RGB International Bhd. (603831-K)

(Formerly known as Dreamgate Corporation Bhd.)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
31 March 2011

CONTENTS

RGB International Bhd. (603831-K)

(Formerly known as Dreamgate Corporation Bhd.)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011

	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31 MAR 2011 RM'000	31 MAR 2010 RM'000	31 MAR 2011 RM'000	31 MAR 2010 RM'000
Revenue	**10**	27,289	31,219	27,289	31,219
Cost of sales		(20,878)	(36,321)	(20,878)	(36,321)
- Depreciation		(10,841)	(18,726)	(10,841)	(18,726)
- Others		(10,037)	(17,595)	(10,037)	(17,595)
Gross income/ (loss)		6,411	(5,102)	6,411	(5,102)
Other income		282	1,230	282	1,230
Administrative expenses		(8,929)	(12,111)	(8,929)	(12,111)
- Depreciation		(744)	(759)	(744)	(759)
- Others		(8,185)	(11,352)	(8,185)	(11,352)
Selling and marketing expenses		(271)	(409)	(271)	(409)
Other gain/ (expenses), net		751	(1,068)	751	(1,068)
Operating loss		(1,756)	(17,460)	(1,756)	(17,460)
Finance costs		(2,408)	(2,538)	(2,408)	(2,538)
Share of profit of jointly controlled entities		19	89	19	89
Share of loss of associates		(127)	(361)	(127)	(361)
Loss before tax		(4,272)	(20,270)	(4,272)	(20,270)
Income tax expense	**21**	(5)	(13)	(5)	(13)
Loss for the period		(4,277)	(20,283)	(4,277)	(20,283)
Other comprehensive income					
- Foreign currency translation, representing other comprehensive income for the period		(3,660)	(8,503)	(3,660)	(8,503)
Total comprehensive income		(7,937)	(28,786)	(7,937)	(28,786)
Loss attributable to:					
Owners of the parent		(3,963)	(17,725)	(3,963)	(17,725)
Minority interests		(314)	(2,558)	(314)	(2,558)
		(4,277)	(20,283)	(4,277)	(20,283)
Total comprehensive income attributable to:					
Owners of the parent		(7,377)	(26,513)	(7,377)	(26,513)
Minority interests		(560)	(2,273)	(560)	(2,273)
		(7,937)	(28,786)	(7,937)	(28,786)
Loss per share attributable to owners of the Parent:					
Basic, for loss for the period (sen)	**29**	(0.33)	(1.56)	(0.33)	(1.56)
Diluted, for loss for the period (sen)	**29**	(0.31)	N/A	(0.31)	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	Note	AS AT 31 MAR 2011 RM'000	AS AT 31 DEC 2010 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	**11**	157,931	176,162
Investments in jointly controlled entities		1,258	1,264
Investments in associates		1,988	2,238
Other investment		4	4
Development costs		298	208
Other receivables		2,258	1,565
Gaming licenses		545	556
Goodwill		272	272
		164,554	182,269
Current assets			
Inventories		12,287	11,884
Trade Receivables		59,812	77,630
Short term lease receivables		9	509
Other Receivables		11,946	9,675
Tax Recoverable		128	123
Due from jointly controlled entities		376	307
Due from associates		3,693	4,105
Deposits with licensed banks		5,436	5,314
Cash and bank balances		23,986	15,861
		117,673	125,408
TOTAL ASSETS		282,227	307,677
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	**8**	115,119	115,105
Share premium		14,372	14,372
Foreign exchange translation reserve		(29,649)	(26,235)
Share option reserve		118	82
Accumulated losses		(21,441)	(17,478)
		78,519	85,846
Minority interests		6,473	7,033
Total equity		84,992	92,879
Non-current liabilities			
Borrowings	**25**	11,398	12,319
Deferred tax liabilities		8	8
		11,406	12,327
Current liabilities			
Borrowings	**25**	111,384	116,000
Trade payables		41,172	52,270
Other payables		25,981	25,458
Due to jointly controlled entities		2,919	3,368
Due to associates		2,121	3,073
Due to other shareholders		2,247	2,302
Tax payable		5	-
		185,829	202,471
Total liabilities		197,235	214,798
TOTAL EQUITY AND LIABILITIES		282,227	307,677
Net assets per share (sen)		7	7

