



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

**UNAUDITED FINANCIAL STATEMENTS
FOR THE SECOND HALF YEAR ENDED
31 OCTOBER 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 SECOND HALF YEAR ENDED 31
OCTOBER 2023⁽¹⁾**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.10.2023 RM'000	Unaudited 31.10.2022 RM'000	Unaudited 31.10.2023 RM'000	Audited 31.10.2022 RM'000
Revenue	11,757	5,748	20,433	8,874
Cost of sales	(10,545)	(4,101)	(18,008)	(8,289)
Gross profit	1,212	1,647	2,425	585
Other income	85	128	161	174
Administrative expenses	(26)	(46)	(57)	(655)
Other operating expenses	(1,192)	(2,233)	(2,159)	(1,998)
Profit/(Loss) from operations	79	(504)	370	(1,894)
Finance cost	(180)	(142)	(364)	(185)
(Loss)/Profit before tax	(101)	(646)	6	(2,079)
Tax expense	(86)	(91)	(86)	(77)
Loss after tax	(187)	(737)	(80)	(2,156)
Total comprehensive loss for the financial period	(187)	(737)	(80)	(2,156)
Loss attributable to:				
- Owners of the Company	(187)	(737)	(80)	(2,156)
- Non-controlling interest	-	-	-	-
	(187)	(737)	(80)	(2,156)
Loss per share:				
Basic/Diluted ⁽²⁾ (sen)	(0.07) ⁽³⁾	(0.31) ⁽⁴⁾	(0.03) ⁽³⁾	(0.98) ⁽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 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) The diluted loss per share of the Company is equivalent to the basic loss per share as the Company does not have any convertible securities at the end of the reporting period.
- (3) Computation of basic/diluted loss per share is based on the loss attributable to owners of the Company divided by the number of ordinary shares of 255,000,000.
- (4) Computation of basic/diluted loss per share is based on the loss 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.
- (5) Computation of basic/diluted loss 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 220,012,678.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2023⁽¹⁾

	Unaudited As at 31.10.2023 RM'000	Audited As at 31.10.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,058	7,910
Right-of-use assets	715	607
Total non-current assets	8,773	8,517
Current assets		
Inventories	2,759	3,800
Trade receivables	1,977	4,175
Non-trade receivables, deposit and prepayments	350	539
Contract assets	4,702	668
Tax recoverable	359	205
Fixed deposits with licensed banks	2,017	2,000
Cash and bank balances	250	626
Total current assets	12,414	12,013
TOTAL ASSETS	21,187	20,530
Equity		
Share capital	10,325	10,325
Reserves	(456)	(376)
Total equity	9,869	9,949
Non-current liabilities		
Borrowings	4,821	5,144
Lease liabilities	465	382
Deferred tax liabilities	49	-
Total non-current liabilities	5,335	5,526
Current liabilities		
Trade payables	1,824	1,261
Non-trade payables, accruals, prepayment and deposits received	376	463
Contract liabilities	615	415
Amount due to a Director	22	89
Borrowings	2,986	2,717
Lease liabilities	160	110
Total current liabilities	5,983	5,055
TOTAL LIABILITIES	11,318	10,581
TOTAL EQUITY AND LIABILITIES	21,187	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 31 OCTOBER 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 255,000,000 ordinary shares as at 31 October 2023 and as at 31 October 2022.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 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 loss for the financial year	-	-	(80)	(80)
Balance at 31 October 2023	<u>10,325</u>	<u>(934)</u>	<u>478</u>	<u>9,869</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 31 OCTOBER 2023⁽¹⁾

