



**RGT BERHAD**  
**(formerly known as Asia Knight Berhad)**  
(Incorporated in Malaysia)  
Company No: 71024-T

**CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
*for the financial year ended 30 June 2019*

**RGT BERHAD**  
**(formerly known as Asia Knight Berhad)**  
(Incorporated in Malaysia)  
Company No: 71024-T

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Note	Individual quarter		Cumulative period	
		Current Quarter Ended 30.06.2019 (Unaudited) RM'000	Corresponding Preceding Quarter Ended 30.06.2018 (Unaudited) RM'000	Current Year-To-Date Ended 30.06.2019 (Audited) RM'000	Corresponding Preceding Year-To-Date Ended 30.06.2018 (Audited) RM'000
Revenue		19,060	16,998	94,522	26,426
Cost of goods sold		(14,352)	(13,180)	(68,312)	(21,850)
Gross profit		4,708	3,818	26,210	4,576
Interest Income		174	69	640	103
Other income		833	1,584	1,273	1,602
Impairment losses on financial assets		-	(11)	-	(11)
Administrative and general expenses		(2,432)	(3,267)	(12,992)	(7,051)
Finance costs		(70)	(68)	(400)	(68)
Profit/(Loss) before tax	23	3,213	2,125	14,731	(849)
Tax expense	17	(817)	(148)	(3,848)	(184)
Profit/(Loss) for the financial period/year		2,396	1,977	10,883	(1,033)
Other comprehensive income for the financial period/year		-	-	-	-
Comprehensive income for the financial period/year		2,396	1,977	10,883	(1,033)
Profit/(Loss) for the financial period/year attributable to:-					
- Owners of the Company		1,565	1,177	6,086	(1,831)
- Non-controlling interests		831	800	4,797	798
		2,396	1,977	10,883	(1,033)
Comprehensive income for the financial period/year attributable to:-					
- Owners of the Company		1,565	1,177	6,086	(1,831)
- Non-controlling interests		831	800	4,797	798
		2,396	1,977	10,883	(1,033)
Earnings/(Loss) per share:-	22				
- Basic (sen)		0.27	0.36	1.05	(1.47)
- Diluted (sen)		0.24	0.29	0.94	(1.47)

The Audited Condensed Consolidated Financial Statements should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2019.

**RGT BERHAD**  
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Company No: 71024-T

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	<b>As at 30.06.2019 RM'000</b>	<b>As at 30.06.2018 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	41,856	44,486
Goodwill	17,147	17,147
	<u>59,003</u>	<u>61,633</u>
<b>CURRENT ASSETS</b>		
Inventories	9,327	9,567
Receivables	15,341	20,318
Prepayments	543	672
Current tax assets	954	2,103
Cash and cash equivalents	24,956	23,705
	<u>51,121</u>	<u>56,365</u>
<b>CURRENT LIABILITIES</b>		
Payables	10,716	14,849
Loans and borrowings - secured	1,747	2,019
Derivatives	13	324
Provisions	-	1,007
Contract liabilities	46	8,661
Current tax liabilities	1	43
	<u>12,523</u>	<u>26,903</u>
<b>NET CURRENT ASSETS</b>	<b>38,598</b>	<b>29,462</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings - secured	4,197	6,101
Deferred tax liabilities	5,003	5,050
	<u>9,200</u>	<u>11,151</u>
<b>NET ASSETS</b>	<b>88,401</b>	<b>79,944</b>
<b>EQUITY</b>		
Share capital	49,352	49,352
Warrant reserve	8,818	8,818
Retained profits/(Accumulated losses)	3,870	(2,216)
Equity attributable to owners of the Company	<u>62,040</u>	<u>55,954</u>
Non-controlling interests	26,361	23,990
<b>TOTAL EQUITY</b>	<b>88,401</b>	<b>79,944</b>
 Net assets per ordinary share attributable to owners of the Company (sen)	 <u>10.75</u>	 <u>9.70</u>

The Audited Condensed Consolidated Financial Statements should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2019.