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010 AND 31 MARCH 2011

	|-------------- Attributable to owners of the parent -------------------|							
		|------------ Non-Distributable --------------|			Distributable			
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share Option Reserve	Retained Earnings/ (Accumulated Losses)	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	104,151	8,838	(6,326)	-	33,536	140,199	2,273	142,472
Effect of adopting FRS 139	-	-	(20)	-	(2,636)	(2,656)	-	(2,656)
At 1 January 2010 (As restated)	104,151	8,838	(6,346)	-	30,900	137,543	2,273	139,816
Total comprehensive income for the period	-	-	(8,788)	-	(17,725)	(26,513)	(2,273)	(28,786)
Transaction with owners								
Issue of ordinary shares pursuant to Share Placement	10,954	5,534	-	-	-	16,488	-	16,488
At 31 March 2010	**115,105**	**14,372**	**(15,134)**	**-**	**13,175**	**127,518**	**-**	**127,518**
At 1 January 2011	115,105	14,372	(26,235)	82	(17,478)	85,846	7,033	92,879
Total comprehensive income for the period	-	-	(3,414)	-	(3,963)	(7,377)	(560)	(7,937)
Transaction with owners								
Issue of ordinary shares pursuant to ESOS	14	-	-	-	-	14	-	14
Share option granted under ESOS	-	-	-	36	-	36	-	36
At 31 March 2011	**115,119**	**14,372**	**(29,649)**	**118**	**(21,441)**	**78,519**	**6,473**	**84,992**

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2011

	3 MONTHS ENDED	
	31 MAR 2011 RM'000	31 MAR 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(4,272)	(20,270)
Adjustments for:		
Amortisation of development costs	-	95
Depreciation	11,585	19,484
Impairment of property, plant and equipment written back	(320)	(583)
Impairment of lease receivables	23	329
Gain on disposal of equipment	-	(155)
Property, plant and equipment written off	57	30
Impairment of trade receivables	-	428
Impairment of amount due from associates	8	-
Receivables written back	(2)	-
Impairment of trade receivables written back	(1,253)	-
Share options granted under ESOS	36	-
Share of profit of jointly controlled entities	(19)	(89)
Share of loss of associates	127	361
Interest expense	2,366	2,484
Interest income	(35)	(21)
Operating profit before working capital changes	8,301	2,093
Net changes in receivables, amount due from associates, jointly controlled entities and inventories	16,605	17,539
Net changes in payables, amount due to jointly controlled entities, associate companies and other shareholders	(12,030)	(19,281)
Interest paid	(279)	(738)
Taxes paid	(5)	(3)
Net cash flow generated from/(used in) operating activities	12,592	(390)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2011

	3 MONTHS ENDED	
	31 MAR 2011 RM'000	**31 MAR 2010 RM'000**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,027)	(2,881)
Proceeds from disposal of property, plant and equipment	4,519	1,421
Expenditure on development costs	(90)	-
Interest received	35	21
Net cash flow generated from/(used in) investing activities	3,437	(1,439)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bankers' acceptance and onshore foreign currency loan	(2,241)	(5,454)
Net repayment of term loan and commercial papers	(5,353)	(6,305)
Proceeds from issuance of ordinary shares	14	16,488
Net cash flow (used in)/generated from financing activities	(7,580)	4,729
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,449	2,900
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(171)	3,570
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	14,895	21,131
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	23,173	27,601

* Cash and cash equivalents at end of the financial period comprise the following:

Cash and bank balances	23,986	25,990
Deposits with licensed banks	5,436	5,419
Less: Bank Overdrafts	(6,249)	(3,808)
	23,173	27,601

PART A - EXPLANATORY NOTES PERSUANT TO FINANCIAL REPORTING STANDARD (FRS) NO. 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared under the historical cost convention and in accordance with the requirements of FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

2. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the changes arising from the adoption of revised Financial Reporting Standards (FRSs), IC Interpretations and Amendments that are effective for financial period beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011 as follows:

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments: Presentation

Effective for financial periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRSs	Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

2. Changes in Accounting Policies (Continued)

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the Amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on adoption of the revised FRS 3 and the Amendments to FRS 127 are described below.