	12 months ended	
	31.10.2023	31.10.2022
	RM'000	RM'000
Cash flows from/(for) operating activities		
Profit/(Loss) before taxation	6	(2,079)
Adjustments for:		
Gain on disposal of property, plant and equipment	-	(52)
Gain on disposal of right-of-use assets	-	(3)
Depreciation of property, plant and equipment	380	193
Loss on property, plant and equipment written off	-	141
Depreciation of right-of-use assets	-	156
Interest expenses	364	185
Interest received	(47)	(47)
Operating profit/(loss) before working capital charges	703	(1,506)
Decrease/(Increase) in inventories	1,040	(3,313)
Decrease/(Increase) in receivables	2,388	(1,632)
(Increase)/Decrease in contract assets	(4,034)	1,803
Increase in contract liabilities	200	105
Increase in payables	477	787
Cash generated from / (used in) operations	774	(3,756)
Interest received	47	47
Income tax refunded	-	5
Income tax paid	(190)	(547)
Net cash generated from/(used in) operating activities	631	(4,251)
Cash flow for investing activities		
Acquisition of property, plant and equipment	(660)	(7,924)
Acquisition of right-of-use assets	-	(126)
Net changes in fixed deposits pledged with licensed banks	(17)	(730)
Proceeds from disposal of property, plant and equipment	23	185
Net cash used in investing activities	(654)	(8,595)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 OCTOBER 2023⁽¹⁾ (CONT'D)

	12 months ended	
	31.10.2023 RM'000	31.10.2022 RM'000
Cash flows (for)/from financing activities		
Proceeds from issuance of new ordinary shares	-	6,270
Repayment of term loan	(308)	(322)
Drawdown/(Repayment) of lease liabilities	132	(171)
(Repayment to)/advances from a Director	(67)	62
Drawdown of term loan	-	4,950
Interest paid	(364)	(185)
Net cash (used in)/from financing activities	(607)	10,604
Net decrease in cash and cash equivalents	(630)	(2,242)
Cash and cash equivalents at beginning of the financial period	(1,744)	498
Cash and cash equivalents at end of the financial period	(2,374)	(1,744)

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:

	31 October 2023 RM '000	31 October 2022 RM '000
Cash and bank balances	250	626
Less: Bank overdraft	(2,624)	(2,370)
Cash and cash equivalents at end of the financial period	(2,374)	(1,744)

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 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 Rule 6.12 and Appendix 6A, Part A of the LEAP Market 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 November 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:

Description

- Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework
- Amendments to MFRS 116, *Property, Plant and Equipment*: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts - Cost of Fulfilling a Contract
- Annual improvements to MFRSs 2018 - 2020 cycle
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 16, *Leases*
 - Amendments to MFRS 141, *Agriculture*

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 31 OCTOBER 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:

Description	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 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
• Amendments to MFSR 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 2024
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107, <i>Statement of Cash Flows and MFRS 7 Financial Instruments</i> : Disclosures – Supplier Finance Arrangements	1 January 2024
• Amendments to MFRS 121, <i>The Effects of Change in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
• Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128 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 31 October 2023.

A4. Material changes in accounting estimates

There were no material changes in accounting estimates and judgements during the current financial period ended 31 October 2023.

A5. Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the current financial period ended 31 October 2023.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 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 31 October 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 12 months ended			
	31.10.2023		31.10.2022		31.10.2023		31.10.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Engineering, procurement, construction and commissioning ("EPCC"):								
Industrial								
Commercial	10,616	90.29	4,305	74.90	18,301	89.56	6,810	77.36
Residential	1,079	9.18	1,437	25.00	2,037	9.97	1,962	22.11
	<u>11,695</u>	<u>99.47</u>	<u>5,742</u>	<u>99.90</u>	<u>20,338</u>	<u>99.53</u>	<u>8,772</u>	<u>98.85</u>
Operations and maintenance:								
Industrial								
Commercial	62	0.53	5	0.09	95	0.47	91	1.03
Residential	-	-	1	0.01	-	-	11	0.12
	<u>62</u>	<u>0.53</u>	<u>6</u>	<u>0.10</u>	<u>95</u>	<u>0.47</u>	<u>102</u>	<u>1.15</u>
Total	<u>11,757</u>	<u>100.00</u>	<u>5,748</u>	<u>100.00</u>	<u>20,433</u>	<u>100.00</u>	<u>8,874</u>	<u>100.00</u>

