



RGT BERHAD

(Incorporated in Malaysia)

Registration No: 198101004909 (71024-T)

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the financial period ended 30 September 2021

RGT BERHAD

(Incorporated in Malaysia)

Registration No: 198101004909 (71024-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	Individual quarter		Cumulative period	
		Current Quarter Ended 30.09.2021 RM'000	Corresponding Preceding Quarter Ended 30.09.2020 RM'000	Current Period-To-Date Ended 30.09.2021 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2020 RM'000
Revenue		19,353	41,756	19,353	41,756
Cost of goods sold		(14,635)	(29,226)	(14,635)	(29,226)
Gross profit		4,718	12,530	4,718	12,530
Interest income		183	103	183	103
Other income		181	70	181	70
Administrative and general expenses		(2,801)	(3,637)	(2,801)	(3,637)
Finance costs		(187)	(69)	(187)	(69)
Profit before tax	24	2,094	8,997	2,094	8,997
Tax expense	17	(312)	(1,940)	(312)	(1,940)
Profit for the financial period		1,782	7,057	1,782	7,057
Other comprehensive income for the financial period		-	-	-	-
Comprehensive income for the financial period		1,782	7,057	1,782	7,057
Profit for the financial period attributable to:-					
- Owners of the Company		1,133	4,261	1,133	4,261
- Non-controlling interests		649	2,796	649	2,796
		1,782	7,057	1,782	7,057
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		1,133	4,261	1,133	4,261
- Non-controlling interests		649	2,796	649	2,796
		1,782	7,057	1,782	7,057
Earnings per share:-	23				
- Basic (sen)		0.17	0.73	0.17	0.73
- Diluted (sen)		0.15	0.60	0.15	0.60