**RGT BERHAD****(formerly known as Asia Knight Berhad)**

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Company No: 71024-T

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Share capital RM'000	Non-distributable Warrant reserve RM'000	(Accumulated losses)/Retained profits RM'000	Equity attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance at 1 July 2018	49,352	8,818	(2,216)	55,954	23,990	79,944
Dividend to non-controlling interests (representing total transactions with owners)	-	-	-	-	(2,800)	(2,800)
Disposal of subsidiaries	-	-	-	-	374	374
Profit (representing comprehensive income) for the financial year			6,086	6,086	4,797	10,883
Balance at 30 June 2019	<u>49,352</u>	<u>8,818</u>	<u>3,870</u>	<u>62,040</u>	<u>26,361</u>	<u>88,401</u>
Balance at 1 July 2017	60,597	-	(57,385)	3,212	(448)	2,764
Capital reduction	(57,000)	-	57,000	-	-	-
Issue of shares and warrants	47,359	9,128	-	56,487	-	56,487
Equity issue transaction costs	(1,604)	(310)	-	(1,914)	-	(1,914)
Total transactions with owners	(11,245)	8,818	57,000	54,573	-	54,573
Acquisition of subsidiary	-	-	-	-	23,640	23,640
(Loss)/Profit (representing comprehensive income) for the financial year	-	-	(1,831)	(1,831)	798	(1,033)
Balance at 30 June 2018	<u>49,352</u>	<u>8,818</u>	<u>(2,216)</u>	<u>55,954</u>	<u>23,990</u>	<u>79,944</u>

The Audited Condensed Consolidated Financial Statements should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2019.

**RGT BERHAD**  
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Company No: 71024-T

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	<b>Current Year-To-Date Ended 30.06.2019 (Audited) RM'000</b>	<b>Corresponding Preceding Year-To-Date Ended 30.06.2018 (Audited) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	14,731	(849)
Adjustments for:-		
Depreciation of property, plant and equipment	3,734	972
Gain on disposal of property, plant and equipment	(63)	(13)
Impairment loss on financial assets	-	11
Interest expense	400	68
Interest income	(640)	(103)
Inventories written down	241	408
Loss on disposal of subsidiaries	374	-
Property, plant and equipment written off	90	30
Unrealised loss/(gain) on foreign exchange	6	(365)
Unrealised loss on derivatives	13	291
Waiver of debts	-	(42)
Operating profit before working capital changes	<u>18,886</u>	<u>408</u>
Changes in:-		
Inventories	(1)	245
Receivables and prepayments	5,093	4,619
Payables and contract liabilities	(12,724)	7,861
Provisions	(1,007)	(895)
Derivatives	(324)	3
Cash generated from operations	<u>9,923</u>	<u>12,241</u>
Tax paid	(3,225)	(607)
Tax refunded	438	2
Net cash from operating activities	<u>7,136</u>	<u>11,636</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	-	(26,955)
Interest received	640	103
Proceeds from disposal of property, plant and equipment	329	13
Proceeds from disposal of subsidiaries	-	-
Purchase of property, plant and equipment	(1,460)	(300)
Net cash used in investing activities	<u>(491)</u>	<u>(27,139)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling interests	(2,800)	-
Equity issue transaction costs paid	-	(1,914)
Interest paid	(400)	(68)
Issue of shares	-	34,881
Placement of cash and cash equivalents pledged as security (net)	(102)	(17)
Repayment of hire purchase obligations	(574)	(86)
Repayment of term loans	(1,602)	(260)
Net cash (used in)/from financing activities	<u>(5,478)</u>	<u>32,536</u>
Currency translation differences	(18)	(42)

The Audited Condensed Consolidated Financial Statements should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2019.

