



RGT BERHAD

(Incorporated in Malaysia)

Registration No: 198101004909 (71024-T)

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the financial period ended 30 September 2020

RGT BERHAD

(Incorporated in Malaysia)

Registration No: 198101004909 (71024-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	Individual quarter		Cumulative period	
		Current Quarter Ended 30.09.2020 RM'000	Corresponding Preceding Quarter Ended 30.09.2019 RM'000	Current Period-To-Date Ended 30.09.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2019 RM'000
Revenue		41,756	18,624	41,756	18,624
Cost of goods sold		(29,226)	(13,637)	(29,226)	(13,637)
Gross profit		12,530	4,987	12,530	4,987
Interest income		103	208	103	208
Other income		70	199	70	199
Administrative and general expenses		(3,637)	(2,932)	(3,637)	(2,932)
Finance costs		(69)	(74)	(69)	(74)
Profit before tax	24	8,997	2,388	8,997	2,388
Tax expense	17	(1,940)	(519)	(1,940)	(519)
Profit for the financial period		7,057	1,869	7,057	1,869
Other comprehensive income for the financial period		-	-	-	-
Comprehensive income for the financial period		7,057	1,869	7,057	1,869
Profit for the financial period attributable to:-					
- Owners of the Company		4,261	1,212	4,261	1,212
- Non-controlling interests		2,796	657	2,796	657
		7,057	1,869	7,057	1,869
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		4,261	1,212	4,261	1,212
- Non-controlling interests		2,796	657	2,796	657
		7,057	1,869	7,057	1,869
Earnings per share:-	23				
- Basic (sen)		0.73	0.21	0.73	0.21
- Diluted (sen)		0.60	0.19	0.60	0.19

The 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 2020.

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Registration No: 198101004909 (71024-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Note	As at 30.09.2020 (Unaudited) RM'000	As at 30.06.2020 (Audited) RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		34,066	28,923
Right-of-use assets		17,301	12,538
Goodwill		17,147	17,147
Deferred tax assets		249	249
		<u>68,763</u>	<u>58,857</u>
CURRENT ASSETS			
Inventories		15,393	13,344
Receivables		24,720	17,196
Derivatives		63	8
Prepayments		4,617	2,321
Current tax assets		4	3
Cash and cash equivalents		23,227	32,027
		<u>68,024</u>	<u>64,899</u>
CURRENT LIABILITIES			
Payables		21,986	17,692
Loans and borrowings - secured		773	764
Lease liabilities		912	714
Derivatives		10	5
Contract liabilities		-	1,779
Current tax liabilities		2,030	518
		<u>25,711</u>	<u>21,472</u>
NET CURRENT ASSETS		42,313	43,427
NON-CURRENT LIABILITIES			
Loans and borrowings - secured		2,529	2,723
Lease liabilities		1,965	782
Deferred tax liabilities		5,003	5,003
		<u>9,497</u>	<u>8,508</u>
NET ASSETS		101,579	93,776
EQUITY			
Share capital	5	50,475	49,352
Warrant reserve	5	8,441	8,818
Retained profits		11,371	7,110
Equity attributable to owners of the Company		<u>70,287</u>	<u>65,280</u>
Non-controlling interests		31,292	28,496
TOTAL EQUITY		101,579	93,776
Net assets per ordinary share attributable to owners of the Company (sen)		<u>12.03</u>	<u>11.32</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

(THE FIGURES HAVE NOT BEEN AUDITED)

