



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

**UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST HALF YEAR ENDED
30 APRIL 2023**

**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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FIRST HALF YEAR ENDED 30 APRIL
2023⁽¹⁾**

	Individual 6 months ended		Cumulative 6 months ended	
	30.04.2023 RM'000	30.04.2022 RM'000	30.04.2023 RM'000	30.04.2022 RM'000
Revenue	8,676	3,126	8,676	3,126
Cost of sales	(7,463)	(2,395)	(7,462)	(2,395)
Gross profit	1,213	731	1,213	731
Other income	76	39	76	39
Administrative expenses	(31)	(15)	(31)	(15)
Other operating expenses	(967)	(2,086)	(967)	(2,086)
Profit/(Loss) from operations	291	(1,331)	291	(1,331)
Finance cost	(184)	(104)	(184)	(104)
Profit/(Loss) before tax	107	(1,435)	107	(1,435)
Tax expense	-	18	-	18
Profit/(Loss) after tax	107	(1,417)	107	(1,417)
Total comprehensive profit/(loss) for the financial period	107	(1,417)	107	(1,417)
Profit/(Loss) attributable to:				
- Owners of the Company	107	(1,417)	107	(1,417)
- Non-controlling interest	-	-	-	-
	107	(1,417)	107	(1,417)
Earnings/(Loss) per share:				
Basic/Diluted ⁽²⁾ (sen)	0.04 ⁽³⁾	(0.65) ⁽⁴⁾	0.04 ⁽³⁾	(0.65) ⁽⁴⁾

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 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) The diluted earnings/(loss) per share of the Company is equivalent to the basic earnings/(loss) per share as the Company does not have any convertible securities at the end of the reporting period.
- (3) Computation of basic/diluted earnings/(loss) per share is based on the profit/(loss) attributable to owners of the Company divided by the number of ordinary shares of 255,000,000.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2023⁽¹⁾

	Unaudited As at 30.04.2023 RM'000	Audited As at 31.10.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,933	7,910
Right-of-use assets	540	607
Total non-current assets	8,473	8,517
Current assets		
Inventories	4,336	3,800
Trade receivables	869	4,175
Non-trade receivables, deposit and prepayments	232	539
Contract assets	5,022	668
Tax recoverable	286	205
Fixed deposits with licensed banks	2,008	2,000
Cash and bank balances	609	626
Total current assets	13,362	12,013
TOTAL ASSETS	21,835	20,530
Equity		
Share capital	10,325	10,325
Retained earnings	(269)	(376)
Total equity	10,056	9,949
Non-current liabilities		
Borrowings	4,996	5,144
Lease liabilities	328	382
Total non-current liabilities	5,324	5,526
Current liabilities		
Trade payables	1,810	1,261
Non-trade payables, accruals, prepayment and deposits received	558	463
Contract liabilities	535	415
Amount due to a Director	96	89
Borrowings	3,346	2,717
Lease liabilities	110	110
Total current liabilities	6,455	5,055
TOTAL LIABILITIES	11,779	10,581
TOTAL EQUITY AND LIABILITIES	21,835	20,530
Net assets per share (RM) ⁽²⁾	0.04	0.04

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS
AT 30 APRIL 2023⁽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 2022 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 30 April 2023 and as at 31 October 2022.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2023⁽¹⁾**

	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	-	-	6,270
Total comprehensive loss for the financial year	-	-	(2,156)	(2,156)
Balance at 31 October 2022	<u>10,325</u>	<u>(934)</u>	<u>558</u>	<u>9,949</u>
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
Balance at 1 November 2022	10,325	(934)	558	9,949
Total comprehensive income for the financial period	-	-	107	107
Balance at 30 April 2023	<u>10,325</u>	<u>(934)</u>	<u>665</u>	<u>10,056</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 2022 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 APRIL 2023⁽¹⁾

