision engineering	14,797,339	8,448,820
	<u>107,321,730</u>	<u>121,237,082</u>
Geographical areas:-		
- Malaysia	33,723,746	21,864,355
- Other Asian countries	13,712,740	11,146,022
- North America	35,232,132	67,980,833
- Europe	24,276,767	19,999,110
- Others	376,345	246,762
	<u>107,321,730</u>	<u>121,237,082</u>
Timing of revenue recognition:-		
- Over time	8,673,464	3,047,650
- At a point in time	98,648,266	118,189,432
	<u>107,321,730</u>	<u>121,237,082</u>

24. Profit/(Loss) before tax

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax is arrived at after charging:-				
Auditors' remuneration:-				
- Statutory:-				
- Current year	182,200	172,700	60,000	60,000
- Prior year	7,000	0	0	0
- Non-statutory	26,000	32,000	26,000	20,000
Depreciation of property, plant and equipment	7,620,686	4,479,003	0	0
Depreciation of right-of-use assets	1,976,262	1,842,741	0	0
Employee benefits expense (Note 25)	28,390,346	21,725,702	148,460	134,170
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss	0	0	79,574	0

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

24. Profit/(Loss) before tax (cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fee expense for financial instruments not measured at fair value through profit or loss	59,865	75,799	72	429
Interest expense for financial liabilities not measured at fair value through profit or loss	2,217,215	912,219	0	42,880
Interest expense for lease liabilities	173,914	165,238	0	0
Lease expense relating to:-				
- Short-term leases	126,096	115,434	0	0
- Leases of low-value assets (other than short-term leases)	18,872	17,148	0	0
Loss on disposal of subsidiary	4,593	0	0	0
Property, plant and equipment written off	6,859	84,409	0	0
and crediting:-				
Amortisation of deferred income	51,767	0	0	0
Fair value gains on financial instruments mandatorily measured at fair value through profit or loss	100,037	76,938	0	95,210
Gain on disposal of property, plant and equipment	269,771	6,999	0	0
Gain on disposal of subsidiary	0	0	5,000	0
Gain on foreign exchange:-				
- Realised	429,028	644,727	0	0
- Unrealised	610,752	346,617	0	0
Interest income for financial assets measured at amortised cost	169,088	82,315	179,703	65,499
Reversal of inventories written down	0	77,157	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25. Employee benefits expense (including directors' remuneration)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company:-				
- Fees	138,000	118,000	138,000	118,000
- Other short-term employee benefits	1,125,172	1,440,853	10,460	16,170
- Defined contribution plans	107,443	135,617	0	0
- Government grants under Wage Subsidy Programme	0	(3,600)	0	0
	1,370,615	1,690,870	148,460	134,170
Directors of subsidiaries:-				
- Fees	48,000	48,000	0	0
- Other short-term employee benefits	1,330,128	1,025,939	0	0
- Defined contribution plans	152,072	99,169	0	0
- Government grants under Wage Subsidy Programme	0	(1,200)	0	0
	1,530,200	1,171,908	0	0
Other employees:-				
- Short-term employee benefits	23,516,248	17,882,134	0	0
- Defined contribution plans	2,096,517	1,598,353	0	0
- Government grants:-				
- Wage Subsidy Programme	0	(523,589)	0	0
- Others	(123,234)	(93,974)	0	0
	25,489,531	18,862,924	0	0
	28,390,346	21,725,702	148,460	134,170

The estimated money value of benefits received or receivable by directors otherwise than in cash is as follows:-

	Group	
	2023 RM	2022 RM
Directors of the Company	63,918	73,400
Directors of subsidiaries	46,108	20,742
	110,026	94,142

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

26. Tax expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax based on results for the year:-				
- Current tax	1,411,575	898,690	6,664	10,000
- Deferred tax	(448,194)	794,535	0	0
	<u>963,381</u>	<u>1,693,225</u>	<u>6,664</u>	<u>10,000</u>
Tax (over)/under provided in prior year:-				
- Current tax	(291,607)	41,075	(5,751)	0
- Deferred tax	941,713	281,913	0	0
	<u>1,613,487</u>	<u>2,016,213</u>	<u>913</u>	<u>10,000</u>

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:-

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Applicable tax rate	24.00	24.00	(24.00)	24.00
Non-deductible expenses	17.60	6.63	26.18	3.87
Non-taxable income	(1.63)	(0.02)	(0.33)	(27.77)
Tax incentives claimed	(16.46)	(12.36)	0.00	0.00
Decrease in unrecognised deferred tax assets	0.00	(5.99)	0.00	0.00
Average effective tax rate	<u>23.51</u>	<u>12.26</u>	<u>1.85</u>	<u>0.10</u>

27. Earnings per share

Group

The earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year as follows:-

	2023	2022
Profit for the financial year attributable to owners of the Company (RM)	<u>1,756,368</u>	<u>10,000,040</u>
Number of shares in issue as at 1 July	946,054,156	652,767,856
Effect of shares issued	<u>47,741,258</u>	<u>150,373,843</u>
Weighted average number of shares for computing basic earnings per share	993,795,414	803,141,699
Number of shares under warrants deemed to have been issued for no consideration	0	95,252,316
Weighted average number of shares for computing diluted earnings per share	<u>993,795,414</u>	<u>898,394,015</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. Earnings per share (cont'd)

	2023	2022
Basic earnings per share (sen)	<u>0.18</u>	<u>1.25</u>
Diluted earnings per share (sen)	<u>0.18</u>	<u>1.11</u>

28. Dividends

Group and Company

	2023 RM	2022 RM
Interim single tier dividend of 0.6 sen per share in respect of the financial year ended 30 June 2022	<u>0</u>	<u>3,918,707</u>

In August 2023, the Company declared an interim single tier dividend of 0.6 sen per share amounting to RM6,344,940 in respect of the financial year ending 30 June 2024. The dividend is payable in September 2023.