Revised FRS 3 *Business Combinations* and Amendments to FRS 127 *Consolidated and Separate Financial Statements*

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statements of Cash Flows, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

4. Significant Event

During the quarter under review, there were no events that have not been reflected in the financial statements.

5. Comments about Seasonal or Cyclical Factors

The overall business of the Group was not affected by any significant seasonal factors except for the sales of machines which are subject to seasonal fluctuation.

6. Unusual Items due to their Nature, Size or Incidence

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

7. Changes in Estimates

There were no changes in the nature and amount of estimates reported that will have a material effect in the current quarter.

8. Changes in Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

- **Share Capital**

	Number of Ordinary Shares ('000) of RM0.10 each	
	2011	**2010**
As at 1 January	1,151,050	1,041,510
Issue of ordinary shares pursuant to		
ESOS	139	-
Share Placement	-	109,540
As at 31 March/December	1,151,189	1,151,050

9. Dividend

No dividend was paid for the financial period ended 31 March 2011.

10. Segmental Information

Segment information is presented in respect of the Group's business segments:

	3 MONTHS ENDED 31 MAR 2011 RM'000	3 MONTHS ENDED 31 MAR 2010 RM'000	3 MONTHS ENDED 31 MAR 2011 RM'000	3 MONTHS ENDED 31 MAR 2010 RM'000
Segment Revenue				
Sales and Marketing	7,604	11,139	7,604	11,139
Technical Support and Management	13,942	17,442	13,942	17,442
Leisure and Entertainment (1)	5,188	2,293	5,188	2,293
Others (2)	639	435	639	435
	27,373	31,309	27,373	31,309
Eliminations	(84)	(90)	(84)	(90)
Revenue	27,289	31,219	27,289	31,219
EBITDA*				
Sales and Marketing	2,133	(209)	2,133	(209)
Technical Support and Management	8,375	10,832	8,375	10,832
Leisure and Entertainment	50	(7,163)	50	(7,163)
Others	(673)	(468)	(673)	(468)
Unallocated	(525)	(1,647)	(525)	(1,647)
	9,360	1,345	9,360	1,345
Segment Results				
Sales and Marketing	2,078	(294)	2,078	(294)
Technical Support and Management	(2,265)	(7,641)	(2,265)	(7,641)
Leisure and Entertainment	(270)	(7,424)	(270)	(7,424)
Others	(777)	(511)	(777)	(511)
	(1,234)	(15,870)	(1,234)	(15,870)
Unallocated Expenses	(522)	(1,590)	(522)	(1,590)
- Foreign exchange gain/ (loss)	488	(1,776)	488	(1,776)
- Sundry income	226	1,177	226	1,177
- Other expenses	(1,236)	(991)	(1,236)	(991)
Operating loss	(1,756)	(17,460)	(1,756)	(17,460)

Note

(1) "Leisure and Entertainment" consist of revenue from companies involved in gaming and leisure activities.

(2) "Others" consist of revenue from manufacturing activities, research & development activities and inter-segment transaction.

* Earnings before interest, taxation, depreciation, amortization, impairment of property, plant & equipment, intangible assets and investments.

11. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

12. Subsequent Events

There were no material events subsequent to the end of the current quarter.

13. Changes in the Composition of the Group

There were no material changes in the composition of the Group.

14. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and assets since the previous quarter.

15. Capital Commitments

The amount of capital commitments approved but not provided for in the interim financial statements is as follows:

	AS AT 31 MAR 2011 RM'000
Gaming machines and equipment	27,000

16. Significant Related Party Transactions-

There were no significant related party transactions entered into during the current quarter.

