



RAY GO SOLAR HOLDINGS BERHAD
(Registration No.: 201901004963 (1314290-M))
(Incorporated in Malaysia)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE SECOND HALF YEAR ENDED
31 OCTOBER 2022**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES
BERHAD (“BURSA SECURITIES”)**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR THE MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR THE SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY RAY GO SOLAR HOLDINGS BERHAD (“RGS” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

RAY GO SOLAR HOLDINGS BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE SECOND HALF YEAR ENDED 31
OCTOBER 2022⁽¹⁾**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.10.2022 RM'000	Unaudited 31.10.2021 ⁽²⁾ RM'000	Unaudited 31.10.2022 RM'000	Audited 31.10.2021 ⁽²⁾ RM'000
Revenue	5,748	N/A	8,874	15,830
Cost of sales	(4,101)	N/A	(6,496)	(10,743)
Gross profit	1,647	N/A	2,378	5,087
Other income	128	N/A	168	154
Administrative expenses	(46)	N/A	(61)	(32)
Other operating expenses	(2,233)	N/A	(4,320)	(2,734)
(Loss)/Profit from operations	(504)	N/A	(1,835)	2,475
Finance cost	(142)	N/A	(245)	(70)
(Loss)/Profit before tax	(646)	N/A	(2,080)	2,405
Income tax expense	(91)	N/A	(73)	(642)
(Loss)/Profit after tax	(737)	N/A	(2,153)	1,763
Total comprehensive (loss)/profit for the financial period	(737)	N/A	(2,153)	1,763
(Loss)/Profit attributable to:				
- Owners of the Company	(737)	N/A	(2,153)	1,763
- Non-controlling interest	-	N/A	-	-
	(737)	N/A	(2,153)	1,763
(Loss)/Earnings per share:				
Basic/Diluted ⁽³⁾ (sen)	(0.31) ⁽⁴⁾	N/A	(0.91) ⁽⁴⁾	10.36 ⁽⁵⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of RGS and its subsidiary companies ("**Group**") for the financial year ended ("**FYE**") 31 October 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding period are available as this is the Group's first second half year interim financial report announced in compliance with the LEAP Market Listing Requirements of Bursa Securities ("**Listing Requirements**").
- (3) The diluted (loss)/earnings per share of the Company is equivalent to the basic (loss)/earnings per share as the Company does not have any convertible securities at the end of the reporting period.
- (4) Computation of basic/diluted (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period of 236,963,749.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE SECOND HALF YEAR ENDED 31
OCTOBER 2022 ⁽¹⁾ (CONT'D)**

- (5) Computation of basic/diluted (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year of 17,019,853.

N/A Not applicable

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RAY GO SOLAR HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022⁽¹⁾

	Unaudited As at 31.10.2022 RM'000	Audited As at 31.10.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,881	320
Right-of-use assets	636	460
Total non-current assets	8,517	780
Current assets		
Inventories	3,799	486
Trade receivables	4,175	1,881
Non-trade receivables, deposit and prepayments	528	1,202
Contract assets	668	2,471
Tax recoverable	209	-
Fixed deposits with licensed banks	2,009	1,270
Cash and bank balances	550	498
Total current assets	11,938	7,808
TOTAL ASSETS	20,455	8,588
Equity		
Share capital	10,325	4,055
Merger deficit	(934)	(934)
Retained earnings	484	2,714
Total equity	9,875	5,835
Non-current liabilities		
Borrowings	5,112	671
Lease liabilities	493	251
Deferred tax	-	18
Total non-current liabilities	5,605	940
Current liabilities		
Trade payables	1,266	534
Non-trade payables, accruals, prepayment and deposits received	455	403
Contract liabilities	415	310
Amount due to a Director	89	27
Borrowings	2,750	191
Lease liabilities	-	107
Tax payable	-	241
Total current liabilities	4,975	1,813
TOTAL LIABILITIES	10,580	2,753
TOTAL EQUITY AND LIABILITIES	20,455	8,588
Net assets per share (RM) ⁽²⁾	0.04	0.03

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS
AT 31 OCTOBER 2022⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 October 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's issued share capital of period of 255,000,000 ordinary shares as at 31 October 2022 and 202,751,300 ordinary shares as at 31 October 2021.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2022⁽¹⁾**