29. Notes to consolidated statement of cash flows

Group

Acquisition of property, plant and equipment

	2023 RM	2022 RM
Cost of property, plant and equipment acquired (Note 4)	14,351,006	41,400,897
Cost prepaid in current year (Note 12)	1,899,451	912,790
Cost prepaid in prior year (Note 12)	(912,790)	(1,978,239)
Net cash disbursed	<u>15,337,667</u>	<u>40,335,448</u>

Acquisition of right-of-use assets

	2023 RM	2022 RM
Cost of right-of-use assets acquired (Note 5)	1,097,281	6,001,341
Acquisition by means of leases	(1,021,473)	(299,798)
Cost prepaid in prior year	0	(525,000)
Net cash disbursed	<u>75,808</u>	<u>5,176,543</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

29. Notes to consolidated statement of cash flows (cont'd)

Short-term loans and borrowings

	2023 RM	2022 RM
Balance at 1 July	8,577,544	0
Net cash flow changes	(4,449,544)	8,577,544
Balance at 30 June:-		
- Banker acceptances (Note 15)	428,000	2,577,544
- Revolving credits (Note 15)	3,700,000	6,000,000
	<u>4,128,000</u>	<u>8,577,544</u>

Term loans

	2023 RM	2022 RM
Balance at 1 July	45,021,699	17,846,945
Acquisition of subsidiaries	0	1,593,990
Drawdowns	13,600,054	28,386,723
Repayments	(5,704,852)	(2,805,959)
Balance at 30 June (Note 15)	<u>52,916,901</u>	<u>45,021,699</u>

Lease liabilities

	2023 RM	2022 RM
Balance at 1 July	3,771,832	3,561,482
Acquisition of subsidiaries	0	457,063
Acquisition of right-of-use assets	1,021,473	299,798
Remeasurement from reassessment or lease modifications	0	934,410
Payments	(1,588,559)	(1,480,921)
Balance at 30 June (Note 16)	<u>3,204,746</u>	<u>3,771,832</u>

The total cash outflow for leases is as follows:-

	2023 RM	2022 RM
Operating activities		
Lease expense recognised in profit or loss (Note 24)	144,968	132,582
Investing activities		
Acquisition of right-of-use assets	75,808	5,176,543
Financing activities		
Interest portion of lease liabilities (Note 24)	173,914	165,238
Principal portion of lease liabilities	<u>1,588,559</u>	<u>1,480,921</u>
	<u>1,983,249</u>	<u>6,955,284</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

30. Related party disclosures

Transactions with related parties during the financial year are as follows:-

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Key management personnel compensation:-				
- Short-term employee benefits	3,200,974	3,125,496	148,460	134,170
- Defined contribution plans	311,939	282,618	0	0
	3,512,913	3,408,114	148,460	134,170
Acquisition of 40% equity interests in subsidiary from directors and other related parties	0	149,800,000	0	149,800,000
Interest charged by subsidiary	0	0	0	42,880
Interest charged to subsidiary	0	0	179,227	61,138

31. Segment reporting

Group

Operating segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:-

- (i) Engineered polymer products - Design, manufacture and sale of high precision engineered polymer products including full assembly and related accessories
- (ii) Factory automation and precision engineering - Design, manufacture and sale of automated machinery, high precision metal parts, components and related accessories

The accounting policies and measurement bases of the segment items reported are the same as those disclosed in Note 2. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with external parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

31. Segment reporting (cont'd)

Operating segments (cont'd)

	Engineered polymer products RM	Factory automation and precision engineering RM	Unallocated non-operating segments RM	Total RM
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2023

Statement of financial position

Segment assets	176,263,629	69,288,801	6,818,797	252,371,227
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Included in the measure of segment assets are:-

- Additions to non-current assets	5,967,126	9,481,161	0	15,448,287
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Segment liabilities	63,791,923	25,331,506	3,189,964	92,313,393
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Statement of comprehensive income

Segment profit/(loss)	13,848	3,021,782	(552,078)	2,483,552
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Included in the measure of segment profit/(loss) are:-

- External revenue	78,751,062	28,570,668	0	107,321,730
- Interest and fund distribution income	521,678	182,812	126,291	830,781
- Non-cash income	383,636	297,540	0	681,176
- Interest expense	1,989,949	401,180	0	2,391,129
- Depreciation	7,428,084	2,168,864	0	9,596,948
- Other non-cash expenses	379,548	1,091	205,389	586,028
- Tax expense	636,996	975,578	913	1,613,487

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

31. Segment reporting (cont'd)

Operating segments (cont'd)

	Engineered polymer products RM	Factory automation and precision engineering RM	Unallocated non-operating segments RM	Total RM
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2022

Statement of financial position

Segment assets	175,014,473	57,692,737	3,389,880	236,097,090
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Included in the measure of segment assets are:-

- Additions to non-current assets	35,938,837	24,271,251	0	60,210,088
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Segment liabilities	70,158,588	16,176,024	3,331,778	89,666,390
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Statement of comprehensive income

Segment profit/(loss)	11,496,499	2,337,631	(2,042,760)	11,791,370
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Included in the measure of segment profit/(loss) are:-

- External revenue	102,106,340	19,130,742	0	121,237,082
- Interest and fund distribution income	133,627	91,890	192,197	417,714
- Non-cash income	300,070	124,006	0	424,076
- Interest expense	1,029,196	48,261	0	1,077,457
- Depreciation	5,830,031	491,713	0	6,321,744
- Other non-cash expenses	107,300	170,415	72,920	350,635
- Tax expense/(income)	2,033,549	(27,336)	10,000	2,016,213

Geographical information

The Group operates principally in Malaysia and generates revenue from the following geographical locations of customers:-

	External revenue	
	2023 RM	2022 RM
Malaysia	33,723,746	21,864,355
Other Asian countries	13,712,740	11,146,022
North America	35,232,132	67,980,833
Europe	24,276,767	19,999,110
Others	376,345	246,762
	<u>107,321,730</u>	<u>121,237,082</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

31. Segment reporting (cont'd)

Major customers

For the financial year ended 30 June 2023, there was 1 (2022 : 1) major group of customers under common control from the engineered polymer products segment that contributed 10% or more of the Group's total revenue and the total revenue generated from this major group of customers amounted to RM47,313,112 (2022 : RM80,725,690).

32. Contractual commitments

Group

	2023 RM	2022 RM
Acquisition of property, plant and equipment	1,514,000	7,802,000
Acquisition of right-of-use assets	0	387,000
	<u>1,514,000</u>	<u>8,189,000</u>

33. Financial guarantee contracts

Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions and trade suppliers for credit facilities granted to certain subsidiaries up to a total limit of RM101,839,000 (2022 : RM89,541,000). The total utilisation of these credit facilities as at 30 June 2023 amounted to RM63,281,000 (2022 : RM30,699,000). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be called at any time in the event of default by the subsidiaries.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.11. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

34. Financial risk management

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

34. Financial risk management (cont'd)

Credit risk

The Group's exposure to credit risk arises mainly from receivables, derivative contracts and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 33.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 11. As the Group only deals with reputable financial institutions, the credit risk associated with derivative contracts and deposits placed with them is low.