		<u>Non-distributable</u>	<u>Distributable</u>			
	Share capital RM'000	Warrant reserve RM'000	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 2020	49,352	8,818	7,110	65,280	28,496	93,776
Issuance of ordinary shares pursuant to warrants	1,123	(377)	-	746	-	746
Profit (representing comprehensive income) for the financial period	-	-	4,261	4,261	2,796	7,057
Balance at 30 September 2020	<u>50,475</u>	<u>8,441</u>	<u>11,371</u>	<u>70,287</u>	<u>31,292</u>	<u>101,579</u>
Balance at 1 July 2019	49,352	8,818	3,870	62,040	26,361	88,401
Dividends to non-controlling interests (representing total transactions with owners)	-	-	-	-	(1,200)	(1,200)
Profit (representing comprehensive income) for the financial period	-	-	1,212	1,212	657	1,869
Balance at 30 September 2019	<u>49,352</u>	<u>8,818</u>	<u>5,082</u>	<u>63,252</u>	<u>25,818</u>	<u>89,070</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Period-To-Date Ended 30.09.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,997	2,388
Adjustments for:-		
Depreciation of property, plant and equipment	725	714
Depreciation of right-of-use assets	321	237
Gain on disposal of property, plant and equipment	-	(16)
Interest expense	69	74
Interest income	(103)	(208)
Unrealised (gain)/loss on derivatives	(53)	26
Unrealised loss/(gain) on foreign exchange	278	(42)
Operating profit before working capital changes	<u>10,234</u>	<u>3,173</u>
Changes in:-		
Inventories	(2,048)	1,457
Receivables and prepayments	(10,176)	1,103
Payables and contract liabilities	3,551	400
Derivatives	3	(13)
Cash generated from operations	<u>1,564</u>	<u>6,120</u>
Tax paid	(429)	(964)
Tax refunded	-	1,956
Net cash from operating activities	<u>1,135</u>	<u>7,112</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(5,886)	(177)
Acquisition of right-of-use assets	(3,469)	-
Interest received	103	208
Proceeds from disposal of property, plant and equipment	-	16
Net cash (used in)/from investing activities	<u>(9,252)</u>	<u>47</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	-	(1,200)
Interest paid	(69)	(74)
Payment of lease liabilities	(1,166)	(162)
Placement of cash and cash equivalents pledged as security (net)	(14)	(24)
Proceeds from conversion of warrants	746	-
Repayment of term loans	(185)	(501)
Net cash used in financing activities	<u>(688)</u>	<u>(1,961)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONT'D)

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Period-To-Date Ended 30.09.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2019 RM'000
Currency translation differences	(9)	(1)
Net (decrease)/increase in cash and cash equivalents	(8,814)	5,197
Cash and cash equivalents brought forward	28,843	21,856
Cash and cash equivalents carried forward	<u>20,029</u>	<u>27,053</u>
Analysis of cash and cash equivalents:-		
- Highly liquid investments	14,188	22,692
- Term deposits	3,198	3,124
- Cash and bank balances	5,841	4,360
	<u>23,227</u>	<u>30,176</u>
Less: Cash and cash equivalents pledged	<u>(3,198)</u>	<u>(3,123)</u>
	<u>20,029</u>	<u>27,053</u>

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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 2020.

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 2020 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
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendment to MFRS 16 <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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

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

MFRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 4 <i>Extension of the Temporary Exemption from Applying MFRS 9</i> (w.e.f. 17 August 2020)	-
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform-Phase 2</i>	1 January 2021
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 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvement to MFRS Standards 2018 – 2020	1 January 2022

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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.

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

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

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

As at the quarter ended 30 September 2020, a total of 7,463,000 new ordinary shares were issued and allotted pursuant to the exercise of the warrants 2018/2023 ("Warrants"). Details of the issued and paid-up capital of the Company are as follows:-

Share Capital

	No. of Shares	RM'000
As at 30 June 2020	576,930,356	49,352
Ordinary shares issued pursuant to the exercise of Warrants	7,463,000	1,123
As at 30 September 2020	584,393,356	50,475

Warrant Reserve

	No. of Warrants	RM'000
As at 30 June 2020	174,398,724	8,818
Exercised	(7,463,000)	(377)
As at 30 September 2020	166,935,724	8,441

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

6. DIVIDEND PAID

No dividend was paid during the current interim period.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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 in Malaysia and generates revenue from the following geographical locations of customers:-

	Individual quarter		Cumulative period	
	Current Quarter Ended 30.09.2020 RM'000	Corresponding Preceding Quarter Ended 30.09.2019 RM'000	Current Period-To-Date Ended 30.09.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2019 RM'000
United States of America	26,382	10,476	26,382	10,476
Europe ^{*1}	11,736	3,761	11,736	3,761
Malaysia	2,980	2,928	2,980	2,928
Others ^{*2}	658	1,459	658	1,459
	<u>41,756</u>	<u>18,624</u>	<u>41,756</u>	<u>18,624</u>

Notes:-

^{*1} Comprise countries such as Switzerland and United Kingdom.

^{*2} Comprise countries such as China, Canada and others.

8. CONTRACTUAL COMMITMENT

The Group has no other material contractual commitment in respect of property, plant and equipment as at the end of current quarter under review except for the following:-

	30.09.2020 RM'000
Acquisition of property, plant and equipment	<u>4,740</u>

9. CHANGES IN COMPOSITION

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

10. CONTINGENCIES

There were no significant changes in contingent assets or liabilities since 30 September 2020.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

11. SUBSEQUENT EVENTS

There were no material events subsequent to 30 September 2020 that have not been reflected in this interim financial report.

12. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

13. DERIVATIVES

30.09.2020
RM'000

Forward exchange contracts - at fair value

- Current assets

63

- Current liabilities

(10)

53

Forward exchange contracts are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 30 September 2020, the Group had contracts with financial institutions due within 1 year to buy USD173,880 and sell USD2,350,000 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 Assets/(Liabilities)

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

Fair Value Measurement

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.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

13. DERIVATIVES (CONT'D)

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.

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

14. REVIEW OF PERFORMANCE

Current Quarter (Q1'21) vs Corresponding Preceding Quarter (Q1'20) / Current Cumulative Period (3M YTD'21) vs Corresponding Preceding Cumulative Period (3M YTD'20)

	Individual Quarter				Cumulative Quarter			
	Current Quarter		Corresponding Preceding Quarter		Current Quarter		Corresponding Preceding Quarter	
	Ended	Ended	Variance		Ended	Ended	Variance	
	30.09.2020	30.09.2019	RM'000	%	30.09.2020	30.09.2019	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	41,756	18,624	23,132	124%	41,756	18,624	23,132	124%
Profit before tax	8,997	2,388	6,609	277%	8,997	2,388	6,609	277%
Profit for the financial period	7,057	1,869	5,188	278%	7,057	1,869	5,188	278%
Profit attributable to owners of the Company	4,261	1,212	3,049	252%	4,261	1,212	3,049	252%

For the current financial quarter under review, the Group earned a revenue of RM41.76 million, an increase of RM23.14 million or 124% compared to the revenue of the corresponding preceding quarter of RM18.62 million. This strong increase in revenue was mainly driven by the surge in demand for Hygiene Care Products such as soap and sanitizer dispensers which are widely used to prevent and control the spread of infectious diseases.

This increase in revenue led to higher earnings for the Group, contributing to an increase of profit before tax by RM6.61 million to RM9.00 million for the current quarter or an increase of 277% compared to the previous corresponding preceding quarter.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

14. REVIEW OF PERFORMANCE (CONT'D)

Current quarter (Q1'21) vs Immediate Preceding Quarter (Q4'20)

	Current Quarter Ended 30.09.2020 RM'000	Immediate Preceding Quarter Ended 30.06.2020 RM'000	Variance	
			RM'000	%
Revenue	41,756	26,330	15,426	59%
Profit before tax	8,997	4,603	4,394	95%
Profit for the financial period	7,057	3,535	3,522	100%
Profit attributable to owners of the Company	4,261	2,137	2,124	99%

The increase in revenue by 59% to RM41.76 million as compared to the RM26.33 million revenue of the immediate preceding quarter is mainly underpinned by the strong demand from our customer for the Hygiene Care Products due to rising concerns about personal hygiene.

With this 59% increase in revenue, the profit for the period nonetheless doubled or an increase of 100% due in part to efficiency gains from the economies of scale while the Group experienced slower increment in its overall cost base.

15. COMMENTARY ON PROSPECT

Although the US-China trade war and COVID-19 pandemic have caused disruptions in the global economic environment and outlook, the Group is continuing to experience robust demand for its Hygiene Care Products, which is widely used to improve general hygiene, prevent and control the spread of infectious diseases.

As a result of strong sales orders received from our customers in the United States of America and Europe, new production lines and machineries were further added and installed since the previous quarter. This is to increase the production capacity further so as to meet the ongoing demand for our products as well as new customers and additional products in the pipeline.

With the completion of the acquisition of the adjacent factory, the Group can now commence with the expansion and will eventually have double the current production floor and warehousing space. This will cater well to meet future demand growth from not only our existing and new customers but also from new products developed by our internal Research and Development Department. We expect to complete the expansion in stages with the final completion by 31 December 2021.

16. PROFIT FORECAST

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

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

17. TAX EXPENSE

	Individual quarter		Cumulative period	
	Current Quarter Ended 30.09.2020 RM'000	Corresponding Preceding Quarter Ended 30.09.2019 RM'000	Current Period-To-Date Ended 30.09.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2019 RM'000
Tax based on results for the financial period:-				
- Current tax	1,940	519	1,940	519
- Deferred tax	-	-	-	-
	<u>1,940</u>	<u>519</u>	<u>1,940</u>	<u>519</u>

The effective tax rates are lower than the statutory tax rate mainly due to tax incentives enjoyed by the subsidiaries.