## **RGT BERHAD**

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### **AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (CONT'D)**

	<b>Current Year-To-Date Ended 30.06.2019 (Audited) RM'000</b>	<b>Corresponding Preceding Year-To-Date Ended 30.06.2018 (Audited) RM'000</b>
Net increase in cash and cash equivalents	1,149	16,991
Cash and cash equivalents brought forward	20,707	3,716
Cash and cash equivalents carried forward	<u>21,856</u>	<u>20,707</u>
Analysis of cash and cash equivalents:-		
- Highly liquid investments	19,188	9,893
- Term deposits	3,100	2,141
- Cash and bank balances	<u>2,668</u>	<u>11,671</u>
	24,956	23,705
Less: Cash and cash equivalents pledged	<u>(3,100)</u>	<u>(2,998)</u>
	<u>21,856</u>	<u>20,707</u>

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
("MFRS") 134, INTERIM FINANCIAL REPORTING**

**1. BASIS OF PREPARATION**

The interim financial report have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019.

The significant accounting policies and method of computation adopted in the interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2019 except for the adoption of the following MFRSs:-

MFRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 9 <i>Financial Instruments</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i> (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 15 <i>Clarifications to MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures</i> (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018

The adoption of the above MFRSs did not result in any significant changes in the accounting policies of the Group except as follows:-

MFRS 9 *Financial Instruments*

MFRS 9, which replaces MFRS 139 *Financial Instruments: Recognition and Measurement*, sets out the requirements for recognising and measuring financial instruments. The major changes introduced by MFRS 9 (that are relevant to the Group) relate to the classification and measurement of financial assets. Under MFRS 9:-

- (i) Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the business model within which they are held and their contractual cash flow characteristics. The adoption of the new guidance did not significantly affect the existing classification and measurement of financial assets of the Group.

# RG T BERHAD

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Company No: 71024-T

## EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### 1. BASIS OF PREPARATION (CONT'D)

#### MFRS 9 Financial Instruments (cont'd)

- (ii) Impairment loss on financial assets is recognised using a new “expected credit loss” model as opposed to the “incurred credit loss” model currently used in MFRS 139. Under the new model, expected credit losses are recognised for financial assets using reasonable and supportable historical and forward-looking information even before a loss event occurs. The additional impairment losses using the new impairment model were not material to the Group.

#### MFRS 15 Revenue from Contracts with Customers

MFRS 15, which replaces MFRS 111 *Construction Contracts*, MFRS 118 *Revenue* and other related interpretations, establishes a single comprehensive model for revenue recognition. Under MFRS 15, revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Revenue is recognised either over time or at a point in time depending on the timing of transfer of control. The adoption of the new revenue recognition model did not significantly affect the previous practice of recognising revenue from the sale of goods based on the transfer of risks and rewards which generally coincides with the transfer of control at a point in time.

The Group has not applied the following MFRSs which have been issued as at the end of reporting period but are not yet effective:-

<u>MFRS (Issued as at the end of the reporting period)</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 16 <i>Leases</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
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 11 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 112 <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Borrowing Costs Eligible for Capitalisation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020



**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

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**1. BASIS OF PREPARATION (CONT'D)**

Management foresees that the initial application of the above MFRSs will not result in any significant changes in the accounting policies of the Group except as follows:-

MFRS 16 Leases

MFRS 16, which replaces MFRS 117 Leases and other related interpretations, eliminates the distinction between finance and operating leases for lessees. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise 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.

The Group and the Company will apply the new requirements of MFRS 16 from 1 July 2019 with any cumulative effect of initial application recognised at that date without restating the comparative information presented under MFRS 117.

**2. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business operations of the Group were not materially affected by any seasonal or cyclical factor.

**3. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current interim period.

**4. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates of amounts reported in prior interim period of the current financial year or changes in estimates of amounts reported in prior financial year.

**5. DEBT AND EQUITY SECURITIES**

There were no other issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current interim period.

**6. DIVIDENDS PAID**

No dividend was paid during the current interim period.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

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**7. SEGMENTAL INFORMATION**

**Operating Segments**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the manufacture and sale of plastic parts and products.

