

RGT BERHAD

Registration No. 198101004909 (71024-T)

(Incorporated in Malaysia)

Key matters deliberated during the 39th Annual General Meeting of the Company held at Pinang Room, Hotel Jen Penang, Jalan Magazine, 10300 George Town, Pulau Pinang on Thursday, 17 December 2020 at 10.00 a.m.

| No. | Enquiries / Concerns | Company's response |
|------------|--|---|
| 1. | <p>The cost incurred for the internal audit function for FY'20 was RM22,000 (page 33 of Annual Report 2020 (AR'20))</p> <p>Given that the fee is rather small (approximately RM1,800 per month), how does the Audit Committee assure itself that there would be adequate coverage and an effective audit function? How many internal audit reports were issued for the year?</p> | <p>There were only 2 Internal Audit Reports issued for last Financial Year ended 30 June 2020 instead of 3 reports as planned due to the internal audit visits were disrupted when the Movement Control Order (MCO) was implemented on 18 March 2020. The Internal Auditors were only able to commence their audit in June 2020 during the Conditional MCO. (Since 2019, our Internal Audit fees was RM33,000 per year with an exception for last Financial Year 2020 due to this MCO).</p> <p>The Audit Committee is of the opinion that the amount spent per year is adequate to provide an effective audit function.</p> |
| 2. | <p>For FY'20, there were two (FY19: three) major customers who contributed 10% or more of the Group's total revenue. The total revenue generated from these major customers amounted to RM57.52 million (FY19: RM76.05 million) (page 81 of AR'20).</p> <p>What measures have been taken to further diversify RGTBHD's clientele base and what has been the outcome?</p> | <p>Apart from continuously looking out for opportunities to enlarge our customer base within the air care and hygiene care industries, we are diversifying our product offering and customer base to cater to the medical device industry. Through our R&D and business development initiatives, we are constantly on the look out to seek potential customers from the medical device industry for business collaboration and joint development opportunities for the conceptualisation of new product design which can meet stringent physical and mechanical properties.</p> |
| 3. | <p>As RGTBHD did not implement voting in absentia and remote participation at AGM by shareholders (as recommended by Practice 12.3 of the Malaysian Code on Corporate Governance), the Company has inaccurately stated that it has applied the Practice.</p> | <p>RGTBHD applied to the intended outcome as our shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.</p> <p>RGTBHD has only 2,801 shareholders as at 30 September 2020 and can be considered as a company without large number of shareholders in comparison to the Large Companies. Thereby, the current practices are suffice in meeting the intended outcome.</p> |