18. STATUS OF CORPORATE PROPOSALS

There are no other corporate proposals announced but not completed as at the date of the report except for the following:

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

- (i) Proposed acquisition of the remaining 40% equity interest in Rapid Growth Technology Sdn Bhd ("RGTSB") from the remaining shareholders of RGTSB ("the Vendors") 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 RGT Equity Holdings Sdn Bhd ("RGT Equity"), 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 ("PAC") 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 ("Rules") ("Proposed Exemption")

The listing application in relation to the aforesaid proposals has been submitted to Bursa Securities on 6 September 2019. On 24 February 2020, the Company had voluntarily withdrawn the previous listing application pursuant to the aforesaid proposals which was submitted on 6 September 2019.

On 19 June 2020, the Company and the Vendors mutually agreed in writing to extend the period for fulfilment of the Conditions Precedent pursuant to the Share Sale Agreement ("SSA") dated 21 August 2019 from 19 June 2020 to 30 June 2021.

On 18 September 2020, the Company made an announcement to vary the terms of the earlier proposals to the following:-

- (i) RGT Berhad ("RGTBHD") had on the same date entered into a supplemental SSA with the Vendors for the acquisition of the remaining 6,000,000 RGTSB Shares, representing 40% equity interest in RGTSB, for a purchase consideration of RM124,800,000 to be satisfied entirely via issuance of 283,636,363 Consideration Shares at an issue price of RM0.44 per

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

18. STATUS OF CORPORATE PROPOSALS (CONT'D)

Consideration Share to RGT Equity, subject to the terms and conditions contained in the SSA and Supplemental SSA ("Proposed Acquisition").

- (ii) An exemption to the Vendors, RGT Equity and PAC from the obligation to undertake a mandatory take-over offer for all the remaining Shares and Warrants in RGTBHD not already held by them pursuant to the Proposed Acquisition under Paragraph 4.08(1)(a) of the Rules;
- (iii) A special issue of up to 147,860,000 new RGTBHD Shares to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry.

(collectively referred to as "Proposals")

Further details of the Proposals are also set out in the announcement made to Bursa Securities on 30 September 2020.

19. BORROWINGS

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

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:-			
- Lease liabilities	912	1,965	2,877
- Term loans	773	2,529	3,302
	<u>1,685</u>	<u>4,494</u>	<u>6,179</u>

20. DIVIDEND

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

21. CHANGES IN MATERIAL LITIGATION

As at 30 September 2020, 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.

22. OTHER MATTERS

On 31 January 2020, RGTBHD announced that its 60% owned subsidiary company, RGTSB, has entered into a Sale and Purchase Agreement with ALPS Coating Sdn Bhd to purchase a piece of land and hereditaments held under Pajakan Negeri No. Hakmilik 11102, Lot 14731 (formerly known as HSD 56710, PT 965), Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang with the factory building erected thereon bearing assessment address No. 1024, Lengkok Perindustrian Bukit Minyak 2, Taman Bukit Minyak, 14100 Simpang Ampat for a total purchase consideration of RM7,500,000.00.

The acquisition of the above has been completed as at date of this report.

RGT BERHAD

(Incorporated in Malaysia)

Registration No: 198101004909 (71024-T)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

23. EARNINGS PER SHARE

	Individual quarter		Cumulative period	
	Current Quarter Ended 30.09.2020	Corresponding Preceding Quarter Ended 30.09.2019	Current Period-to-date Ended 30.09.2020	Corresponding Preceding Period-to-date Ended 30.09.2019
Profit attributable to owners of the Company (RM'000)	4,261	1,212	4,261	1,212
Weighted average number of ordinary shares in issue ('000)	584,393	576,930	584,393	576,930
Number of shares under warrant deemed to have been issued for no consideration ('000)	129,839	58,133	129,839	58,133
Weighted average number of shares for computing diluted earning per share ('000)	714,232	635,063	714,232	635,063
Earnings per share:-				
- Basic (sen)	0.73	0.21	0.73	0.21
- Diluted (sen)	0.60	0.19	0.60	0.19

24. PROFIT BEFORE TAX

	Individual quarter		Cumulative period	
	Current Quarter Ended 30.09.2020 RM'000	Corresponding Preceding Quarter Ended 30.09.2019 RM'000	Current Period-to-date Ended 30.09.2020 RM'000	Corresponding Preceding Period-to-date Ended 30.09.2019 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation of property, plant and equipment	725	714	725	714
Depreciation of right-of-use assets	321	237	321	237
Fair value (gain)/loss on financial instruments mandatorily measured at fair value through profit or loss	(50)	13	(50)	13
Gain on disposal of property, plant and equipment	-	(16)	-	(16)
Interest expense	69	74	69	74
Interest income	(103)	(208)	(103)	(208)
Loss/(Gain) on foreign exchange:-				
- Realised	135	(139)	135	(139)
- Unrealised	278	(42)	278	(42)

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.