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 2021.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	As at 30.09.2021 (Unaudited) RM'000	As at 30.06.2021 (Audited) RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		60,518	56,563
Right-of-use assets		17,438	17,783
Goodwill		17,147	17,147
Deferred tax assets		199	199
		<u>95,302</u>	<u>91,692</u>
CURRENT ASSETS			
Inventories		18,932	21,801
Receivables		12,357	6,504
Derivatives	13	9	-
Prepayments		4,229	3,381
Current tax assets		1,159	912
Cash and cash equivalents		39,400	56,105
		<u>76,086</u>	<u>88,703</u>
CURRENT LIABILITIES			
Payables		12,265	15,207
Loans and borrowings	20	2,667	2,436
Lease liabilities	20	1,163	1,258
Derivatives	13	-	7
Contract liabilities		4	569
		<u>16,099</u>	<u>19,477</u>
NET CURRENT ASSETS		59,987	69,226
NON-CURRENT LIABILITIES			
Loans and borrowings	20	14,802	15,411
Lease liabilities	20	2,152	2,304
Deferred tax liabilities		5,338	5,338
		<u>22,292</u>	<u>23,053</u>
NET ASSETS		132,997	137,865
EQUITY			
Share capital	5	80,057	78,148
Warrant reserve	5	6,365	7,006
Retained profits		14,339	17,124
Equity attributable to owners of the Company		<u>100,761</u>	<u>102,278</u>
Non-controlling interests		32,236	35,587
TOTAL EQUITY		132,997	137,865
Net assets per ordinary share attributable to owners of the Company (sen)			
		<u>15.14</u>	<u>15.67</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	<u>Non-distributable</u>		<u>Distributable</u>	Equity attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Warrant reserve RM'000	Retained profits RM'000			
Balance at 1 July 2021	78,148	7,006	17,124	102,278	35,587	137,865
Issuance of shares under warrants	1,909	(641)	-	1,268	-	1,268
Interim single tier dividend of 0.6 sen per share	-	-	(3,918)	(3,918)	-	(3,918)
Dividends to non-controlling interests	-	-	-	-	(4,000)	(4,000)
Total transaction with owners	1,909	(641)	(3,918)	(2,650)	(4,000)	(6,650)
Profit (representing comprehensive income) for the financial period	-	-	1,133	1,133	649	1,782
Balance at 30 September 2021	<u>80,057</u>	<u>6,365</u>	<u>14,339</u>	<u>100,761</u>	<u>32,236</u>	<u>132,997</u>
Balance at 1 July 2020	49,352	8,818	7,110	65,280	28,496	93,776
Issuance of shares under warrants (representing total transactions with owners)	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>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Period-To-Date Ended 30.09.2021 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,094	8,997
Adjustments for:-		
Depreciation of property, plant and equipment	955	725
Depreciation of right-of-use assets	433	321
Interest expense	187	69
Interest income	(183)	(103)
Reversal of inventories written down	(77)	-
Unrealised (gain)/loss on foreign exchange	(114)	278
Unrealised gain on derivatives	(7)	(53)
Operating profit before working capital changes	3,288	10,234
Changes in:-		
Inventories	2,946	(2,048)
Receivables and prepayments	(6,657)	(10,176)
Payables and contract liabilities	(3,448)	3,551
Derivatives	(9)	3
Cash (absorbed by)/generated from operations	(3,880)	1,564
Tax paid	(559)	(429)
Net cash (used in)/from operating activities	(4,439)	1,135
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,910)	(5,886)
Acquisition of right-of-use assets	(10)	(3,469)
Interest received	183	103
Net cash used in investing activities	(4,737)	(9,252)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(3,918)	-
Dividends paid to non-controlling interests	(4,000)	-
Drawdown of loans and borrowings	231	-
Interest paid	(187)	(69)
Issue of shares pursuant to exercise of warrants	1,268	746
Payment of lease liabilities	(325)	(1,166)
Placement of cash and cash equivalents pledged as security (net)	(12)	(14)
Repayment of loans and borrowings	(609)	(185)
Net cash used in financing activities	(7,552)	(688)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Period-To-Date Ended 30.09.2021 RM'000	Corresponding Preceding Period-To-Date Ended 30.09.2020 RM'000
Currency translation differences	11	(9)
Net decrease in cash and cash equivalents	(16,717)	(8,814)
Cash and cash equivalents brought forward	52,868	28,843
Cash and cash equivalents carried forward	<u>36,151</u>	<u>20,029</u>
Analysis of cash and cash equivalents:-		
- Highly liquid investments	19,723	14,188
- Term deposits	3,249	3,198
- Cash and bank balances	<u>16,428</u>	<u>5,841</u>
	39,400	23,227
Less: Cash and cash equivalents pledged	<u>(3,249)</u>	<u>(3,198)</u>
	<u>36,151</u>	<u>20,029</u>

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

1. BASIS OF PREPARATION

The interim financial report has 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 2021.

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 2021 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 Group has also early applied the Amendment to MFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021 which is effective for annual periods beginning on or after 1 April 2021.

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 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

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

1. BASIS OF PREPARATION (CONT'D)

<u>MFRS (Issued as at the end of the reporting period)</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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

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 period or changes in estimates of amounts reported in prior financial period.

5. DEBT AND EQUITY SECURITIES

As at the quarter ended 30 September 2021, a total of 12,681,600 new ordinary shares were issued and allotted pursuant to exercise of the warrants 2018/2023 ("Warrants"). Details of the issued and paid-up capital of the Company are as follows: -

Share Capital

	<u>No. of Shares</u>	<u>RM'000</u>
As at 30 June 2021	652,767,856	78,148
Issuance of Shares under exercise of Warrants	12,681,600	1,909
As at 30 September 2021	<u>665,449,456</u>	<u>80,057</u>

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5. DEBT AND EQUITY SECURITIES (CONT'D)

Warrant Reserve

	<u>No. of Warrants</u>	<u>RM'000</u>
As at 30 June 2021	138,561,224	7,006
Exercised	<u>(12,681,600)</u>	<u>(641)</u>
As at 30 September 2021	<u>125,879,624</u>	<u>6,365</u>

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

A single tier interim dividend of 0.6 sen per ordinary share amounting to RM3,918,707 in respect of the financial year ending 30 June 2022 was paid by the Company on 16 August 2021.