Liquidity risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currency transacted is US Dollar ("USD"), and the gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:-

	Group Denominated in USD	
	2023 RM	2022 RM
Receivables	18,935,843	17,964,422
Cash and cash equivalents	275,281	4,922,185
Payables	(3,953,337)	(3,942,740)
	<u>15,257,787</u>	<u>18,943,867</u>

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:-

- The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.
- The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

34. Financial risk management (cont'd)

Currency risk (cont'd)

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Increase/ (Decrease) in profit 2023 RM	Group Increase/ (Decrease) in profit 2022 RM
Appreciation of USD against RM by 3% (2022 : 2%)	347,878	287,947
Depreciation of USD against RM by 3% (2022 : 2%)	<u>(347,878)</u>	<u>(287,947)</u>

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

	2023 RM	Group 2022 RM
Fixed rate instruments		
Financial assets	3,569,459	4,120,973
Financial liabilities	(7,332,746)	(6,349,376)
Floating rate instruments		
Financial liabilities	<u>(52,916,901)</u>	<u>(51,410,224)</u>

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Increase/ (Decrease) in profit 2023 RM	Group Increase/ (Decrease) in profit 2022 RM
Increase in interest rates by 24 (2022 : 10) basis points	(96,520)	(39,072)
Decrease in interest rates by 24 (2022 : 10) basis points	<u>96,520</u>	<u>39,072</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

35. Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:-

	2023 RM	Group 2022 RM
Loans and borrowings	57,044,901	53,987,768
Lease liabilities	3,204,746	3,771,832
Total interest-bearing debts	60,249,647	57,759,600
Total equity	160,057,834	146,430,700
Total capital	220,307,481	204,190,300
Debt-to-equity ratio	38%	39%

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

36. Reclassification of comparative information

Group

The following comparative information has been reclassified:-

	As previously reported RM	Reclassification RM	As restated RM
Consolidated statement of financial position as at 30 June 2022 (extract)			
(Accumulated losses)/Retained profits	(98,403,988)	121,609,700	23,205,712
Consolidation reserve	0	(121,609,700)	(121,609,700)

During the financial year ended 30 June 2022, the Group acquired from non-controlling interests ("NCI") the following:-

- remaining 40% equity interest in Rapid Growth Technology Sdn. Bhd. ("RGTSB") satisfied entirely via issuance of 267,500,000 new ordinary shares in the Company at market value of RM0.56 per share totalling RM149,800,000; and
- remaining 30% equity interest in RGT Industries Sdn. Bhd. ("RISB") for cash consideration of RM4,500,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

36. Reclassification of comparative information (cont'd)

The effects of the changes in ownership interests on the equity attributable to owners of the Company were as follows:-

	RGTSB RM	RISB RM	Total RM
Amount by which NCI were adjusted	32,030,280	660,020	32,690,300
Consideration paid	(149,800,000)	(4,500,000)	(154,300,000)
Decrease in equity attributable to owners of the Company	<u>(117,769,720)</u>	<u>(3,839,980)</u>	<u>(121,609,700)</u>

The decrease in equity of RM121,609,700 was previously debited to retained profits, resulting in a closing deficit (i.e. accumulated losses) of RM98,403,988 as at 30 June 2022. As the Group has been consistently reporting annual profits and closing retained profits since the financial year ended 30 June 2019, the directors are of the opinion that to segregate the decrease in equity to a separate component (within equity) would result in the financial statements providing more reliable and relevant information about the Group's historical performance. Accordingly, the decrease in equity of RM121,609,700 has been reclassified to "consolidation reserve".

LIST OF PROPERTIES

AS AT 30 JUNE 2023

Address	Description of property/ Existing Use	Type of land/ tenure (Year of expiry for leasehold)	Approximate land area (square meter)	Built-up area (square meter)	Age of building (years) as at 30 June 2023	Carrying amount as at 30 June 2023 (RM '000)	Date of acquisition
Registered Owner :- Rapid Growth Technology Sdn. Bhd.							
No. 1032, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, S.P.T Penang	Factory building and land/ Head office, manufacturing facility, and cleanroom	Leasehold (2067 & 2068)	17,837	17,450	14	45,933	25.05.2007
No. 1024, Lgk Perindustrian Bukit Minyak 2, Taman Bukit Minyak, 14100 Simpang Ampat, Penang	Warehouse	Leasehold (2070)	5,296	3,816	14	10,189	31.01.2020
11A, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	214	16	269	28.05.2007
15, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	214	16	269	28.05.2007
16, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	234	16	398	18.08.2020
17, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	214	16	269	28.05.2007
19, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	214	16	269	28.05.2007

LIST OF PROPERTIES (CONT'D)

AS AT 30 JUNE 2023

Address	Description of property/ Existing Use	Type of land/ tenure (Year of expiry for leasehold)	Approximate land area (square meter)	Built-up area (square meter)	Age of building (years) as at 30 June 2023	Carrying amount as at 30 June 2023 (RM '000)	Date of acquisition
20, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	234	16	400	05.10.2020
21, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	214	16	269	28.05.2007
39, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	214	16	269	11.05.2011
41, Lorong Juru 11, Pusat Perniagaan Juru Jaya, 14000 Bukit Mertajam	Double-storey terraced house/ Employee hostel	Freehold	130	214	16	269	11.05.2011
Registered Owner :-							
RGT Industries Sdn. Bhd.							
No.887 (Plot 214-A), Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Minyak, Penang	Factory building and land, manufacturing facility, warehouse and clean room	Leasehold (2064)	8,123	7,239	19	16,851	26.01.2021
Registered Owner :-							
Keenness Precision Engineering Sdn. Bhd.							
No. 9, Lintang Beringin 6, Diamond Valley Industrial Park, 11960 Bayan Lepas, Penang	An intermediate 1½ Storey terraced light industrial factory	Freehold	175	250	13	2,028	25.10.2018
No. 5, Jalan Damar, 11960 Batu Maung, Penang	Factory building and land (Construction work in progress)	Freehold	636	658	—	5,091	08.11.2021