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2023 (CONT'D)

A10. Segmental information (Cont'd)

(b) Revenue by geographical location

	Individual 6 months ended				Cumulative 12 months ended			
	31.10.2023		31.10.2022		31.10.2023		31.10.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Klang Valley	6,487	55.18	3,231	56.22	12,143	59.43	4,757	53.61
Johor	1,075	9.14	2,424	42.17	3,637	17.80	3,914	44.11
Sabah	-	-	-	-	-	-	74	0.83
Perak	1,209	10.28	29	0.50	1,516	7.42	65	0.73
Malacca	2	0.02	-	-	40	0.19	-	-
Pahang	51	0.43	38	0.66	51	0.25	38	0.43
Penang	2,933	24.95	26	0.45	3,046	14.91	26	0.29
Total	11,757	100.00	5,748	100.00	20,433	100.00	8,874	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

Second half year ended 31 October 2023 vs second half year ended 31 October 2022

The Group recorded revenue of RM11.76 million for the second half year ended 31 October 2023 as opposed to revenue of RM5.75 million in the corresponding period in the immediate year. The higher revenue was mainly attributable to increase in number of EPCC projects undertaken and completed particularly in the Klang Valley and Perak.

FYE 31 October 2023 vs FYE 31 October 2022

For the FYE 31 October 2023, the Group recorded revenue of RM20.43 million which represents an increase of RM11.56 million or 130.33% as compared to RM8.87 million revenue recorded for the 12 months FYE 31 October 2022. The higher revenue recorded in FYE 31 October 2023 was mainly due to more project realisations from the secured order books throughout the year.

For the FYE 31 October 2023, RM20.34 million or 99.53% (FYE 31 October 2022: RM8.77 million or 98.85%) of the revenue was generated from solar related EPCC projects and RM0.09 million or approximately 0.47% (FYE 31 October 2022: RM0.10 million or approximately 1.15%) was contributed by operations and maintenance works undertaken by the Group.

The Group recorded profit before tax of RM0.01 million for FYE 31 October 2023 as opposed to loss before tax of RM2.08 million recorded for FYE 31 October 2022. The profit before tax was in line with the increase in the revenue recorded during the current financial year under review.

B2. Prospects

With a target of achieving 70% of the total energy mix from renewable sources and aspiring to attain net-zero emissions by 2050, Malaysia is committed to a sustainable energy future. As outlined in the Malaysia Energy Transition Outlook 2023, the power sector aims to increase its renewable energy (“RE”) capacity to 31% by 2025 and 40% by 2035, with a specific focus on positioning solar energy, particularly from the solar photovoltaic industry, as the primary RE source.

This strategic shift towards solar energy adoption, particularly in the commercial and industrial sectors, underscores Malaysia’s commitment to diversify its energy mix. The anticipation is that the solar photovoltaic industry will play a pivotal role in driving increased adoption, offering clean and sustainable energy solutions for businesses. By promoting solar energy for commercial and industrial users, Malaysia not only contributes to environmental sustainability but also enhances energy security and economic resilience. Monitoring the effective implementation of these plans, coupled with supportive policies and infrastructure development, will be pivotal for the success of Malaysia’s RE initiatives and its emergence as a regional and global leader in the transition to sustainable energy.

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

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

The Group currently has unbilled order book of RM19.37 million which will progressively be recognised in the upcoming financial period/year and in addition, there is a strong pipeline of work flow which is expected to grow its order book.

In view of the above, the Board is cautiously optimistic that the Group is expected to achieve 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 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	(186)	-	814	Within 24 months
Working capital	2,425	(2,520)	95	-	Within 24 months
Estimated listing expenses	845	(750)	(95)	-	Immediate
	6,270	(5,456)	-	814	

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

The Group is putting more focus on the existing core operation and hence, a longer time is required for the operation expansion to Penang and Johor. Accordingly, the estimated timeframe for utilisation will need to be extended from the original 24 months to 36 months.

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 31 October 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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