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: -

	<u>Individual quarter</u>		<u>Cumulative period</u>	
	Current quarter ended 30.09.2021 RM'000	Corresponding preceding quarter ended 30.09.2020 RM'000	Current period-to-date ended 30.09.2021 RM'000	Corresponding preceding period-to-date ended 30.09.2020 RM'000
United States of America	11,035	26,382	11,035	26,382
Europe ¹	5,111	11,736	5,111	11,736
Malaysia	2,323	2,980	2,323	2,980
Others ²	884	658	884	658
	<u>19,353</u>	<u>41,756</u>	<u>19,353</u>	<u>41,756</u>

Notes: -

¹ Comprise countries such as Netherlands, Switzerland and United Kingdom

² Comprise countries such as China, Canada and others

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 followings: -

	30.09.2021 RM'000
Acquisition of property, plant and equipment	16,708
Acquisition of right-of-use assets	4,725
	<u>21,433</u>

As at 30 September 2021, the Group's capital commitment mainly comprises expansion of production floor and office block for Rapid Growth Technology Sdn. Bhd. and purchase of land and factory building by RGT Industries Sdn. Bhd.

9. CHANGES IN COMPOSITION

There were no 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 2021.

11. SUBSEQUENT EVENT

On 7 September 2021, the Company entered into a conditional share sale agreement ("Agreement") with Ong Liang Kheng, Kau Yoon Thiam and Kau Yan Tuck for the acquisition of the 2,730,000 ordinary shares in Top Degree (M) Sdn Bhd ("TDSB"), representing 70% equity interest in TDSB, for a cash consideration of RM14,000,000 subject to the terms and conditions contained in the Agreement. All the condition precedent as set out in the Agreement had been fulfilled and the acquisition was deemed completed on 1 October 2021.

Save for the above, there are no other significant events as at the date of the report.

12. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

13. DERIVATIVES

	30.09.2021 RM'000
Forward exchange contracts - at fair value	
- Current assets	<u>9</u>

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 September 2021, the Group had contracts with financial institutions due within 1 year to buy RM6,301,000 and sell USD1,500,000 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).

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).

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.

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.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

14. REVIEW OF PERFORMANCE

Current Quarter (Q1'22) vs Corresponding Preceding Quarter (Q1'21) / Current Cumulative Period (3M YTD'22) vs Corresponding Preceding Cumulative Period (3M YTD'21)

	Individual Quarter				Cumulative Period			
	Current quarter ended 30.09.2021 RM'000		Corresponding Preceding quarter ended 30.09.2020 RM'000		Current period-to-date ended 30.09.2021 RM'000		Corresponding period-to-date ended 30.09.2020 RM'000	
			Variance RM'000	%			Variance RM'000	%
Revenue	19,353	41,756	(22,403)	-54%	19,353	41,756	(22,403)	-54%
Profit before tax	2,094	8,997	(6,903)	-77%	2,094	8,997	(6,903)	-77%
Profit for the financial period	1,782	7,057	(5,275)	-75%	1,782	7,057	(5,275)	-75%
Profit attributable to owners of the Company	1,133	4,261	(3,128)	-73%	1,133	4,261	(3,128)	-73%

The Group recorded a revenue of RM19.35 million which was lower by RM22.40 million as compared to corresponding preceding quarter of RM41.76 million. The lower revenue was mainly due to lower demand from customers in US and Europe for the hygiene products. The Group reported a decrease of RM6.90 million on Profit before tax ("PBT") to RM2.10 million in the current quarter as compared to RM9.00 million in the corresponding preceding quarter.