	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
Balance at 1 November 2020	~	-	(16)	(16)
Issue of new ordinary shares	4,055	-	-	4,055
Acquisition of subsidiaries	-	(934)	3,467	2,533
Dividend paid	-	-	(2,500)	(2,500)
Total comprehensive income for the financial year	-	-	1,763	1,763
Balance at 31 October 2021	<u>4,055</u>	<u>(934)</u>	<u>2,714</u>	<u>5,835</u>
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
Balance at 1 November 2021	4,055	(934)	2,714	5,835
Issue of new ordinary shares	6,270	-	(76)	6,194
Total comprehensive loss for the financial year	-	-	(2,154)	(2,154)
Balance at 31 October 2022	<u>10,325</u>	<u>(934)</u>	<u>484</u>	<u>9,875</u>

Notes:

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

~ Less than RM1,000

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2022⁽¹⁾

	12 months ended	
	Unaudited 31.10.2022 RM'000	Audited 31.10.2021 RM'000
Cash flows (for)/from operating activities		
(Loss)/Profit before taxation	(2,080)	2,405
Adjustments for:		
Loss/(Gain) on disposal of property, plant and equipment	125	(36)
Gain on derecognition of right-of-use assets	-	(50)
Impairment loss on trade receivables	-	514
Depreciation of property, plant and equipment	209	89
Depreciation of right-of-use assets	140	158
Interest expenses	444	70
Interest received	(48)	(41)
Operating (loss)/profit before working capital charges	(1,210)	3,109
Increase in inventories	(3,313)	(486)
Increase in receivables	(1,619)	(3,588)
Decrease/(Increase) in contract assets	1,908	(2,471)
Increase in contract liabilities	-	310
Increase in payables	598	3,994
Cash (used in)/generated from operations	(3,636)	868
Income tax refunded	-	2
Interest received	48	31
Income tax paid	(432)	(393)
Net cash (used in)/generated from operating activities	(4,020)	508
Cash flow for investing		
Placement of fixed deposits	(740)	-
Acquisition of property, plant and equipment	(7,770)	(100)
Acquisition of right-of-use assets	(440)	-
Acquisition of subsidiaries	-	(934)
Net changes in fixed deposits pledged with licensed banks	-	(320)
Proceeds from disposal of property, plant and equipment	-	36
Net cash used in investing activities	(8,950)	(1,318)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2022⁽¹⁾ (CONT'D)

	12 months ended	
	Unaudited 31.10.2022 RM'000	Audited 31.10.2021 RM'000
Cash flows from financing activities		
Dividend paid	-	(2,500)
Proceeds from issuance of new ordinary shares	6,270	4,055
Drawdown of term loan	4,930	-
Drawdown of lease liabilities	135	-
Repayment of term loan	(225)	(137)
Repayment of lease liabilities	(14)	(53)
Advances from a Director	62	13
Interest paid	(430)	(70)
Net cash from financing activities	10,728	1,308
Net (decrease)/increase in cash and cash equivalents	(2,242)	498
Cash and cash equivalents at beginning of the financial year	498	~
Cash and cash equivalents at end of the financial year	(1,744)	498

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 October 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Cash and cash equivalents at end of the financial year comprised the following:

	Unaudited 31 October 2022 RM '000	Audited 31 October 2021 RM '000
Cash and bank balances	550	498
Less: Bank overdraft	(2,294)	-
Cash and cash equivalents at end of the financial year	(1,744)	498

~ Less than RM1,000

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

A1. Basis of preparation

The Company was incorporated on 13 February 2019 under the Companies Act 2016 as a private limited company under the name Ray Go Solar Holdings Sdn Bhd and subsequently converted to a public limited company on 16 June 2021 and assumed its present name.

As at the date of this interim financial report, Ray Go Solar EPC Sdn Bhd and RGS Power Sdn Bhd which were incorporated on 19 June 2012 and 2 December 2020 respectively are the only subsidiary companies of RGS.

The interim financial statements of the Group have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting and Paragraph 6.12 and Appendix 6A of the Listing Requirements.

This is the first second half year interim financial report on the Group’s unaudited condensed consolidated financial results for the year ended 31 October 2022 announced by the Company in compliance with the Listing Requirements. As the company was listed on the LEAP Market of Bursa Securities on 11 March 2022, there are no comparative figures for the corresponding preceding financial period as no interim financial report was prepared for the financial period concerned.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the FYE 31 October 2021 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant accounting policies

The significant accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the FYE 31 October 2022.