ANALYSIS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2023

SHARE CAPITAL

Total number of issued shares	:	1,057,489,978 (inclusive 660,000 treasury shares)
Class of Share	:	Ordinary Shares
Voting Rights	:	One (1) vote for per ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of shareholdings	No. of shareholders	No. of shares	% of issued shares
1 – 99	44	635	0.00
100 – 1,000	249	140,465	0.01
1,001 – 10,000	1,353	7,126,866	0.67
10,001 – 100,000	1,291	49,803,208	4.71
100,001 – less than 5% of issued shares	450	664,918,804	62.88
52,874,498 – 5% and above of issued shares	2	335,500,000	31.73
Total	3,389	1,057,489,978	100.00

THIRTY LARGEST SHAREHOLDERS

Name	No. of shares	% of issued shares ^a
1. RGT Equity Holdings Sdn Bhd	267,500,000	25.31
2. Hor Lim Chee	68,000,000	6.43
3. Goodwill Hexagon Sdn Bhd	47,498,500	4.49
4. Pahangply Holdings Berhad	44,269,430	4.19
5. Ng Choon Keat	42,700,000	4.04
6. See Seng Lai & Sons Realty Sdn Bhd	36,763,310	3.48
7. Tan Song Chai	34,154,800	3.23
8. Citigroup Nominees (Asing) Sdn Bhd Qualifier: Exempt An For Citibank New York (Norges Bank 22)	29,460,000	2.79
9. Datuk Lim Seat Hoe	17,900,000	1.69
10. CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: CIMB Commerce Trustee Berhad For Kenanga Shariah Growth Opportunities Fund (50156 TR01)	15,411,600	1.46
11. Provincial Equity Sdn Bhd	14,877,778	1.41
12. Citigroup Nominees (Asing) Sdn Bhd Qualifier: Exempt An For Citibank New York (Norges Bank 14)	14,856,600	1.41
13. CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: CIMB Commerce Trustee Berhad For Kenanga Growth Opportunities Fund (50154 TR01)	12,565,900	1.19
14. See Teck Wah	10,903,000	1.03

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 SEPTEMBER 2023

THIRTY LARGEST SHAREHOLDERS

Name	No. of shares	% of issued shares ^a
15. Vertical Portal Sdn Bhd	10,125,000	0.96
16. Teh Swee See	9,115,200	0.86
17. Tan Ann Chee	8,500,000	0.80
18. Tham Kin Yee	8,059,500	0.76
19. Affin Hwang Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For See Teck Wah	7,586,212	0.72
20. Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Lai Cheng Kuan (8058893)	7,250,000	0.69
21. Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Maybank Trustees Berhad For Kenanga Syariahextra Fund (N14011960240)	6,917,400	0.65
22. Affin Hwang Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Chun Sau Chin (M02)	6,912,500	0.65
23. Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	6,851,600	0.65
24. UOBM Nominees (Tempatan) Sdn Bhd Qualifier: UOB Islamic Asset Management Sdn Bhd For Lembaga Tabung Haji	6,114,000	0.58
25. Lee Boon Tiong	6,105,000	0.58
26. Lim Boon Tiang	5,800,000	0.55
27. Tokio Marine Life Insurance Malaysia Bhd Qualifier: As Beneficial Owner (TMEF)	5,524,900	0.52
28. Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Maybank Trustee Berhad For Areca Equitytrust Fund (211882)	5,019,200	0.47
29. NGE Leasing & Credit Sdn Berhad	4,948,070	0.47
30. Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Exempt An For Areca Capital Sdn Bhd (Clients' Account)	4,846,900	0.46

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 SEPTEMBER 2023

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of the Company based on the Register of Substantial Shareholders of the Company is as follows:

Name	Direct		Indirect		Notes
	No. of shares	% [^]	No. of shares	% [^]	
RGT Equity Holdings Sdn. Bhd.	267,500,000	25.31	—	—	—
Datuk Lim Seat Hoe	17,900,000	1.69	267,500,000	25.31	2
Hor Lim Chee	68,000,000	6.43	293,380,000	27.76	1,2,12,13,14 & 15
Tan Song Chai	34,154,800	3.23	286,125,000	27.07	1,2 & 16
Ng Choon Keat	42,700,000	4.04	277,625,000	26.27	1 & 2
See Teck Wah	18,489,212	1.75	100,455,582	9.51	3,4,5,6,7,8,9 & 11
See Han Liong	5,565,930	0.53	113,378,864	10.73	3,4,5,6,7,8,9 & 10
See Seng Hong	3,503,000	0.33	55,950,800	5.29	3,6,7,8 & 9

Notes for Indirect interest held through: -

Note	Name	No. of shares
1	Vertical Portal Sdn Bhd*	10,125,000
2	RGT Equity Holdings Sdn Bhd*	267,500,000
3	Pahangply Holdings Berhad*	44,269,430
4	See Seng Lai & Sons Realty Sdn Bhd*	36,763,310
5	Prime Forest Products (M) Sdn Bhd*	2,175,542
6	NGE Leasing & Credit Sdn Berhad*	4,948,070
7	Nanyang General Enterprises Sdn Bhd*	2,783,300
8	Nanyang Timber Industry Sdn Berhad*	2,450,000
9	Far East Navigation (Malaysia) Sdn Berhad*	1,500,000
10	See Teck Wah [#]	18,489,212
11	See Han Liong [#]	5,565,930
12	Lee Soo Ching [#]	3,650,000
13	Lee Boon Tiong [#]	6,105,000
14	Lee Chun Yee [#]	3,000,000
15	Lee Pei Ching [#]	3,000,000
16	Tan Ann Chee [#]	8,500,000

Notes:

[^] Exclusive 660,000 treasury shares

^{*} Deemed interest pursuant to Section 8(4) of the Companies Act 2016 ("the Act") by virtue of controlling not less than 20% of equity interest in these companies.

[#] Deemed interest pursuant to spouse and/or child interest pursuant to Section 59(11)(c) of the Act.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 SEPTEMBER 2023

DIRECTORS' SHAREHOLDINGS

The Directors' interests in the Company based on the Register of Directors' Shareholdings of the Company is as follows:

Name	Direct No. of shares	% [^]	Indirect No. of shares	% [^]	Notes
Dato' Ir. Low Keng Kok	2,000,000	0.19	—	—	—
Datuk Lim Seat Hoe	17,900,000	1.69	267,500,000	25.31	2
Lee Soo Ching	3,650,000	0.35	—	—	—
Dr. Ooi Hun Pin	800,000	0.08	—	—	—
Ng Choon Keat	42,700,000	4.04	277,625,000	26.27	1 & 2
Dato' Lim Yong Jin	2,300,000	0.22	—	—	—

Notes for Indirect interest held through:-

Note	Name	No. of Shares
1	Vertical Portal Sdn Bhd*	10,125,000
2	RGT Equity Holdings Sdn Bhd*	267,500,000

Notes:

[^] Exclusive 660,000 treasury shares

* Deemed interest pursuant to Section 8(4) of the Act by virtue of controlling not less than 20% of equity interest in these companies.