Current Quarter (Q1'22) vs Immediate Preceding Quarter (Q4'21)

	Current quarter ended 30.09.2021 RM'000		Immediate preceding quarter ended 30.06.2021 RM'000		Variance	
					RM'000	%
Revenue	19,353	10,954	8,399	77%		
Profit/(Loss) before tax	2,094	(2,045)	4,139	202%		
Profit/(Loss) for the financial period	1,782	(1,829)	3,611	197%		
Profit/(Loss) attributable to owners of the Company	1,133	(1,361)	2,494	183%		

The increase in revenue by 77% to RM19.35 million as compared to the RM10.95 million revenue of the immediate preceding quarter is mainly increase in demand from our customer for the Air Care Products. With this 77% increase in revenue, the profit before tax for the quarter improved from a loss of RM2.05 million to a profit of RM2.10 million.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

15. COMMENTARY ON PROSPECT

The global supply chain is still experiencing challenges to normalise. Though some backlogs have cleared, quite a number of ports and warehouses remain congested as year-end high volume builds up. Consumers, companies and industries are consequently encountering tight supplies from raw materials to intermediate goods and delays in obtaining end products. Affected by shortages and higher freight rates, costs of various raw materials including commodities and Integrated Circuits (IC) have also risen.

The Group is not spared from the ongoing logistical challenges. Business is normalising as reflected in current quarter's performance. In addition, Air-care orders from our customers are trending up quarter-on-quarter basis. While the orders for Hygiene Care such as soap and sanitizer dispensers have disappointed, we believe that the underlying market fundamentals continue to be healthy. We expect the COVID-19 pandemic to drive the need for better hygiene, thus sustaining demand. Nevertheless, persistent logistical challenges in the coming months could disrupt delivery schedules to our customers. Hence some orders could be deferred to other quarters.

Meanwhile, the Group's precision spray painting and printing unit, set up in June 2020, is progressing well. To date, it has been fulfilling all inhouse demand while acquiring some external customers. The recent investment in Top Degree (M) Sdn Bhd ("TDSB") has also provided the Group with immediate exposure to broader markets in the data storage, semiconductor, medical and electronics sectors. TDSB's strength is its strong in-house capability to design, manufacture high precision parts and components, and integrate software into automation equipment. TDSB is currently expanding its production capacity in these areas by procuring additional resources such as people, machineries, production space, etc.

Looking ahead, management is cautiously optimistic of securing more business due to the global economic recovery, trade war and the opportunity from multinationals wanting to diversify into South East Asia to strengthen their future supply chain. Construction work on the Group's new production and office space is now 90% complete with final handover due in December 2021. Meanwhile, the Group continues to invest in research, product development as well as strengthening its manufacturing capability to be more competitive, agile and, at the same time more resilient.

16. PROFIT FORECAST

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

17. TAX EXPENSE

	Individual quarter		Cumulative period	
	Current quarter ended 30.09.2021 RM'000	Corresponding preceding quarter ended 30.09.2020 RM'000	Current period-to-date ended 30.09.2021 RM'000	Corresponding preceding period-to-date ended 30.09.2020 RM'000
Current tax	312	1,940	312	1,940

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

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

18. STATUS OF CORPORATE PROPOSALS

There are no corporate proposals announced or completed as at the date of the report except for the following:

- (a) 6 September 2021, the Company made an announcement to Bursa Malaysia Securities Berhad ("Bursa Securities") to undertake the following proposals: -
 - (i) The Company had entered into a Share Sale Agreement ("SSA") dated 6 September 2021 with Hor Lim Chee, Ng Choon Keat, Tan Song Chai, Datuk Lim Seat Hoe and Tan Ann Chee ("Vendors") for the acquisition of the remaining 6,000,000 Rapid Growth Technology Sdn Bhd ("RGTSB") Shares, representing 40% equity interest in RGTSB, for a purchase consideration of RM85,600,000 to be satisfied entirely via issuance of 267,500,000 new Ordinary Shares in RGTBHD ("RGTBHD Share(s)" or "Share(s)") ("Consideration Share(s)") at an issue price of RM0.32 per Consideration Share to RGT Equity Holdings Sdn Bhd ("RGT Equity"), subject to the terms and conditions contained in the SSA ("Proposed Acquisition"); and
 - (ii) An exemption to the Vendors, RGT Equity and 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 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 ("Proposed Exemption").