- (a) The Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective date
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4: Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 16 Leases: Covid 19-Related rent concession beyond 30 June 2021	1 April 2021

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

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022 (CONT'D)

A2. Significant accounting policies (Cont'd)

- (b) The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective date
• Amendments to MFRS 3, Business Combinations: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before intended use	1 January 2022
• Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of fulfilling a contract	1 January 2022
• Annual improvements to MFRSs 2018 – 2020 cycle	
- Amendments to MFRS 1, First-time adoption of Malaysian Financial Reporting Standards	1 January 2022
- Amendments to MFRS 9, Financial Instruments	1 January 2022
- Amendments to MFRS 16, Leases	1 January 2022
- Amendments to MFRS 141, Agriculture	1 January 2022
• MFRS 17, Insurance Contracts	1 January 2023
• Amendments to MFRS 17, Insurance Contracts	1 January 2023
• Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
• Amendments to MFRS 101, Presentation of Financial Statement: Classifications of Liabilities as Current or Non – Current	1 January 2023
• Amendments to MFRS 101, Presentation of Financial Statement: Disclosure of Accounting Policies	1 January 2023
• Amendments to MFRS 108, Accounting Policies, Change in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 112, Income Tax: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sales or Contribution of Assets between and investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 101, Presentation of Financial Statement: Non-current liabilities with Covenants	1 January 2024

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group and of the Company.

A3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial period ended 31 October 2022.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022 (CONT'D)

A4. Material changes in accounting estimates

There were no material changes in accounting estimates and judgements during the current financial period ended 31 October 2022.

A5. Property, plant and equipment

The increase in the property, plant and equipment is mainly due to the purchase of the factory building in Shah Alam for office, warehouse and operations use.

A6. Borrowings

The increase in borrowings is mainly due to the drawdown of the new banking facility to partially finance the purchase of the factory building of RM4.95 million and higher utilisation of banking facilities and overdrafts of RM2.29 million for working capital.

A7. Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the current financial period ended 31 October 2022.

A8. Segmental information

The Group's revenue in respect of its business segments is as follows:

(a) Revenue by business activities and products

	Individual 6 months ended			
	Unaudited 31.10.2022		Unaudited 31.10.2021 ⁽¹⁾	
Engineering, procurement, construction and commissioning ("EPCC"):	RM'000	%	RM'000	%
• Industrial	2,968	51.64	N/A	N/A
• Commercial	1,337	23.26	N/A	N/A
• Residential	1,437	25.00	N/A	N/A
	5,742	99.90	N/A	N/A
Operations and maintenance:				
• Commercial	5	0.09	N/A	N/A
• Residential	1	0.01	N/A	N/A
	6	0.10	N/A	N/A
Total	5,748	100.00	N/A	N/A

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022 (CONT'D)

A8. Segmental information (Cont'd)

(a) Revenue by business activities and products (Cont'd)

	Cumulative 12 months ended			
	Unaudited 31.10.2022		Audited 31.10.2021	
	RM'000	%	RM'000	%
Engineering, procurement, construction and commissioning ("EPCC"):				
• Industrial	4,818	54.29	9,505	60.04
• Commercial	1,992	22.45	6,273	39.63
• Residential	1,962	22.11	35	0.22
	<u>8,772</u>	<u>98.85</u>	<u>15,813</u>	<u>99.89</u>
Operations and maintenance:				
• Industrial	71	0.80	3	0.02
• Commercial	20	0.23	6	0.04
• Residential	11	0.12	8	0.05
	<u>102</u>	<u>1.15</u>	<u>17</u>	<u>0.11</u>
Total	<u>8,874</u>	<u>100.00</u>	<u>15,830</u>	<u>100.00</u>

(b) Revenue by geographical location

	Individual 6 months ended			
	Unaudited 31.10.2022		Unaudited 31.10.2021 ⁽¹⁾	
	RM'000	%	RM'000	%
Klang Valley	3,231	56.22	N/A	N/A
Johor	2,424	42.17	N/A	N/A
Penang	26	0.45	N/A	N/A
Pahang	38	0.66	N/A	N/A
Perak	29	0.50	N/A	N/A
Total	<u>5,748</u>	<u>100.00</u>	<u>N/A</u>	<u>N/A</u>

	Cumulative 12 months ended			
	Unaudited 31.10.2022		Audited 31.10.2021	
	RM'000	%	RM'000	%
Klang Valley	4,757	53.61	8,897	56.20
Johor	3,914	44.11	5,920	37.40
Sabah	74	0.83	553	3.49
Perak	65	0.73	185	1.17
Pahang	38	0.43	-	-
Penang	26	0.29	275	1.74
Total	<u>8,874</u>	<u>100.00</u>	<u>15,830</u>	<u>100.00</u>

Notes:

(1) No comparative figures for the preceding period are available, as this is the Group's first second half year interim financial report announced in compliance with the Listing Requirements.

