

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted limited review on this Circular pursuant to Paragraph 4.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



RGT BERHAD

(Registration No. 198101004909 (71024-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

The Extraordinary General Meeting of RGT Berhad ("**Company**") ("**EGM**"), is scheduled to be held at Pinang Room, Hotel Jen Penang, Jalan Magazine, 10300 George Town, Pulau Pinang on Thursday, 3 June 2021 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM and the Form of Proxy are enclosed herein.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the completed and signed Form of Proxy shall be deposited at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted via fax at 03-7890 4670 or emailed to bsr.helpdesk@boardroomlimited.com, not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The Proxy appointment may also be lodged electronically via electronic means through the smart investor portal at <https://boardroomlimited.my>. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 1 June 2021 at 10.00 a.m.

Date and time of the EGM : Thursday, 3 June 2021 at 10.00 a.m.

This Circular is dated 21 April 2021

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	:	The Companies Act 2016
AGM	:	Annual General Meeting of the Company
Board	:	The Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This Circular dated 21 April 2021
Director(s)	:	The director(s) of the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:- (i) a director of the listed issuer, its subsidiary or holding company; or (ii) a chief executive of the listed issuer, its subsidiary or holding company
EGM	:	Extraordinary General Meeting of the Company
FPE	:	Financial period ended/ ending
FYE	:	Financial year ended/ ending
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	1 April 2021, being the latest practicable date prior to the printing and despatch of this Circular
Major Shareholder(s)	:	Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (i) 10% or more of the total number of voting shares in the Company; or (ii) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, such major shareholder of the Company or any other company, which is a subsidiary or holding company of the Company For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
NA	:	Net assets attributable to the owners of the Company

DEFINITIONS (CONT'D)

- Person(s) Connected** : In relation to any person (referred to as "**said Person**") means such person who falls under any one of the following categories:-
- (a) a family^{*1} member of the said Person;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
 - (c) a partner^{*2} of the said Person;
 - (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (g) a body corporate which is a related corporation of the said Person

Notes:-

^{*1} *Family in relation to a person means such person who falls within any one of the following categories:-*

- (i) *spouse;*
- (ii) *parent;*
- (iii) *child including an adopted child and step-child;*
- (iv) *brother or sister; and*
- (v) *spouse of the person referred to in subparagraph (iii) and (iv) above*

^{*2} *Partner in relation to the said Person, means such person who falls within any one of the following categories:-*

- (i) *a person with whom the said Person is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or*
- (ii) *a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not*

Proposed Shareholders' Mandate : Proposed new shareholders' mandate for RRPT of a revenue and/ or trading nature entered into between RGTBHD and/ or its subsidiaries as set out in **Section 2.3** (in particular the 4th column) of this Circular

Related Party(ies) : Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s) of the Company

Related Party Transaction(s) or the RPT(s) : Transaction(s) entered into by RGTBHD Group which involve the interest, direct or indirect, of a Related Party

DEFINITIONS (CONT'D)

RISB	:	RGT Industries Sdn Bhd (Registration No. 202001012712 (1369032-M)), being a 70%-owned subsidiary of RGTBHD
RGTBHD Company	or the	RGT Berhad (Registration No. 198101004909 (71024-T))
RGTBHD Group	or the	RGTBHD and its subsidiaries, collectively
RGTBHD Share(s)	or the	Ordinary share(s) in RGTBHD
RGTSB	:	Rapid Growth Technology Sdn Bhd (Registration No. 199701024797 (440295-A)), being a 60%-owned subsidiary of RGTBHD
RM and sen	:	Ringgit Malaysia and sen, respectively
RRPT(s)	:	Means a RPT which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed issuer or its subsidiaries

Unless otherwise stated and wherever applicable, the amount represented in this Circular has been rounded to the nearest whole cent, for ease of reference.