On 20 September 2021, the Company made an announcement that the listing application in relation to the abovesaid proposals and the proposed 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 ("Proposed Special Issue") (hereinafter to be collectively known as "Proposals") have been submitted to the Bursa Securities.

On 3 November 2021, the Company announced that the listing application in relation to the Proposals previously submitted to Bursa Securities on 20 September 2021 has been voluntarily withdrawn. Following the withdrawal, the Company announced that the listing application relation to the Proposed Acquisition and Proposed Exemption has been re-submitted to Bursa Securities on 3 November 2021. In respect of the Proposed Special Issue and barring any unforeseen circumstance, the Company envisaged to make the necessary application in relation to the Proposed Special Issue to Bursa Securities on a stand-alone basis, upon clearance being obtained from the relevant authorities.

For further details, please refer to the earlier announcements made on 18 September 2020, 30 September 2020, 2 December 2020, 30 June 2021, 6 September 2021, 20 September 2021 and 3 November 2021.

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19. UTILISATION OF PROCEEDS

Subsequent to the Company's issuance of 40,000,000 Ordinary Shares ("Placement Share(s)") at RM0.585 per Placement Share on 18 December 2020 ("Private Placement"), the status of utilisation of the proceeds raised from the Private Placement amounting to RM23,400,000 up to 30 September 2021 is as follows: -

Purpose	Proposed utilisation RM'000	Actual utilisation as at 30.09.2021 RM'000	Balance as at 30.09.2021 RM'000	Intended timeframe for utilisation
Capital expenditure for capacity expansion purposes	20,000	19,791	209	Within 12 months from receipt of placement funds
Working capital requirements	3,327*	3,327	-	Within 12 months from receipt of placement funds
Expenses for the Private Placement	73	73	-	Immediate
	23,400	23,191	209	

Notes: -

* Include the excess funds allocated for the Expenses for the Private Placement of RM27,000 which was utilised for general working capital purposes in subsequent quarters.

20. 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	1,163	2,152	3,315
- Term loans	2,436	14,802	17,238
Unsecured			
- Banker acceptance	231	-	231
	<u>3,830</u>	<u>16,954</u>	<u>20,784</u>

21. DIVIDEND

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

22. CHANGES IN MATERIAL LITIGATION

As at 30 September 2021, neither the Company nor any of its subsidiary companies involved in any material litigation as at the latest practicable date, which has a material effect on the financial position of the Group.

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23. EARNINGS PER SHARE

	Individual quarter		Cumulative period	
	Current quarter ended 30.09.2021 ('000)	Corresponding preceding quarter ended 30.09.2020 ('000)	Current period-to-date ended 30.09.2021 ('000)	Corresponding preceding period-to-date ended 30.09.2020 ('000)
Profit attributable to owners of the Company (RM)	1,133	4,261	1,133	4,261
Weighted average number of ordinary shares in issue	657,176	584,393	657,176	584,393
Number of shares under warrant deemed to have been issued for no consideration	97,090	129,839	97,090	129,839
Weighted average number of shares for computing diluted earnings per share	754,266	714,232	754,266	714,232
Earnings per share: -				
- Basic (sen)	0.17	0.73	0.17	0.73
- Diluted (sen)	0.15	0.60	0.15	0.60

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24. PROFIT BEFORE TAX

	Individual quarter		Cumulative period	
	Current quarter ended 30.09.2021 RM'000	Corresponding preceding quarter ended 30.09.2020 RM'000	Current period-to-date ended 30.09.2021 RM'000	Corresponding preceding period-to-date ended 30.09.2020 RM'000
Profit before tax is arrived at after charging/(crediting): -				
Depreciation of property, plant and equipment	955	725	955	725
Depreciation of right-of-use assets	433	321	433	321
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	(16)	(50)	(16)	(50)
(Gain)/Loss on foreign exchange: -				
- Realised	(44)	135	(44)	135
- Unrealised	(114)	278	(114)	278
Interest expense	187	69	187	69
Interest income	(183)	(103)	(183)	(103)
Reversal of inventories written down	(77)	-	(77)	-

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.