**Geographical Information**

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

	<u>Individual quarter</u>		<u>Cumulative period</u>	
	<u>Current Quarter Ended 30.06.2019 RM'000</u>	<u>Corresponding Preceding Quarter Ended 30.06.2018 RM'000</u>	<u>Current Year-To-Date Ended 30.06.2019 RM'000</u>	<u>Corresponding Preceding Year-To-Date Ended 30.06.2018 RM'000</u>
Malaysia	2,440	1,006	10,151	10,434
United States of America	9,820	12,012	63,410	12,012
Switzerland	4,964	2,257	16,225	2,257
Others	1,836	1,723	4,736	1,723
	<u>19,060</u>	<u>16,998</u>	<u>94,522</u>	<u>26,426</u>

**8. CONTRACTUAL COMMITMENT**

The Group has no material contractual commitment in respect of property, plant and equipment as at the end of current quarter under review.

**9. CHANGES IN COMPOSITION**

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

However, vide an announcement made on 29 April 2019, the Company had divested its entire equity interest in certain inactive subsidiaries in the following manner for a total cash consideration of Ringgit Malaysia Five (RM5.00) only ("the Disposal"). In consequent to the Disposal, the said subsidiaries have ceased as subsidiary company of the Company:-

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

**9. CHANGES IN COMPOSITION (CONT'D)**

<b>Name of Subsidiary</b>	<b>Effective Ownership Interest</b>	<b>No. of Ordinary Shares (OS) held [Sale Shares]</b>	<b>Sale Consideration (RM)</b>
Pahanco Manufacturing Sdn. Bhd. (Company No. 242873-X) [PM]	100%	10,000,000	2.00
Natural Renewable Energy Sdn. Bhd. (Company No. 46591-H) [NRE]	100%	486,000	2.00
JC Concept International Sdn. Bhd. (Company No. 415705-A) [JCCI]	55%	137,500	1.00
<b>Total</b>			<b>5.00</b>

**10. CONTINGENCIES**

There were no significant changes in contingent assets or liabilities since 30 June 2018.

**11. SUBSEQUENT EVENTS**

On 21 August 2019, the Company made an announcement to Bursa Malaysia Securities Berhad to undertake the following proposals:-

- (i) Proposed acquisition of the remaining 40% equity interest in Rapid Growth Technology Sdn. Bhd. for a purchase consideration of RM48,000,000 to be satisfied entirely via issuance of 282,352,941 ordinary shares at an issue price of RM0.17 per shares to a nominee company owned by the vendors ("Proposed Acquisition"); and
- (ii) Proposed exemption to the vendors, their nominee company and the persons acting in concert with them from the obligation to undertake a mandatory take-over offer for all the remaining Shares and Warrants in the Company not already held by them pursuant to the Proposed Acquisition under Paragraph 4.08(1) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions.

**12. SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the current interim period.

**13. DERIVATIVES**

Forward exchange contracts - at fair value  
- Current liabilities

30.06.2019  
RM'000

13

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

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**13. DERIVATIVES (CONT'D)**

Forward exchange contracts are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 30 June 2019, the Group had contracts with financial institutions due within 1 year to buy RM4,954,000 and sell USD1,200,000 at contractual forward rates.

The fair values of forward exchange contracts were quoted by the financial institutions, which normally measured the fair values using present value technique by discounting the differences between contractual forward prices and observable current market forward prices using risk-free interest rate (i.e. Level 2).

**Fair Value Changes of Financial Liabilities**

The Group does not remeasure its financial liabilities at fair value after the initial recognition.

**Fair Value**

The Group uses 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 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.

**Financial Assets and Financial Liabilities**

The carrying amounts of receivables, cash and cash equivalents, 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 forward exchange contracts are measured using present value technique by discounting the differences between contractual forward prices and observable current market forward prices using risk-free interest rate (i.e. Level 2).

There were no transfers between levels of fair value hierarchy during the current interim period.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD**

**14. REVIEW OF PERFORMANCE**

**Current Quarter (Q4'19) vs Corresponding Preceding Quarter (Q4'18)**

	Current Quarter Ended 30.06.2019 RM'000	Corresponding	Variance	
		Preceding Quarter Ended 30.06.2018 RM'000	RM'000	%
Revenue	19,060	16,998	2,062	12%
Profit before tax	3,213	2,125	1,088	51%
Profit for the financial period	2,396	1,977	419	21%
Profit attributable to owners of the Company	1,565	1,177	388	33%

The Group recorded a revenue of RM19.06 million which represents an increase by RM2.06 million as compared to corresponding preceding quarter. The Group reported an increase of RM1.09 million on profit before tax ("PBT") to RM3.21 million in the current quarter as compared RM2.13 million in the corresponding preceding quarter. The increase in revenue and PBT was mainly due to results contributed by Rapid Growth Technology Sdn. Bhd. ("RGTSB") which acquired in May 2018.