Words incorporating the singular shall, where applicable include the plural and vice versa. Words incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

References to "**you**" or "**your(s)**" in this Circular are made to shareholders of RGTBHD and references to "**our Company**" or "**the Company**" or "**we**" or "**us**" or "**our**" or "**ourselves**" are made to our Company, and where the context requires, our Company and our subsidiaries. Unless the context otherwise requires, references to "**Board**" are to our Board of Directors and "**Management**" are to our Directors and key management personnel as at the LPD of this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

TABLE OF CONTENTS

	PAGE
CIRCULAR TO THE SHAREHOLDERS OF RGTBHD CONTAINING:-	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	2
3. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE	7
4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE	7
5. APPROVALS REQUIRED	7
6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM	8
7. DIRECTORS' STATEMENT AND RECOMMENDATION	8
8. EGM	8
9. FURTHER INFORMATION	9
APPENDIX	
I. FURTHER INFORMATION	10
NOTICE OF EGM	ENCLOSED
FORM OF PROXY	ENCLOSED



RGT BERHAD

(Registration No. 198101004909 (71024-T))
(Incorporated in Malaysia)

Registered Office

57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Bayan Lepas, Penang

21 April 2021

Board of Directors

Dato' Ir. Low Keng Kok (*Independent Non-Executive Chairman*)
Datuk Lim Seat Hoe (*Executive Director/ Chief Executive Officer*)
Ng Choon Keat (*Executive Director*)
Lee Soo Ching (*Executive Director*)
Ong Choon Heng (*Independent Non-Executive Director*)
Dr. Ooi Hun Pin (*Independent Non-Executive Director*)
Dato' Lim Yong Jin (*Independent Non-Executive Director*)

To: The shareholders of RGTBHD

Dear Sir/ Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

1. INTRODUCTION

On 3 February 2021, our Board had announced that our 60%-owned subsidiary, namely RGTSB had entered into recurrent transactions with our 70%-owned subsidiary, namely RISB for the provision of secondary services (e.g. spray painting) from RISB to RGTSB which were of a revenue or trading nature pursuant to Paragraph 10.09 (1)(a) of the Listing Requirements.

Subsequently on 31 March 2021, our Board had announced that our Company has proposed to seek shareholders' approval for the Proposed Shareholders' Mandate, which is necessary for the day-to-day operations of RGTSB and RISB, further details of which are set out in the ensuing sections.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate, to set out our Board's recommendation and to seek your approval for the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming EGM of our Company. The Notice of the EGM and the Form of Proxy are enclosed in this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provision under the Listing Requirements

Paragraph 10.09(1)(a) of the Listing Requirements states that "Notwithstanding Paragraph 10.08(1)(b), a listed issuer must immediately announce a RRPT as follows:-

- (i) in relation to a listed issuer with a share capital of RM60 million and above:-
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (b) the percentage ratio* of such RRPT is 1% or more,whichever is the higher."

** means the figures, expressed as a percentage, resulting from each of the calculations based on Paragraph 10.02 of the Listing Requirements.*

Paragraph 10.09(2) of the Listing Requirements provides that a listed issuer may seek a mandate from its shareholders for a RRPT subject to, inter-alia, the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholder or unit holder mandate, the relevant Related Parties must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements (*the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution in respect of the RPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution in respect of the RPT*); and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10.0% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Principal activities of RGTBHD Group

We are principally involved in the manufacturing of moulded plastic products. The range of moulded plastic products currently manufactured by our Group include amongst others, hygiene care products (i.e. hand soap dispensers, surface disinfectant dispensers), air care products (i.e. fragrance dispensers), and related accessories (i.e. automotive air fresheners, refill adapters, refill connectors, soap pumps, spray pumps, facelift covers), and jerrycans for various industries particularly catering to customers from the agrochemical industry.

Set out below are the principal activities of our subsidiaries as at the LPD:-

Company	Effective equity interest (%)	Principal activities
<i>Direct subsidiaries</i>		
AKnight Resources Sdn Bhd	100.00	Inactive
T-Venture Industries (M) Sdn Bhd	100.00	Manufacture of moulded plastic products
RGTSB	60.00	Design and engineering, manufacturing and assembly of moulded plastic products
RISB	70.00	Precision spray painting, printing and assembly services for medical products, hygiene care products, automotive parts and all the associated products
<i>Indirect subsidiary</i>		
Rapid Growth Industries Sdn Bhd (a wholly-owned subsidiary of RGTSB)	60.00	Inactive

For avoidance of doubt, we do not have any associate company as at the LPD.