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES

1. Introduction

At the 41st Annual General Meeting ("AGM") of RGT Berhad ("RGTBHD" or "the Company") held on 18 November 2022, the Board of Directors ("Board") had obtained shareholders' approval to undertake the proposed share buy-back exercise to purchase up to ten percent (10%) of the total number of issued ordinary shares ("Shares") in the share capital of the Company at any point of time through Bursa Malaysia Securities Berhad ("Bursa Securities"). In accordance with the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") governing the purchase of a listed issuer's own shares by the listed issuer itself, the aforesaid approval will continue to be in force until the conclusion of the forthcoming 42nd AGM of the Company which will be held on 17 November 2023.

On 29 September 2023, the Company had announced to Bursa Securities that that the Board proposed to seek authorisation from shareholders for a renewal of the authority to undertake the purchase of Company's own Shares of up to ten percent (10%) of the total number of issued Shares ("Proposed Renewal of Share Buy Back").

The purpose of this Statement is to provide you with the relevant information pertaining to the Proposed Renewal Share Buy-Back as well as to set out the recommendations of its Board and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming 42nd AGM of the Company.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AT THE FORTHCOMING 42ND AGM.

2. Proposed Renewal of Share Buy-Back

The Board is proposing to seek and obtain the renewal of authority for the Company to purchase its own Shares of up to ten percent (10%) of the total number of issued Shares of the Company which are listed on Bursa Securities through its appointed stockbroker(s) at any point of time subject to compliance with Sections 113(5) and 127 of the Companies Act 2016 (as may be amended, modified or re-enacted from time to time) ("Act"), the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

The new mandate from shareholders WILL be effective immediately upon the passing of the Ordinary Resolution for the Proposed Share Buy-Back up till the conclusion of the next AGM of RGTBHD in the year 2024 unless the authority is further renewed by an ordinary resolution passed at the said AGM (either unconditionally or subject to conditions), or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.

As at 29 September 2023, the Company has bought back 660,000 Shares from the open market.

As at 29 September 2023, the issued share capital of the Company is RM248,608,465 comprising of 1,057,489,978 Shares (including 660,000 treasury shares).

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (CONT'D)

3. Rationale/Potential Advantages and Disadvantages of the Proposed Renewal of Share Buy-Back

The Proposed Renewal of Share Buy-Back, if implemented, will enable the Company to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market.

The Proposed Renewal of Share Buy-Back, if exercised, is expected to potentially benefit RGTBHD and its shareholders as follows:

- (a) To allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values;
- (b) The Shares so purchased ("Purchased Shares"), whether to be held as Treasury Shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting rights. Therefore, long term shareholders are likely to enjoy an increase in the value of their investment in the Company due to the increase in the Company's earnings per share; or
- (c) The Purchased Shares may be held as Treasury shares and distributed to shareholders as share dividends and/or resell or partially resell in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s).

The potential disadvantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows:

- (a) The Proposed Renewal of Share Buy-Back, if exercised, is expected to temporarily reduce the financial resources of the Group and may represent an opportunity cost to the Group in respect of its ability to undertake other investment opportunities and/or to earn any income that may be derived from other alternative use of such funds such as deposits in interest bearing instruments; and
- (b) As the Proposed Renewal of Share Buy-Back must be made wholly out of the retained earnings of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the form of cash dividends as the funds are utilised to purchase the Company's own Shares.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-Back is not expected to have any potential material disadvantage to Company and its shareholders as it will be implemented only after in-depth consideration of the financial resources of the Company and the resultant impact on the shareholders. The Board will be mindful of the interest of RGTBHD and its shareholders in undertaking the Proposed Renewal of Share Buy-Back and in the subsequent cancellation of the Purchased Shares.

4. Source of Funds for the Proposed Renewal of Share Buy-Back

Pursuant to the Listing Requirements, the Proposed Renewal of Share Buy-Back must be made wholly out of retained profits of the Company.

As such, the maximum amount of funds to be utilised for the Proposed Share Buy-Back shall not exceed the aggregate of the retained profits of the Company, otherwise available for dividend for the time being. Based on the audited financial statements as at 30 June 2023, the Company's retained profits is RM6,499,177.

The Proposed Share Buy-Back will allow the Company to purchase its own shares at any time within the above-mentioned time period using internally generated funds of the Company.

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (CONT'D)

4. Source of Funds for the Proposed Renewal of Share Buy-Back (cont'd)

The Proposed Renewal of Share Buy-Back is not expected to have a material impact on the cash flow position of the Company.

The actual number of Shares to be purchased, the total amount of funds to be utilised for each purchase and the timing of any purchase will depend on the market conditions and sentiments of the share market, the financial resources available to the Company as well as the availability of the retained earnings of the Company.

5. Purchase / Resale / Transfer Price

Pursuant to the Listing Requirements, the Company may only purchase the Shares on the Bursa Securities at a price not more than fifteen per centum (15%) above the weighted average market price for the shares for the past five (5) market days immediately preceding the date of the purchase(s).

The Company may only resell / transfer the Treasury Shares on the Bursa Securities at:

- (a) a price which is not less than the weighted average market price for the Shares for the past five (5) market days immediately prior to the resale or transfer; or
- (b) a discount price of not more than 5% to the weighted average market price for the Shares for the five (5) market days immediately prior to the resale or transfer provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold.

The Board may decide to cancel the Purchased Shares if the cancellation of the said shares is expected to enhance the earnings per share of the Group and thereby in the long term, have a positive impact on the market price of RGTBHD's Shares. The Board may also decide to retain them as treasury shares for resale if higher values can be realised or to be distributed as share dividends.

6. Status and Treatment of Purchased Shares

Pursuant to the provisions of Section 127(7) of the Act, the Company may deal with the Purchased Shares in the following manner:-

- (a) To cancel the Purchased Shares; or
- (b) To retain the Purchased Shares as Treasury Shares for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities; or
- (c) To retain part of the Purchased Shares so purchased as Treasury Shares and cancel the remainder; or
- (d) To deal with the Purchased Shares in any such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

In considering how the Purchased Shares will be dealt with, the Directors will take into consideration, amongst others, factors such as prevailing market price of the Shares, the intrinsic value of the Shares and effects on the earnings and net assets of the Group.

An immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of Shares pursuant to the Proposed Renewal of Share Buy-Back.

In the event that the Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in other distributions whether cash or otherwise would be suspended. These Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of votes on the resolution at general meeting.

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (CONT'D)

7. Financial Effects of the Proposed Share Buy-Back

Assuming that the Proposed Renewal of Share Buy-Back is implemented in full, by the Company, the effects of the Proposed Renewal of Share Buy-Back on the number of issued shares, net assets, gearing per share, earnings per share, working capital and dividend are as set out follows:

7.1 Share Capital

The effects of the Proposed Renewal of Share Buy-Back on the share capital of the Company will depend on the intention of the Board as to the treatment of the Shares purchased.

The Proposed Share Buy-Back, if carried out in full and assuming the Shares so purchased are cancelled, the proforma effect on the issued share capital of the Company will be as follows:

	Number of Shares
Existing as at 29 September 2023	1,057,489,978
Less: Proposed Renewal of Share Buy-Back*	105,748,998
Total number of issued shares after the Proposed Renewal of Share Buy-Back	<u>951,740,980</u>

Note:

* Inclusive 660,000 Treasury Shares currently held by the Company.

However, there will be no effect on the total number of issued shares of RGTBHD if the Shares so purchased are retained as Treasury Shares.

7.2 Net Assets

The effects of the Proposed Renewal of Share Buy-Back on the net assets ("NA") per Share of the Group are dependent on the purchase prices of the Shares and the effective funding cost to the Company.

If all the Shares so purchased are to be cancelled, the Proposed Renewal of Share Buy-Back Authority will reduce the NA per Share when the purchase price exceeds the NA per Share at the relevant point in time. Conversely, the NA per Share will be increased when the purchase price is less than the NA per Share at the relevant point in time. If the Purchased Shares are resold, the consolidated NA per Share will increase if the Company realised a gain from the resale, and vice versa.

The NA per Share is RM0.14 as per audited financial statements as at 30 June 2023.

The NA per Share will decrease if the Purchased Shares are retained as Treasury Shares due to the requirement for Treasury Shares to be carried at cost and offset against equity, resulting in a decrease in the NA by the cost of the Treasury Shares. If the Treasury Shares are subsequently distributed as Share dividends, the NA of the Group would decrease by the cost of the Treasury Shares.

7.3 Gearing per share

On the assumption that the Treasury Shares are being retained by the Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Renewal of Share Buy-Back may increase the gearing of the Group as the Purchased Shares will reduce the equity by the cost of Shares acquired and held as Treasury Shares. The Proposed Renewal of Share Buy-Back may further increase the gearing of the Company if borrowing is used to fund any purchase of the Purchased Shares. However, at the juncture, the Company does not foresee to use any borrowing to purchase any Shares under the Proposed Renewal of Share Buy-Back.

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (CONT'D)

7. Financial Effects of the Proposed Share Buy-Back (cont'd)

7.4 Earning per share

The effects of the Proposed Share Buy-Back on the earnings per Share ("EPS") of the Group are dependent on the actual number of Shares bought back, the purchase prices of Shares and the effective funding cost to the Company or any loss in interest income to the Company and the proposed treatment of the Purchased Shares.

7.5 Working capital

The Proposed Renewal of Share Buy-Back, if exercised, will reduce the working capital and cash flow of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of Purchased Shares. In the Treasury Shares are sold, the working capital and cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of such increase will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

7.6 Dividends

Assuming the Proposed Renewal of Share Buy-Back is exercised in full and the dividend quantum is maintained at historical levels, it will have the effect of increasing the dividend rate of RGTBHD as a result of the reduction in the total number of issued Shares of RGTBHD.

8. Other Disclosures in relation to the Proposed Share Buy-Back

8.1 Public Shareholding Spread

The Proposed Share Buy-Back will be made in compliance with the 25% shareholding spread as required by the Listing Requirements of Bursa Securities. As at 29 September 2023, the public shareholding spread of the Company is approximately 42.73% of its issued share capital.

Assuming that the Proposed Renewal of Share Buy-Back Authority is carried out in full and the Purchased Shares were all cancelled, the public shareholding spread of the Company would be reduced to 36.40% on the basis that the Shares held by the Directors, Substantial Shareholders of the Company and persons connected with them remained unchanged

8.2 Purchases, Resale and Cancellation of Shares Made in the Previous Twelve (12) Months

RHTBHD has made the following purchase of Shares in the preceding twelve (12) months:-

Date of Purchased	Number of Shares Purchased	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total Consideration (RM)
14 September 2023	400,000	0.245	0.245	0.245	98,000.00
20 September 2023	260,000	0.255	0.255	0.255	66,300.00

As at 29 September 2023, RGTBHD has bought back 660,000 Shares from the open market. There was no cancellation of Shares held as Treasury Shares in the preceding twelve (12) months. The entire Shares bought back were retained as Treasury Shares.

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (CONT'D)

8. Other Disclosures in relation to the Proposed Share Buy-Back (cont'd)

8.3 Historical Share Prices

The monthly highest and lowest prices of the Shares as traded on the Bursa Securities for the last twelve (12) months from October 2022 to September 2023 are as follows:

Year	Month	Highest price (RM)	Lowest price (RM)
2022	October	0.455	0.335
	November	0.440	0.370
	December	0.445	0.375
2023	January	0.400	0.370
	February	0.385	0.325
	March	0.335	0.270
	April	0.375	0.280
	May	0.315	0.275
	June	0.295	0.255
	July	0.295	0.260
	August	0.275	0.235
	September	0.260	0.220

Source: www.thestar.com.my | Bursa Securities

The last transacted price of RGTBHD Shares on 29 September 2023 was RM0.245.

8.4 Implication on the Malaysian Code on Take-Overs and Mergers 2016 ("the Code")

Pursuant to the Code, a person and any person acting in concert with him, will be obliged under Part II of the Code to make a mandatory offer for the remaining Shares of the Company not already owned by him/ them if he and/or persons acting in concert with him hold more than 33% but less than 50% of the voting shares of the Company and has inadvertently increased his/their shareholdings by 2% or more in any six (6) month period.

However, an exemption from a mandatory general offer may be granted by the Securities Commission ("SC") under Practice Note 9 of the Code, subject to the substantial shareholder(s) and/or the person(s) acting in concert complying with conditions stipulated in the said practice note, if the obligation is triggered as a result of any action that is outside their direct participation.