	6 months ended	
	30.04.2023 RM'000	30.04.2022 RM'000
Cash flows (for)/from operating activities		
Profit/(Loss) before taxation	107	(1,435)
Adjustments for:		
Gain on disposal of property, plant and equipment	-	(~)
Depreciation of property, plant and equipment	152	58
Depreciation of right-of-use assets	67	74
Interest expenses	184	94
Interest received	(23)	(16)
Operating profit/(loss) before working capital charges	487	(1,225)
Increase in inventories	(536)	(3,497)
Decrease in receivables	3,613	1,396
(Increase)/Decrease in contract assets	(4,354)	1,331
Increase/(Decrease) in contract liabilities	120	(76)
Increase in payables	642	6,558
Cash generated from operations	(28)	4,487
Interest received	23	16
Income tax paid	(81)	(121)
Net cash (used in)/generated from operating activities	(86)	4,382
Cash flow for investing activities		
Placement of fixed deposits	-	(983)
Acquisition of property, plant and equipment	(174)	(6,348)
Net changes in fixed deposits pledged with licensed banks	(8)	-
Proceeds from disposal of property, plant and equipment	-	~
Net cash used in investing activities	(182)	(7,331)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 APRIL 2023⁽¹⁾ (CONT'D)

	6 months ended	
	30.04.2023 RM'000	30.04.2022 RM'000
Cash flows (for)/from financing activities		
Proceeds from issuance of new ordinary shares	-	6,270
Repayment of term loan	(148)	(114)
Repayment of lease liabilities	(54)	(58)
Advances from/(Repayment to) a Director	7	(28)
Interest paid	(184)	(94)
Net cash (used in)/from financing activities	(379)	5,976
Net (decrease)/increase in cash and cash equivalents	(647)	3,027
Cash and cash equivalents at beginning of the financial period	(1,744)	498
Cash and cash equivalents at end of the financial period	(2,391)	3,525

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 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Cash and cash equivalents at end of the financial period comprised the following:

	30 April 2023 RM '000	30 April 2022 RM '000
Cash and bank balances	609	3,525
Less: Bank overdraft	(3,000)	-
Cash and cash equivalents at end of the financial period	(2,391)	3,525

~ Less than RM1,000

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 30 APRIL 2023

A1. Basis of preparation

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 interim financial report should be read in conjunction with the audited financial statements of the Group for the FYE 31 October 2022 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) Standards issued and effective

On 1 July 2022, the Company has adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2022:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective date
• Amendments to MFRS 3, <i>Business Combinations</i> : Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116, <i>Property, Plant and Equipment</i> : Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
• Annual improvements to MFRSs 2018 - 2020 cycle	1 January 2022
- Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	
- Amendments to MFRS 9, <i>Financial Instruments</i>	
- Amendments to MFRS 16, <i>Leases</i>	
- Amendments to MFRS 141, <i>Agriculture</i>	
- Amendments to MFRS 119, <i>Employee Benefits</i> : <i>Plan Amendment Curtailment and Settlement</i>	

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 FIRST HALF YEAR ENDED 30 APRIL 2023 (CONT'D)

A2. Significant accounting policies (Cont'd)

(b) Standards issued but not yet effective

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
• MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendment to MFRS 17, <i>Insurance Contracts</i> : Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Classifications of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Disclosure of Accounting Policies	1 January 2023
• Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 112, <i>Income Tax</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to MFRS 16, <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2023
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investment in Associate and Joint Ventures</i> : Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

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 30 April 2023.

A4. Material changes in accounting estimates

There were no material changes in accounting estimates and judgements during the current financial period ended 30 April 2023.

A5. Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the current financial period ended 30 April 2023.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 30 APRIL 2023 (CONT'D)

A6. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 April 2023.

A7. Contingent assets and contingent liabilities

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

A8. Capital commitments

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

A9. Significant related party transactions

There were no material related party transactions during the current financial period under review.