It is envisaged that two of our subsidiaries, namely RGTSB and RISB would, in the ordinary course of business, enter into the RRPT, which are necessary for their respective day-to-day operations, details of which are set out in **Section 2.3** of this Circular. Further, such transactions are likely to occur with some degree of frequency and may arise from time to time.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

2.3 Details of RRPT

Transacting parties within the Group	Nature of RRPT	←-----Proposed Shareholders' Mandate----->		Related Parties
		Actual aggregate value of the RRPT from 30.10.2020 to LPD	Estimated aggregate value of the RRPT from the forthcoming EGM to the next AGM ^{*1}	
RGTSB and RISB	(i) Provision of secondary services (e.g. spray painting under cleanroom environment) from RISB to RGTSB which are complementary to our business operations. The application of precision spray painting in a cleanroom facility serves to improve the quality of the paint finish by reducing sources of pollutant contamination and eliminating any areas of paint defects thereof. Different techniques of spray painting such as 2k paint, high gloss finishing, Ultraviolet (UV) finishing and rubberised finishing are applied to achieve a variety of product design and development objective. (ii) Purchase of the following materials from RGTSB by RISB:- • Manufactured and assembled of moulded plastic products.	(i) RM2,991,629	(i) RM10,000,000	Ng Choon Keat , who is a common director of RGTBHD and RGTSB. He is also a substantial shareholder and a major shareholder of RGTBHD and RGTSB respectively. Hor Lim Chee , who is the mother of Lee Soo Ching and a director of RGTSB. She is also a common major shareholder of RGTSB and RGTBHD. Lee Soo Ching , who is the daughter of Hor Lim Chee and a common director of RGTBHD, RGTSB and RISB.
	TOTAL	(ii) RM2,010	(ii) RM20,000,000	
		RM2,993,639	RM30,000,000	

Note:-

^{*1} The estimated transaction value as stated above is based on our Management's estimates after taking into consideration of the transactions which will be entered into in the foreseeable future, and hence may be subject to changes

2.4 Validity period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by our majority shareholders at the forthcoming EGM, shall take immediate effect and subject to annual renewal. In this respect, any authority conferred by the shareholders' mandate shall continue to be in force until:-

- (i) the conclusion of the next AGM of our Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of our Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by our shareholders in a general meeting,

whichever is the earlier.

2.5 Review procedures for RRPT

Our Group has in placed an internal control system, which includes review of methods or procedures to ensure that such RRPT are conducted at arm's length and are on normal commercial terms consistent with our Group's usual business practices and policies, as well as on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

Our Management will ensure that the RRPT will only be entered into, after taking into consideration the pricing, level of service and quality of product. The review and procedures shall include the following:-

- (i) Records of RRPT will be maintained and shall be made available to our external auditors, internal auditors and Audit Committee for their review;
- (ii) The internal auditors will review the RRPT as part of the internal audit programme and report their findings to our Audit Committee and our Board;
- (iii) Terms of the RRPT relating to the price or sales/ distribution margins shall not be subject to substantial change during the period that the shareholders' mandate is in force. Where such change is deemed necessary, our Management and our Audit Committee shall review the new terms to ensure that they are consistent with a transaction conducted at arm's length and on normal commercial terms consistent with our Group's usual business practices and policies and will not be prejudicial to our shareholders. Our Management shall ensure that the new terms are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders;

- (iv) Wherever possible, at least 2 other contemporaneous transactions and/ or quotations with unrelated third parties for similar products/ services and/ or quantities will be used as comparison, to determine whether the price and terms offered to/ by the Related Parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties for the same or substantially similar type of produces/ services and/ or quantities, if applicable;
- (v) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/ customers of similar products or services, or if the product/ service is a proprietary item), the transaction price will be determined and approved by our Board to ensure the RRPT is not detrimental to our Group, wherever applicable;
- (vi) There are no specific thresholds for approval as all RRPT are reviewed and approved by our Audit Committee. Our Audit Committee together with our Board will review and approve the RRPT that are required under the Listing Requirements;
- (vii) Further, where any Directors or persons connected have an interest (direct or indirect) in the RRPT, such Director (and his alternate) shall abstain from deliberation and voting on the matter. Where any member of our Audit Committee is interested in any transaction, that member shall abstain from deliberation and voting on any matter relating to any decisions to be taken by our Audit Committee with respect to such transactions; and
- (viii) Disclosure will be made in the Annual Report of our Company of the aggregate value of the RRPT conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the type of the RRPT and the names of the Related Parties involved in each type of the RRPT made and the relationship with our Company. Disclosure will also be made in the Annual Report for the subsequent financial years during which the shareholders' mandate remain in force.