B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

17. Performance Review

	3 MONTHS ENDED			3 MONTHS ENDED		
	31 MAR 2011 RM'000	31 MAR 2010 RM'000	% +/(-)	31 MAR 2011 RM'000	31 MAR 2010 RM'000	% +/(-)
Revenue						
Sales and Marketing	7,604	11,139	-32%	7,604	11,139	-32%
Technical Support and Management	13,942	17,442	-20%	13,942	17,442	-20%
Leisure and Entertainment (1)	5,188	2,293	+126%	5,188	2,293	+126%
Others (2)	555	345	+61%	555	345	+61%
Total	27,289	31,219	-13%	27,289	31,219	-13%
EBITDA*						
Sales and Marketing	2,133	(209)	+1121%	2,133	(209)	+1121%
Technical Support and Management	8,375	10,832	-23%	8,375	10,832	-23%
Leisure and Entertainment (1)	50	(7,163)	+101%	50	(7,163)	+101%
Others (2)	(673)	(468)	+44%	(673)	(468)	+44%
Unallocated	(525)	(1,647)	-68%	(525)	(1,647)	-68%
Total	9,360	1,345	+596%	9,360	1,345	+596%
Profit/ (Loss) before tax						
Sales and Marketing	2,078	(294)	+807%	2,078	(294)	+807%
Technical Support and Management	(2,265)	(7,641)	-70%	(2,265)	(7,641)	-70%
Leisure and Entertainment	(270)	(7,424)	-96%	(270)	(7,424)	-96%
Others	(885)	(783)	+13%	(885)	(783)	+13%
	(1,342)	(16,142)	-92%	(1,342)	(16,142)	-92%
Unallocated Expenses	(2,930)	(4,128)	-29%	(2,930)	(4,128)	-29%
- Finance cost	(2,408)	(2,538)	-5%	(2,408)	(2,538)	-5%
- Foreign exchange gain/ (loss)	488	(1,776)	+127%	488	(1,776)	+127%
- Sundry Income	226	1,177	-81%	226	1,177	-81%
- Other expenses	(1,236)	(991)	+25%	(1,236)	(991)	+25%
Loss before tax	(4,272)	(20,270)	-79%	(4,272)	(20,270)	-79%

Note

(1) "Leisure and Entertainment" consist of revenue from companies involved in gaming and leisure activities.

(2) "Others" consist of revenue from manufacturing activities, research & development activities and inter-segment transaction.

* Earnings before interest, taxation, depreciation, amortization, impairment of property, plant & equipment, intangible assets and investments.

17. Performance Review (Continued)

The decrease in revenue by 32% for quarter ended 31 March 2011 as compared to previous year's corresponding quarter for Sales and Marketing ("SSM") division mainly due to decrease in number of machine sold.

The summary of machines sold is as follows:-

	Number of machines sold	
Country	**3 months ended 31 Mar 2011 (Unit/ Station)**	**3 months ended 31 Mar 2010 (Unit/ Station)**
Macau	-	44
Malaysia	25	-
Philippines	12	24
Singapore	1	-
Vietnam	10	29
Others	-	5
Grand Total:	48	102

The EBITDA before impairment for SSM division increased by 1121% for the quarter ended 31 March 2011 as compared to previous year's corresponding quarter is mainly due to better profit margin and reversal of provision for sales return of RM1.3 million.

The revenue and EBITDA before impairment for Technical Support and Management ("TSM") division decreased by 20% and 23% respectively for the quarter ended 31 March 2011 as compared to previous year's corresponding quarter. The decrease in revenue is mainly due to less machines in operation and closure of non-performing outlets as follows:-

	Number of outlets as at		Number of machines placed as at	
Country	**31 Mar 2011**	**31 Mar 2010**	**31 Mar 2011**	**31 Mar 2010**
Cambodia	13	11	2,375	1,976
Philippines	17	18	1,886	2,040
Vietnam	1	2	58	152
Macau	4	6	356	871
Laos	2	2	159	159
Grand Total:	37	39	4,834	5,198

The revenue for Leisure and Entertainment ("L&E") division increased by 126% for the quarter ended 31 March 2011 as compared to previous year's corresponding quarter is mainly due to better performance after the introduction of cash table operation.