**Current Cumulative Period (12M YTD'19) vs Corresponding Preceding Cumulative Period (12M YTD'18)**

	Current Period-To-Date Ended 30.06.2019 RM'000	Immediate	Variance	
		Preceding Period-To-Date Ended 30.06.2018 RM'000	RM'000	%
Revenue	94,522	26,426	68,096	258%
Profit/(Loss) before tax	14,731	(849)	15,580	1835%
Profit/(Loss) for the financial year	10,883	(1,033)	11,916	1154%
Profit/(Loss) attributable to owners of the Company	6,086	(1,831)	7,917	432%

For the current financial year-to-date, the Group recorded a revenue of RM94.52 million and PBT of RM14.73 million.

Increase in revenue for the current financial year-to-date, which represents an increase of RM68.10 million as compared to RM26.43 million recorded in the current cumulative period, was mainly attributable to revenue contributed by its 60%-owned subsidiary, RGTSB.

The Group recorded PBT of RM14.73 million for the current cumulative period compared to loss before tax ("LBT") of RM0.85 millions recorded in the corresponding preceding cumulative period. The Company turned into profit position was also mainly due to the contribution from RGTSB.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

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**14. REVIEW OF PERFORMANCE (CONT'D)**

**Current quarter (Q4'19) vs Immediate Preceding Quarter (Q3'19)**

	<b>Current Quarter Ended 30.06.2019 RM'000</b>	<b>Immediate Preceding Quarter Ended 31.03.2019 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	19,060	25,620	(6,560)	-26%
Profit before tax	3,213	3,856	(643)	-17%
Profit for the financial period	2,396	2,896	(500)	-17%
Profit attributable to owners of the Company	1,565	1,633	(68)	-4%

On a quarter on quarter comparison, the Group's revenue for the quarter ended 30 June 2019 decreased by RM6.56 million or 26% while PBT decreased by RM0.64 million or 17% for the current quarter as compared to the preceding quarter. The decrease in revenue is mainly due to the drop in export sales to our customer in United States of America. This is mainly due to over stocking at their premises by this particular customer. Our PBT has also decreased but at a lower percentage of 17% compared to the revenue decrease of 26% as we provided designing services which generated higher margin in this quarter.

**15. COMMENTARY ON PROSPECT**

The prospect of the global plastics industry is expected to remain positive. The positive outlook for plastic products can be largely attributed to the diversity of application of plastics due to its unique properties leading to greater demand from multiple industries. The rapid technological advancements in increasing or improving the already unique properties of plastics will further drive demand for plastic products.

The Group is expected to improve further in light of the growing demand for companies to provide value-added services or the plastic products to Malaysia and global markets.

**16. PROFIT FORECAST**

The Group did not issue any profit forecast in any form of public documentation and announcement.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

**17. TAX EXPENSE**

	<u>Individual quarter</u>		<u>Cumulative period</u>	
	<u>Current Quarter Ended 30.06.2019 RM'000</u>	<u>Corresponding Preceding Quarter Ended 30.06.2018 RM'000</u>	<u>Current Year-To-Date ended 30.06.2019 RM'000</u>	<u>Corresponding Preceding Year-To-Date Ended 30.06.2018 RM'000</u>
Tax based on results for the financial period/year:-				
- Current tax	566	421	3,964	421
- Deferred tax	229	157	(54)	157
	<u>795</u>	<u>578</u>	<u>3,910</u>	<u>578</u>
Tax (over)/ under provided in prior year:-				
- Current tax	9	(5)	(69)	31
- Real property gains tax	-	(438)	-	(438)
- Deferred tax	13	13	7	13
	<u>817</u>	<u>148</u>	<u>3,848</u>	<u>184</u>

The effective tax rates are higher than the statutory tax rate mainly due to some non-deductible expenses of the subsidiaries.