2.6 Statement by Audit Committee

Our Audit Committee has reviewed the RRPT and, having considered the nature and the rationale for the RRPT and all aspects of the RRPT, is of the view that the RRPT is in the best interest of our Company, and the terms of the RRPT will be fair, reasonable and on normal commercial terms and not detrimental to the interest of our minority shareholders as the RRPT will be entered into in the ordinary course of business on normal commercial terms, which will not be more favourable to the Related Parties than those generally available to the public.

Our Audit Committee has also reviewed the procedures and processes as set out in **Section 2.5** of this Circular and is of the view that our Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner as well as to ensure that RRPT is entered into on normal commercial terms, which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to our minority shareholders. Our Audit Committee shall continue to review and ascertain the adequacy of the procedures and processes set out in **Section 2.5** of this Circular on an annual basis and whenever the need arises.

2.7 Amount due and/ or owing by the Related Parties pursuant to the RRPT

As at the LPD, there were no outstanding amount owed to/ from our Group by/ to the Related Parties involved in the RRPT that has exceeded the credit term.

2.8 Disclosure in Annual Report

Disclosure will be made in our Company's Annual Report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- (i) types of RRPT made; and
- (ii) names of Related Parties involved in each type of the RRPT made and their relationship with our Group.

The above disclosure will be made in our Company's Annual Report for each subsequent financial year after the Proposed Shareholders' Mandate has been obtained.

3. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will enable RGTBHD Group to carry out recurrent transactions necessary for our Group's day-to-day operations and enhance our ability to pursue business opportunities, which are confidential, time-sensitive in nature in a more expeditious manner. It will eliminate the need to make announcements and convene separate general meetings from time to time to seek shareholders' approval as and when potential recurrent transactions with a Related Party arise. This will substantially reduce expenses associated with the convening of such meetings on an ad hoc basis, improve administrative and cost efficiency and allow human resources and time to be channelled towards attaining other corporate objectives and opportunities.

Further, the Proposed Shareholders' Mandate is intended to facilitate transactions to be entered into in the ordinary course of business of our Group which are transacted from time to time with the Related Parties which are carried out at arm's length on our Group's normal commercial terms and are not prejudicial to the interest of our shareholders and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to our minority shareholders.

The benefit of the RRPT to our Group is all in the ordinary course of business and intended to meet the business needs of our Group at the best possible terms so as to achieve synergistic benefits within our Group, such as to mitigate our reliance on external parties for the provision of spray painting services and to have better control over the quality of our plastic products. As such, it is anticipated that the RRPT would occur on a frequent and recurrent basis.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have effect on the share capital and substantial shareholders' shareholdings of our Company.

The Proposed Shareholders' Mandate is not expected to have any material effect on the consolidated earnings, gearing level and NA of our Group.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of our shareholders at the forthcoming EGM.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

Save for the below, none of our Directors, Major Shareholders, chief executive, and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Shareholders' Mandate:-

	Shareholdings as at LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<i>Interested Directors</i>				
Ng Choon Keat	42,500,000	6.52	-	-
Lee Soo Ching	-	-	-	-
<i>Interested Major Shareholder</i>				
Hor Lim Chee	68,000,000	10.43	-	-

The Interested Directors (as disclosed above), have abstained and will continue to abstain from all deliberations and voting at relevant board meetings in relation to the Proposed Shareholders' Mandate. They will also abstain from voting, and will ensure that persons connected with them will abstain from voting in respect of their direct and/ or indirect shareholdings on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming EGM.

The Interested Major Shareholder (as disclosed above), has undertaken to abstain from voting, and will ensure that persons connected with her will abstain from voting in respect of their direct and/ or indirect shareholdings on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming EGM.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, save for the Interested Directors, after taking into consideration the relevant factors and after careful deliberation, is of the opinion that the Proposed Shareholders' Mandate is in our best interest, and accordingly recommends that you **VOTE IN FAVOUR** of the resolution in respect of the Proposed Shareholders' Mandate to be tabled at the forthcoming EGM.