The revenue of "Others" division was mainly contributed by sales of RGBGames machine, reconditioned machines and table games layout.

18. Comparison with previous quarter's results

	CURRENT QUARTER RM'000	PREVIOUS QUARTER RM'000	% +/(-)
Revenue			
Sales and Marketing	7,604	39,865	-81%
Technical Support and Management	13,942	17,146	-19%
Leisure and Entertainment (1)	5,188	4,989	+4%
Others (2)	555	880	-37%
Revenue	27,289	62,880	-57%
EBITDA*			
Sales and Marketing	2,133	(310)	+788%
Technical Support and Management	8,375	9,647	-13%
Leisure and Entertainment	50	(2,642)	+102%
Others	(673)	(207)	+225%
Unallocated	(525)	(182)	+188%
	9,360	6,306	+48%
Profit/ (Loss) before tax			
Sales and Marketing	2,078	(369)	+663%
Technical Support and Management	(2,265)	(13,842)	-84%
Leisure and Entertainment	(270)	(3,056)	-91%
Others	(885)	(585)	+51%
	(1,342)	(17,852)	-92%
Unallocated Expenses	(2,930)	(3,283)	-11%
- Finance cost	(2,408)	(3,120)	-23%
- Foreign exchange gain	488	446	+9%
- Sundry income	226	20	+1030%
- Other income/ (expenses)	(1,236)	(629)	+97%
Loss before tax	(4,272)	(21,135)	-80%

Note

(1) "Leisure and Entertainment" consists of revenue from Chateau.

(2) "Others" consists of revenue from manufacturing activities, research & development activities and inter-segment transaction.

* Earnings before interest, taxation, depreciation, amortization, impairment of property, plant & equipment, intangible assets and investments.

18. Comparison with previous quarter's results (Continued)

The decrease in revenue for Sales and Marketing ("SSM") division in this quarter is due to seasonal nature of the business. The number of machines sold is as tabulated below.

	Number of machines sold	
Country	31 Mar 2011 (Unit/ Station)	31 Dec 2010 (Unit/ Station)
Macau	-	313
Malaysia	25	2
Philippines	12	267
Singapore	1	11
Vietnam	10	19
Grand Total:	48	612

The EBITDA before impairment for SSM increased by 788% in this quarter due to better profit margin and reversal of provision for sales return of RM1.3 million in this quarter.

The revenue and EBITDA before impairment for TSM decreased by 19% and 13% respectively is mainly due to lower revenue as the result of less machines in operation and closure of non-performing outlets during the quarter.

The reduced loss before tax for TSM is mainly due to lower depreciation and impairment cost.

The revenue of L&E increased by 4% is due to higher win per table. Furthermore, the introduction of cash table operation had reduced the junket expenses and effect of cost cutting measures contributed to the reduction of loss before tax.

19. Commentary on Prospects

The Group expects demand for machines for expansion and replacement market for year 2011 to pick up during the year and is confident to meet its sales target for 2011.

With reference to the PAGCOR concession contract, 108 machines have been installed and put in operation during this quarter. An additional 500 machines is scheduled to be installed by September 2011. The Group continues to pursue new concessions in this region.

While the Group is actively looking for a potential buyer for disposal of Chateau, steps have been taken to lease out both table and floor space to 3rd parties to generate additional income and to minimize operating expenditures.

In view of the foregoing and barring unforeseen circumstances, the Group expects to perform better in 2011.

20. Profit Forecast

No profit forecast was announced hence there was no comparison between actual results and forecast.

21. Income Tax Expense

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2011 RM'000	31 MAR 2010 RM'000	31 MAR 2011 RM'000	31 MAR 2010 RM'000
Income Tax				
- Current period	5	13	5	13

Domestic income tax is calculated at the Malaysian statutory rate of 25% (2009: 25%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

22. Profit on sale of Investments and/or Properties

There was no disposal of investment or properties during the quarter under review.

23. Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the quarter under review.