**18. STATUS OF CORPORATE PROPOSALS**

Please refer Note 11 for the corporate proposal announced but not completed as at the date of this audited financial report.

**19. BORROWINGS**

The Group's loans and borrowings as at end of the reporting period were as follows:-

	<u>Short-term RM'000</u>	<u>Long-term RM'000</u>	<u>Total RM'000</u>
Secured:-			
- Hire purchases	291	690	981
- Term loans	1,456	3,507	4,963
	<u>1,747</u>	<u>4,197</u>	<u>5,944</u>

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

**20. CHANGES IN MATERIAL LITIGATION**

**Tenaga Nasional Berhad (“TNB”) vs RGT Berhad (FKA Asia Knight Berhad)**

We refer to the above case as disclosed in our 2018 Annual Report. The Company has agreed with TNB to settle the total sum of RM1,980,000 which include the cost, interest thereon and allocator cost (“Settlement Sum”). The Settlement Sum agreed by both parties are as follows:-

- a. RM500,000 as initial payment has been paid on 15 October 2018;
- b. The balance of RM1,480,000 to be paid in 24 monthly instalments consisting of 23 equal instalments of RM61,666 and 1 final instalment of RM61,682 starting from 15 November 2018 to 15 October 2020.

The Settlement Sum has been fully accounted for in the financial statements of the Group.

Save as disclosed above, neither the Company nor any of its subsidiary companies is involved in any material litigation as at the latest practicable date, which has a material effect on the financial position of the Group.

**21. DIVIDEND**

The Board does not propose any dividend during the current quarter.

**22. EARNINGS/(LOSS) PER SHARE**

	Individual quarter		Cumulative period	
	Current Quarter Ended 30.06.2019	Corresponding Preceding Quarter Ended 30.06.2018	Current Period-to-date Ended 30.06.2019	Corresponding Preceding Period-to-date Ended 30.06.2018
Profit/(Loss) attributable to owners of the Company (RM'000)	1,565	1,177	6,086	(1,831)
Weighted average number of ordinary shares in issue ('000)	576,930	326,083	576,930	124,937
Number of shares under warrant deemed to have been issued for no consideration ('000)	65,400	80,513	71,811	-
Weighted average number of shares for computing diluted earning per share ('000)	642,330	406,596	648,741	124,937
Earnings/(Loss) per share:-				
- Basic (sen)	0.27	0.36	1.05	(1.47) **
- Diluted (sen)	0.24	0.29	0.94	(1.47)

\*\* The diluted earnings/(loss) per share equals the basic earnings/(loss) per share as there were no dilutive potential ordinary shares during the financial year



## RGT BERHAD

(formerly known as Asia Knight Berhad)

(Incorporated in Malaysia)

Company No: 71024-T

### EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

#### 23. PROFIT/(LOSS) BEFORE TAX

	Individual quarter		Cumulative period	
	Current Quarter Ended 30.06.2019 RM'000	Corresponding Preceding Quarter Ended 30.06.2018 RM'000	Current Year-to-date Ended 30.06.2019 RM'000	Corresponding Year-to-date Ended 30.06.2018 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):-				
Depreciation of property, plant and equipment	906	668	3,734	972
Fair value loss/(gains) on financial instruments mandatorily measured at fair value through profit or loss	16	294	(311)	294
Gain on disposal of property, plant and equipment	-	(13)	(63)	(13)
Impairment losses on financial assets	-	11	-	11
Interest expense	70	68	400	68
Interest income	(174)	(69)	(640)	(103)
Inventories written down	180	408	241	408
(Gain)/Loss on foreign exchange:-				
- Realised	(79)	(644)	600	(600)
- Unrealised	(67)	(365)	6	(365)
Loss on disposal of subsidiaries	374	-	374	-
Property, plant and equipment written off	61	30	90	30

Save for the above, the other items as required under Paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.