Should such circumstances arise and if required, the substantial shareholder(s) and/or the person(s) acting in concert are expected to make an application to the SC for the waiver from implementing a mandatory general offer under the Code, before implementing the Proposed Renewal of Share Buy-Back.

In the event the proposed waiver is not granted by the SC, the Company will only proceed with Proposed Renewal of Share Buy-Back to the extent that it will not contravene the limit as provided under the Code.

There is no implication relating to the Code on the Company's shareholders arising from the Proposed Renewal of Share Buy-Back, in the event the Share Buy-Back is implemented in full.

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (CONT'D)

9. Interest of Directors, Substantial Shareholders and Persons Connected

The Directors, Substantial Shareholders and Persons Connected with the Directors and/or Substantial Shareholders of the RGTBHD Group have no direct or indirect interest in the Proposed Renewal of Share Buy-Back and/or resale of Treasury Shares.

The proforma table below shows the interests held directly and indirectly in RGTBHD by the Directors and Substantial Shareholders of RGTBHD as at 29 September 2023 before and after the Proposed Renewal of Share Buy-Back:

Directors	Number of RGTBHD Shares held							
	Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Dato Ir. Low Keng Kok	2,000,000	0.19	—	—	2,000,000	0.21	—	—
Datuk Lim Seat Hoe	17,900,000	1.69	¹ 267,500,000	25.31	17,900,000	1.88	¹ 267,500,000	28.11
Lee Soo Ching	3,650,000	0.35	—	—	3,650,000	0.38	—	—
Ng Choon Keat	42,700,000	4.04	² 277,625,000	26.27	42,700,000	4.49	² 277,625,000	29.17
Dato' Lim Yong Jin	2,300,000	0.22	—	—	2,300,000	0.24	—	—
Dr. Ooi Hun Pin	800,000	0.08	—	—	800,000	0.08	—	—

¹ Deemed interested through RGT Equity Holdings Sdn. Bhd..

² Deemed interested through RGT Equity Holdings Sdn. Bhd. and Vertical Portal Sdn. Bhd..

Substantial Shareholders	Number of RGTBHD Shares held							
	Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Datuk Lim Seat Hoe	17,900,000	1.69	³ 267,500,000	25.31	17,900,000	1.88	³ 267,500,000	28.11
Ng Choon Keat	42,700,000	4.04	⁴ 277,625,000	26.27	42,700,000	4.49	⁴ 277,625,000	29.17
See Teck Wah	18,489,212	1.75	⁵ 100,455,582	9.51	18,489,212	1.94	⁵ 100,455,582	10.56
See Han Liong	5,565,930	0.53	⁶ 113,378,864	10.73	5,565,930	0.59	⁶ 113,378,864	11.91
See Seng Hong	3,503,000	0.33	⁷ 55,950,800	5.29	3,503,000	0.37	⁷ 55,950,800	5.88
RGT Equity Holdings Sdn. Bhd.	267,500,000	25.31	—	—	267,500,000	28.11	—	—
Hor Lim Chee	68,000,000	6.43	⁸ 293,380,000	27.76	68,000,000	7.15	⁸ 293,380,000	30.83
Tan Song Chai	34,154,800	3.23	⁹ 286,125,000	27.07	34,154,800	3.59	⁹ 286,125,000	30.06

³ Deemed interested through RGT Equity Holdings Sdn. Bhd..

⁴ Deemed interested through RGT Equity Holdings Sdn. Bhd. and Vertical Portal Sdn. Bhd..

⁵ Deemed interested through Pahangply Holdings Berhad., See Seng Lai & Sons Realty Sdn. Bhd., Prime Forest Products (M) Sdn. Bhd., NGE Leasing Products (M) Sdn. Bhd., Nanyang General Enterprises Sdn. Bhd., Nanyang Timber Industry Sdn. Berhad, Far East Navigation (Malaysia) Sdn. Berhad and See Han Liong.

⁶ Deemed interested through Pahangply Holdings Berhad., See Seng Lai & Sons Realty Sdn. Bhd., Prime Forest Products (M) Sdn. Bhd., NGE Leasing Products (M) Sdn. Bhd., Nanyang General Enterprises Sdn. Bhd., Nanyang Timber Industry Sdn. Berhad, Far East Navigation (Malaysia) Sdn. Berhad and See Teck Wah.

⁷ Deemed interested through Pahangply Holdings Berhad., NGE Leasing Products (M) Sdn. Bhd., Nanyang General Enterprises Sdn. Bhd., Nanyang Timber Industry Sdn. Berhad and Far East Navigation (Malaysia) Sdn. Berhad.

⁸ Deemed interested through RGT Equity Holdings Sdn. Bhd., Vertical Portal Sdn. Bhd., Lee Soo Ching, Lee Boon Tiong, Lee Chun Yee and Lee Pei Ching.

⁹ Deemed interested through Vertical Portal, RGT Equity Holdings Sdn. Bhd. and Tan Ann Chee.

STATEMENT ON PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (CONT'D)

10. Interest of Directors, Substantial Shareholders and/or Persons Connected

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and substantial shareholders of the Company as a result of the decrease in the total number of issued share of the Company after the Proposed Renewal of Share Buy-Back, none of the Directors and/or Substantial Shareholders and/or persons connected to them have any interest, either direct or indirect in the Proposed Renewal of Share Buy-Back and the subsequent resale of treasury shares, if any, in the future.

11. Directors' Recommendation

Having considered all aspects of the Proposed Renewal of Share Buy-Back, the Board is of the opinion that the Proposed Renewal of Share Buy-Back is in the best interest of the Company. Accordingly, the Board recommends that the shareholders vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming 42nd AGM.

12. Directors' Responsibility Statement

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement misleading.

13. Bursa Securities

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or reliance upon the whole or any part of the contents of this Statement. Bursa has not reviewed this Statement prior to its issuance.