N/A Not applicable.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022 (CONT'D)

A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 October 2022.

A10. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A11. Capital commitments

There were no capital commitments as at the date of this interim financial report.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B1. Review of performance

For the current 6-month financial period ended 31 October 2022, the Group recorded revenue of RM5.75 million, of which RM5.74 million or 99.83% was generated from solar related EPCC projects and RM0.01 million or approximately 0.17% was contributed by operations and maintenance works undertaken by the Group.

The Group registered a loss before tax of RM0.65 million, which were mainly due to the following:

- substantial increase in material cost which eroded the gross profit margin; and
- additional finance costs arising from the new banking facility to partially finance the purchase of the factory building and higher utilisation of banking facilities for working capital.

For the FYE 31 October 2022, the Group recorded revenue of RM8.87 million which represents a decrease of RM6.96 million or 43.97% as compared to RM15.83 million revenue recorded for the 12 months financial year ended 31 October 2021. The lower revenue recorded in FYE 31 October 2022 was due to a lower number of projects carried out during the year as a result of competitive environment.

For the FYE 31 October 2022, RM8.77 million or 98.85% of the revenue was generated from solar related EPCC projects and RM0.10 million or approximately 1.15% was contributed by operations and maintenance works undertaken by the Group.

For the FYE 31 October 2021, RM15.81 million or 99.89% of the revenue was generated from solar related EPCC projects and RM0.02 million or approximately 0.11% was contributed by operations and maintenance works undertaken by the Group.

The Group registered a loss before tax of RM2.08 million in FYE 31 October 2022, as compared to a profit before tax of RM2.41 million in FYE 31 October 2021 mainly due to the following:

- lower revenue due to a lower number of projects carried out during the year;
- substantial increase in material cost which eroded the gross profit margin;
- listing expenses of RM0.56 million incurred in relation to the listing exercise of the Company on the LEAP Market of Bursa Securities has been charged to the profit or loss statement; and
- additional finance costs arising from the new banking facility to partially finance the purchase of the factory building and higher utilisation of banking facilities for working capital.

B2. Prospects

As disclosed in the information memorandum of RGS dated 29 November 2021, the Group has put in place its expansion plan into solar leasing business as well as geographical expansion which expected to contribute positively to the growth of the Group's business.

The board of directors of RGS ("**Board**") is of the view that the renewable energy in Malaysia will continue to be in demand on the back of government's dedication and supportive policies such as NEM3.0 programme and green technology tax incentives.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B2. Prospects (Cont'd)

On the other hand, there are business challenges from the impact of the on-going Russia-Ukraine war, foreign currency fluctuations and price volatility in solar-related materials. In this regard, the Board will continue to closely monitor the situation and respond proactively to mitigate the impact on the Group's financial performance and financial position.

The Group currently has an order book of RM6.97 million which will progressively be recognised in the upcoming financial year and in addition there is a strong pipeline of work flow.

In view of the above, the Board is cautiously optimistic of achieving satisfactory results for the upcoming financial year.

B3. Profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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C. OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this interim financial report.

C2. UTILISATION OF PROCEEDS

As at 31 October 2022, the utilisation of proceeds of RM 6.27 million from the placement of shares in conjunction with the listing of RGS on the LEAP Market of Bursa Securities is as follows:

Purposes	Proposed utilisation of proceeds	Utilisation of proceeds	Re-allocation	Proceeds balances	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Expansion into solar leasing program	2,000	(1,000)	-	1,000	Within 24 months
Operation expansion to Penang and Johor	1,000	(60)	-	940	Within 24months
Working capital	2,425	(2,520)	95	-	Within 24 months
Estimated listing expenses	845	(750)	(95)	-	Immediate
	<u>6,270</u>	<u>(4,330)</u>	<u>-</u>	<u>1,940</u>	

The unutilised estimated listing expenses of RM 94,983 were reallocated and utilised for working capital.

C3. MATERIAL LITIGATION

There were no material litigation pending as at the date of this interim financial report.

C4. DIVIDEND

There was no dividend declared or proposed by the Board for the current financial year ended 31 October 2022.

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