A10. 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				Cumulative 6 months ended			
	30.04.2023		30.04.2022		30.04.2023		30.04.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Engineering, procurement, construction and commissioning ("EPCC"):								
Industrial	7,447	85.84	1,850	59.18	7,447	85.84	1,850	59.18
Commercial	238	2.74	655	20.95	238	2.74	655	20.95
Residential	958	11.04	525	16.80	958	11.04	525	16.80
	<u>8,643</u>	<u>99.62</u>	<u>3,030</u>	<u>96.93</u>	<u>8,643</u>	<u>99.62</u>	<u>3,030</u>	<u>96.93</u>
Operations and maintenance:								
Industrial	33	0.38	71	2.27	33	0.38	71	2.27
Commercial	-	-	15	0.48	-	-	15	0.48
Residential	-	-	10	0.32	-	-	10	0.32
	<u>33</u>	<u>0.38</u>	<u>96</u>	<u>3.07</u>	<u>33</u>	<u>0.38</u>	<u>96</u>	<u>3.07</u>
Total	<u>8,676</u>	<u>100.00</u>	<u>3,126</u>	<u>100.00</u>	<u>8,676</u>	<u>100.00</u>	<u>3,126</u>	<u>100.00</u>

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 30 APRIL 2023 (CONT'D)

A10. Segmental information (Cont'd)

(b) Revenue by geographical location

	Individual 6 months ended				Cumulative 6 months ended			
	30.04.2023		30.04.2022		30.04.2023		30.04.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Klang Valley	5,656	65.19	1,526	48.82	5,656	65.19	1,526	48.82
Johor	2,562	29.53	1,490	47.66	2,562	29.53	1,490	47.66
Sabah	-	-	74	2.37	-	-	74	2.37
Perak	307	3.54	36	1.15	307	3.54	36	1.15
Malacca	38	0.44	-	-	38	0.44	-	-
Penang	113	1.30	-	-	113	1.30	-	-
Total	8,676	100.00	3,126	100.00	8,676	100.00	3,126	100.00

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B. EXPLANATORY NOTES TO THE PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of performance

The Group recorded revenue of RM8.68 million for the first half year ended 30 April 2023, representing an increase of RM5.55 million or 177.32% to the revenue recorded in the corresponding period of RM3.13 million. The increase revenue was mainly attributable to the increase in revenue recognised from the Group's industrial customers which increased by RM5.56 million or 289.58% from RM1.92 million for the first half year ended 30 April 2022 to RM7.48 million for the first half year ended 30 April 2023 as a result of increase in number of projects undertaken and milestones completed as well as new projects secured mainly in the Klang Valley and Johor.

The Group recorded profit before tax of RM0.11 million for the first half year ended 30 April 2023 as opposed to loss before tax of RM1.42 million recorded for the corresponding period in the immediate year, representing an increase of RM1.53 million or 107.75%. The increase in profit before tax was in line with the increase in the revenue recorded during the current financial period under review and the lower other operating expenses incurred for the current financial period. The higher other operating expenses incurred for the corresponding period in the immediate year was mainly due to the listing expenses incurred in relation to the listing exercise of the Company on the LEAP Market of Bursa Securities.

B2. Prospects

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. Malaysia's solar photovoltaic industry would remain optimistic under government's steady commitment based on their announcement on 9 March 2023 in regards to Energy Transition Outlook on the development of the renewable energy. The Government also announced in late 2022 on imposing a 20 sen/kWh Imbalance Cost Pass-Through mechanism surcharge from the previous 3.7 sen/kWh on medium and high voltage commercial and industrial users. The solar photovoltaic industry anticipated in favour of more solar energy adoptions from these commercial and industrial users based on the increase in tariff rate.

On the other hand, there are business challenges from the impact of the 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 unbilled order book of RM18.44 million which will progressively be recognised in the upcoming financial period/year and in addition there is a strong pipeline of work flow and will continue to grow its order book.

In view of the above, the Board is of the view that the Group overall performance would remain optimistic of achieving satisfactory results for the financial year.

B2. 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 30 April 2023, 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	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	(2,000)	-	-	Within 24 months
Operation expansion to Penang and Johor	1,000	(126)	-	874	Within 24 months
Working capital	2,425	(2,520)	95	-	Within 24 months
Estimated listing expenses	845	(750)	(95)	-	Immediate
	6,270	(5,396)	-	874	

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 period ended 30 April 2023.

C5. Material events subsequent to the end of the period under review

There were no material events subsequent to the end of the current financial period.

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