8. EGM

Our EGM, the notice of which is enclosed in this Circular, is scheduled to be held at Pinang Room, Hotel Jen Penang, Jalan Magazine, 10300 George Town, Pulau Pinang on Thursday, 3 June 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend, participate, speak and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted via fax at 03-7890 4670 or emailed to bsr.helpdesk@boardroomlimited.com, not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The Proxy appointment may also be lodged electronically via electronic means through the smart investor portal at <https://boardroomlimited.my>. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board
RGT BERHAD

DATO' IR. LOW KENG KOK
Independent Non-Executive Chairman

APPENDIX – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and our Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular:-

- i. RGTBHD had on 21 August 2019 entered into a conditional share sale agreement ("**SSA**") with Hor Lim Chee, Ng Choon Keat, Tan Song Chai, Lim Seat Hoe and Tan Ann Chee (collectively referred to as the "**Vendors**") for the acquisition of the remaining 40% equity interest in RGTSB, for a purchase consideration of RM48,000,000 to be satisfied entirely via issuance of 282,352,941 new RGTBHD Shares at an issue price of RM0.17 per RGTBHD Share to RGT Equity Holdings Sdn Bhd ("**RGT Equity**"), being a nominee company owned by the Vendors, subject to the terms and conditions contained in the SSA. RGTBHD and the Vendors had on 19 June 2020 mutually agreed in writing to extend the period for fulfilment of the conditions precedent pursuant to the SSA from 19 June 2020 to 30 June 2021.

Subsequently, on 18 September 2020, RGTBHD entered into a supplemental share sale agreement ("**Supplemental SSA**") with the Vendors to amend and supplement the terms and conditions of the SSA, amongst others, a revised purchase consideration of RM124,800,000 to be satisfied entirely via issuance of 283,636,363 RGTBHD Shares ("**Consideration Share(s)**") at an issue price of RM0.44 per Consideration Share to RGT Equity, being a nominee company owned by the Vendors, subject to the terms and conditions contained in the SSA and Supplemental SSA ("**Proposed Acquisition**"). At this juncture, the Proposed Acquisition is pending fulfilment of all the conditions precedent to the Supplemental SSA.

- ii. On 31 January 2020, RGTSB entered into a sale and purchase agreement with ALPS Coating Sdn Bhd for the acquisition of a piece of leasehold land known as Lot 14731, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under Pajakan Negeri No. Hakmilik 11102 together with the factory building erected thereon bearing assessment address of No. 1024, Lengkok Perindustrian Bukit Minyak 2, Taman Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang ("**Property**") for a cash consideration of RM7,500,000. The acquisition of the said Property was completed on 21 August 2020.

APPENDIX – FURTHER INFORMATION

- iii. On 26 January 2021, RISB entered into a sale and purchase agreement with BKNT Resources Sdn Bhd for the acquisition of a piece of leasehold land known as No. 887 (Plot 214-A). Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Minyak, Pulau Pinang held under Pajakan Negeri No. Hakmilik 7232, Lot 5285, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang with the detached factory building erected thereon, for a cash consideration of RM14,000,000 ("**Proposed Acquisition of Land**"). At this juncture, the Proposed Acquisition of Land is pending fulfilment of all the conditions precedent to the aforesaid sale and purchase agreement.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 57-G Persiaran Bayan Indah Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, Penang during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the forthcoming EGM:-

- (i) Constitution of RGTBHD;
- (ii) Audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 30 June 2020 and the latest unaudited quarterly report of our Group for the 6-month FPE 31 December 2020; and
- (iii) Material contracts referred to in **Section 3** above.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--



RGT BERHAD

(Registration No. 198101004909 (71024-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of RGT Berhad ("**RGTBHD**" or the "**Company**") ("**EGM**") will be held at Pinang Room, Hotel Jen Penang, Jalan Magazine, 10300 George Town, Pulau Pinang on Thursday, 3 June 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolution:-

ORDINARY RESOLUTION

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("**PROPOSED SHAREHOLDERS' MANDATE**")

"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), approval be and is hereby given to RGTBHD and/ or its subsidiaries ("**RGTBHD Group**") to enter into and give effect to the recurrent related party transactions of a revenue and/ or trading nature with the related parties as set out in the Circular to Shareholders of RGTBHD dated 21 April 2021 ("**Circular**"), which are necessary for the day-to-day operations of RGTBHD Group within the ordinary course of business, at arm's length basis, and on normal commercial terms, which are not more favourable to the related parties than those generally available to the public and are not detrimental of the minority shareholders of the Company.