24. Corporate Proposals

Save as disclosed below and Note 8, there were no corporate proposals announced but not completed as at the date of this announcement:

(a) Status Of Employee Share Option Scheme ("ESOS")

		Number of Options Over Ordinary Shares of RM0.10 each			
Grant Date	Exercise Price	Balance As At 1 Jan 2011	Exercised	Lapsed	Balance As At 31 Mar 2011
	RM	'000	'000	'000	'000
25 Nov 2010	0.10	66,437	(139)	(814)	65,484

The above option expires on 20 October 2014.

24. Corporate Proposals (Continued)

(b) Issuance of Commercial Paper ("CP") and/ or Medium Term Notes ("MTN") with an aggregate nominal value of RM97 million ("CP/ MTN" Programme)

During the quarter, the Company retired RM1.1 million of CPs resulting a balance of RM85.9 million as at 31 March 2011. The Company will retire an additional RM10 million in the next quarter.

25. Borrowings

	AS AT 31 MAR 2011 RM'000	AS AT 31 DEC 2010 RM'000
Short Term Borrowings:		
Secured		
Bank overdrafts	6,249	6,280
Bankers' acceptances	108	2,250
Onshore foreign currency loan	13,798	13,897
Term loans	5,701	6,929
Unsecured		
Commercial Papers	85,528	86,644
	111,384	116,000
Long Term Borrowings:		
Secured		
Term loans	1,398	2,319
Unsecured		
Medium Term Notes	10,000	10,000
	11,398	12,319
Total borrowings	122,782	128,319

Borrowings denominated in foreign currency as at 31 Mar 2011:

	USD'000	RM'000
Borrowings	5,942	17,994

26. Derivative Financial Instruments

The Group does not have any derivative financial instruments as at the date of this report.

27. Material Litigation

The Group does not have any material litigation, which in the opinion of the Directors, would have a material impact on the financial results of the Group.

28. Disclosure of Realised and Unrealised Profits/ Losses

The Group's realised and unrealised accumulated losses disclosures are as follows:

	ACCUMULATED QUARTER ENDED	
	31 MAR 2011 (RM'000)	31 DEC 2010 (RM'000)
The accumulated losses of the Company and subsidiaries:		
- Realised	(52,877)	(49,109)
- Unrealised	(9,953)	(7,782)
Total share of accumulated losses from jointly controlled entities:		
- Realised	(24)	(17)
- Unrealised	(25)	(50)
Total share of accumulated losses from associates:		
- Realised	1,432	1,593
- Unrealised	(721)	(756)
	(62,168)	(56,121)
Add: Consolidation adjustments	40,727	38,643
Total Group accumulated losses	(21,441)	(17,478)

29. Loss Per Share

(a) Basic

Basic loss per share amounts are calculated by dividing the loss for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2011	31 MAR 2010	31 MAR 2011	31 MAR 2010
Loss attributable to owners of the parent (RM'000)	(3,963)	(17,725)	(3,963)	(17,725)
Weighted average number of ordinary shares in issue ('000)	1,214,554	1,133,376	1,214,554	1,133,376
Basic loss per share (sen)	(0.33)	(1.56)	(0.33)	(1.56)

(b) Diluted

For the purpose of calculating diluted loss per share, the loss for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of share options granted. The diluted loss per share for the period ended 31 March 2010 has not been presented as the Group did not have any outstanding share options as at 31 March 2010.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2011	31 MAR 2010	31 MAR 2011	31 MAR 2010
Profit attributable to owners of the parent (RM'000)	(3,963)	N/A	(3,963)	N/A
Weighted average number of ordinary shares in issue ('000)	1,214,554	N/A	1,214,554	N/A
Effect of dilution of share options	67,249	N/A	67,249	N/A
Adjusted weighted average number of ordinary shares in issue and issuable	1,281,803	N/A	1,281,803	N/A
Diluted loss per share (sen)	(0.31)	N/A	(0.31)	N/A

30. Authorisation For Issue

On 25 May 2011, the Board of Directors authorised the issue of these interim financial statements.

By Order of the Board
RGB International Bhd. (603831-K)

Datuk Chuah Kim Seah, JP
Group Managing Director
25 May 2011