14. Document Available for Inspection

Copies of the following documents are available for inspection at the Registered Office of the Company at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia during normal office hours on Mondays to Fridays (except public holidays) from the date of this Statement up to and including the date of the AGM:

- (a) the Constitution of the Company;
- (b) the Audited Financial Statements of the Group for the past two (2) financial years ended 30 June 2022 and 2023.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Second Annual General Meeting ("AGM") of RGT BERHAD ("the Company") will be held at Pangkor Room, Hotel Jen Penang, Jalan Magazine, 10300 George Town, Pulau Pinang, Malaysia on Friday, 17 November 2023 at 10.00 am for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors who are retiring in accordance with Clause 102 of the Company's Constitution:

(a) Dato' Ir. Low Keng Kok; and	Ordinary Resolution 1
(b) Datuk Lim Seat Hoe	Ordinary Resolution 2
3. To approve the payment of Directors' Fees and benefit payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of approximately RM161,500.00 from one day after the AGM until the conclusion of the next AGM of the Company. Ordinary Resolution 3
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 4

AS SPECIAL BUSINESS

5. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** Ordinary Resolution 5

"THAT, subject always to the Companies Act 2016 ("the Act"), the Company's Constitution, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant government or regulatory authorities, where such approvals are required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being.

AND THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act, read together with Clause 62 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued of the Company arising from issuance of new shares pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares".

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. PROPOSED RENEWAL AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK") Ordinary Resolution 6

"THAT subject to the Act, provisions of the Company's Constitution, the MMLR of Bursa Securities and the approvals of all relevant regulatory authorities and parties, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company on the Main Market of Bursa Securities and/or hold from upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (a) the aggregate number of ordinary shares purchased ("Purchased Share(s)") and/or held as treasury shares pursuant to this ordinary resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time;
- (b) the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back shall not exceed the total retained profits of the Company at the time of the purchase;
- (c) the authority to facilitate the Proposed Renewal of Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-
 - (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM is required by law to be held; or
 - (iii) revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and / or any other relevant governmental and /or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:-

- (a) to cancel the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased as treasury shares;
- (c) to retain part thereof as treasury shares and cancel the remainder; and/or
- (d) to deal with the Purchased Shares in any such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to give effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back."

7. To transact any other business of which due notice shall have been given.

By Order of the Board

Ong Tze-En (MAICSA 7026537 | SSM PC No. 202008003397)

Company Secretary

Penang, 17 October 2023

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes on Appointment of Proxy:

1. A proxy may but need not be a member.
2. The instrument appointing a proxy shall be deposited at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted via facsimile at 03-7890 4670 or emailed to BSR.helpdesk@boardroomlimited.com, not less than 48 hours before the time set for holding the AGM or any adjournment thereof.
3. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 November 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Explanatory Notes:

1. **Ordinary Resolutions 1 and 2** are to re-elect Directors who retire in accordance with Clause 102 of the Company's Constitution. The profiles of the Directors standing for re-election are set out under Profile of Directors in the Annual Report 2023. The Board of Directors ("Board") approved the recommendations from the Nomination Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision making on their own eligibility to stand for re-election. Both retiring Directors have no conflict of interest with the Company and its subsidiaries ("Group") save as disclosed in the audited financial statements. Both also have exercised due care and carried out their professional duties proficiently and effectively throughout his tenure as a Director of the Company.
Dato' Ir. Low Keng Kok is the Independent Non-Executive Chairman of the Board. He has fulfilled the requirements on independence as set out in the MMLR of Bursa Securities. As Chairman of the Board, he has demonstrated sound leadership skills by consensus building and encouraging open discussion for Directors to raise issues of concern without inhibition. He also exhibited his objectivity through his proactive engagements during meetings of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion.
Datuk Lim Seat Hoe is the Executive Director & Chief Executive Officer. He oversees the day-to-day operation functions and executive decisions in the Group.
2. **Ordinary Resolution 3** concerns directors' fees and the benefits payable to the Independent Non-Executive Directors ("INEDs") which have been reviewed by the Remuneration Committee and approved by the Board. The directors' fees and the benefits payable are in the best interest of the Company and in accordance with the remuneration framework. The directors' fees comprised fees payable to INEDs as members of Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional Board Committees and/or increase in directors' fees. The benefits payable comprised of meeting allowance per meeting day.
Upon approval, this will facilitate payment of directors' fees and benefits payable on current financial year basis, based on the current board size and assuming that all INEDs shall hold office until the end of the financial year. In the event the proposed directors' fees and benefits payable is insufficient (due to the enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall. It will also authorise payment to be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the INEDs to be paid on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.
Details of directors' fees for the financial year ended 30 June 2023 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2023.
3. **Ordinary Resolution 5** is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board to issue shares and allot up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.
The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.
As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last AGM held on 18 November 2022 and which will lapse at the conclusion of the 42nd AGM.
The renewal of this General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.
At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.
4. **Ordinary Resolution 6**, if passed, will allow empower the Directors of the Company to exercise the power of the Company to purchase its own shares. The total number of shares purchased shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held, whichever occurs first.
Please refer to the Statement on Proposed Renewal of Share Buy-Back set out in the Annual Report 2023 for further information.

Statement Accompanying Notice of Annual General Meeting (Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities)

No individual is standing for election as a Director at the forthcoming 42nd AGM of the Company.

PROXY FORM

No. of Shares held	CDS Account No.

I/We _____
(Full Name in Block Letters and NRIC No./Passport No./Company No.)
of _____ and _____
(Address) (Tel. No./Email Address)

being a member/members of RGT Berhad (the "Company"), hereby appoint:

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

* and/or (*delete if not applicable)

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Forty-Second Annual General Meeting ("42nd AGM") of the Company, to be held at Pangkor Room, Hotel Jen Penang, Jalan Magazine, 10300 George Town, Pulau Pinang, Malaysia on Friday, 17 November 2023 at 10.00 am or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTION ("OR")	OR1	OR2	OR3	OR4	OR5	OR6
FOR						
AGAINST						

Signed this _____ day of _____ 2023.

.....
Signature of Shareholder(s)/ Common Seal

* Strike out whichever is not desired.

Notes on Appointment of Proxy:

1. A proxy may but need not be a member.
2. The instrument appointing a proxy shall be deposited at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted via facsimile at 03-7890 4670 or emailed to BSR_helpdesk@boardroomlimited.com, not less than 48 hours before the time set for holding the AGM or any adjournment thereof.
3. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 November 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 42nd AGM of the Company or any adjournment thereof.

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AFFIX
STAMP

The Share Registrar
RGT BERHAD
Registration No. 198101004909 (71024-T)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Then fold here

Fold this flap for sealing

RGT BERHAD

Registration No. 198101004909 (71024-T)

No. 1032, Jalan Perindustrian Bukit Minyak,
Taman Perindustrian Bukit Minyak,
14100 Simpang Ampat, Pulau Pinang.

Tel : 604 501 3990

Fax : 604 501 3999

Email : info@rgt.com.my

www.rgtberhad.com