THAT the authority for the Proposed Shareholders' Mandate shall continue to be in full force until:-

- (i) the conclusion of the next Annual General Meeting of the Company ("**AGM**"), at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Board of Directors ("**Board**") of the Company be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Shareholders' Mandate with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities."

By Order of the Board

How Wee Ling (MAICSA 7033850) / SSM PC No.: 202008000869
Ooi Ean Hoon (MAICSA 7057078) / SSM PC No.: 202008000734
Company Secretaries

Penang
21 April 2021

Notes:-

IMPORTANT NOTICE: In view of the outbreak of COVID-19 which is now a global pandemic, the Company has in place precautionary measure for the EGM in order to safeguard the health of attendees at the EGM. You are requested to read and adhere to the Administrative Guide which can be downloaded from the Company's website or announcement via Bursa Securities' website.

1. *For the purpose of determining a member who shall be entitled to attend and vote at the Extraordinary General Meeting ("EGM"), the Company shall be requesting the Record of Depositors as at 27 May 2021. Only a depositor whose name appears on the Record of Depositors as at 27 May 2021 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/ her stead.*
2. *A member may appoint up to two (2) proxies in relation to the EGM, provided that he/ she specifies the proportion of his/ her shareholdings to be represented by each proxy.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy shall be in writing under the hand of the member or of his/ her attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*
5. *The instrument appointing a proxy shall be deposited at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted via fax at 03-7890 4670 or emailed to bsr.helpdesk@boardroomlimited.com, not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The Proxy appointment may also be lodged electronically via electronic means through the smart investor portal at <https://boardroomlimited.my>.*

PROXY FORM



RGT BERHAD

(Registration No. 198101004909 (71024-T))
(Incorporated in Malaysia)

No. of ordinary shares held		CDS Account No.	
Contact No.		Email Address	

* I/ We _____ *NRIC No./ Passport No./ Company No. _____
(FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

being *a member / members of **RGT BERHAD**

hereby appoint (Proxy 1) _____ *NRIC No./ Passport No. _____
(FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

and/ or failing *him/ her (Proxy 2) _____ *NRIC No./ Passport No. _____
(FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

or failing *him/ her, the Chairman of the Meeting, as *my/ our proxy to attend and to vote for *me/ us on *my/ our behalf at the Extraordinary General Meeting of the Company to be held at Pinang Room, Hotel Jen Penang, Jalan Magazine, 10300 George Town, Pulau Pinang on Thursday, 3 June 2021 at 10.00 a.m. or at any adjournment thereof as indicated below.

The proportions of *my/ our holdings to be represented by *my/ our proxy(ies) are as follows:-

Proxy 1		%	Proxy 2		%
---------	--	---	---------	--	---

In case of a vote by show of hands, Proxy 1*/Proxy 2* shall vote on my/our behalf.

*I/ We hereby indicate with an "X" in the spaces provided how *I/ we wish *my/ our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

* *Strike out whichever is not applicable*

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTION - PROPOSED SHAREHOLDERS' MANDATE		

Signed this ___ day of _____, 2021. Signature/ Common Seal of Member:

Notes:-

- For the purpose of determining a member who shall be entitled to attend and vote at the Extraordinary General Meeting ("**EGM**"), the Company shall be requesting the Record of Depositors as at 27 May 2021. Only a depositor whose name appears on the Record of Depositors as at 27 May 2021 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/ her stead.
- A member may appoint up to two (2) proxies in relation to the EGM, provided that he/ she specifies the proportion of his/ her shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his/ her attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- The instrument appointing a proxy shall be deposited at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted via fax at 03-7890 4670 or emailed to bsr.helpdesk@boardroomlimited.com, not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The Proxy appointment may also be lodged electronically via electronic means through the smart investor portal at <https://boardroomlimited.my>.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
RGT BERHAD (Registration No. 198101004909 (71024-T))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

1st fold here