



RGB International Bhd. (603831-K)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
31 March 2012



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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2012**

	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31 MAR 2012 RM'000	31 MAR 2011 RM'000 (Restated)	31 MAR 2012 RM'000	31 MAR 2011 RM'000 (Restated)
Revenue	10	28,091	27,289	28,091	27,289
Cost of sales		(21,431)	(20,875)	(21,431)	(20,875)
- Depreciation		(10,026)	(10,838)	(10,026)	(10,838)
- Others		(11,405)	(10,037)	(11,405)	(10,037)
Gross profit		6,660	6,414	6,660	6,414
Other income		375	282	375	282
Administrative expenses		(5,664)	(8,917)	(5,664)	(8,917)
- Depreciation		(624)	(732)	(624)	(732)
- Others		(5,040)	(8,185)	(5,040)	(8,185)
Selling and marketing expenses		(484)	(271)	(484)	(271)
Other gain, net		2,070	751	2,070	751
Operating profit/(loss)		2,957	(1,741)	2,957	(1,741)
Finance costs		(2,461)	(2,408)	(2,461)	(2,408)
Share of profit of jointly controlled entities		-	19	-	19
Share of loss of associates		(261)	(127)	(261)	(127)
Profit/(Loss) before tax		235	(4,257)	235	(4,257)
Income tax expense	21	(3)	(3)	(3)	(3)
Profit/(Loss) for the period		232	(4,260)	232	(4,260)
Other comprehensive loss					
- Foreign currency translation, representing other comprehensive loss for the period		(5,348)	(3,660)	(5,348)	(3,660)
Total comprehensive loss		(5,116)	(7,920)	(5,116)	(7,920)
Profit/(Loss) attributable to:					
Owners of the parent		124	(3,946)	124	(3,946)
Non-controlling interests		108	(314)	108	(314)
		232	(4,260)	232	(4,260)
Total comprehensive loss attributable to:					
Owners of the parent		(4,947)	(7,360)	(4,947)	(7,360)
Non-controlling interests		(169)	(560)	(169)	(560)
		(5,116)	(7,920)	(5,116)	(7,920)
Earnings/(Loss) per share attributable to owners of the parent:					
Basic, for profit/(loss) for the period (sen)	27	0.01	(0.34)	0.01	(0.34)
Diluted, for profit/(loss) for the period (sen)	27	0.01	(0.34)	0.01	(0.34)


CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	AS AT 31 MAR 2012 RM'000	AS AT 31 DEC 2011 RM'000 (Restated)	AS AT 1 JAN 2011 RM'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	11	118,136	121,739	177,538
Investments in jointly controlled entities		239	239	1,264
Investments in associates		1,296	1,707	2,238
Other investment		-	4	4
Development costs		473	430	208
Other receivables		362	396	1,565
Gaming licenses		375	388	556
Goodwill		-	-	272
		<u>120,881</u>	<u>124,903</u>	<u>183,645</u>
Current assets				
Inventories		13,735	14,965	11,884
Trade Receivables		35,971	48,978	77,630
Short term lease receivables		-	-	509
Other Receivables		10,930	13,484	9,675
Assets of disposal group classified as held for sale		12,703	13,298	-
Tax Recoverable		239	180	123
Due from jointly controlled entities		-	-	307
Due from associates		2,958	3,057	4,106
Deposits with licensed banks		5,874	5,770	5,314
Cash and bank balances		20,499	26,735	15,861
		<u>102,909</u>	<u>126,467</u>	<u>125,409</u>
TOTAL ASSETS		<u>223,790</u>	<u>251,370</u>	<u>309,054</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	8	115,119	115,119	115,105
Share premium		14,373	14,373	14,373
Foreign exchange translation reserve		(28,204)	(23,133)	(26,235)
Share option reserve		248	213	82
Accumulated losses		(47,004)	(47,128)	(16,381)
		<u>54,532</u>	<u>59,444</u>	<u>86,944</u>
Non-controlling interests		<u>6,153</u>	<u>6,322</u>	<u>7,033</u>
Total equity		<u>60,685</u>	<u>65,766</u>	<u>93,977</u>
Non-current liabilities				
Borrowings	23	61,757	70,804	12,319
Deferred tax liabilities		284	286	287
		<u>62,041</u>	<u>71,090</u>	<u>12,606</u>
Current liabilities				
Borrowings	23	39,926	35,781	116,000
Trade payables		36,863	50,912	52,270
Other payables		20,907	24,342	25,458
Liabilities of disposal group classified as held for sale		1,025	1,153	-
Due to jointly controlled entities		196	213	3,368
Due to associates		1,177	1,095	3,073
Due to other shareholders		945	998	2,302
Tax payable		25	20	-
		<u>101,064</u>	<u>114,514</u>	<u>202,471</u>
Total liabilities		<u>163,105</u>	<u>185,604</u>	<u>215,077</u>
TOTAL EQUITY AND LIABILITIES		<u>223,790</u>	<u>251,370</u>	<u>309,054</u>
Net assets per share (sen)		<u>5</u>	<u>5</u>	<u>8</u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011 AND 31 MARCH 2012**

	----- Attributable to owners of the parent -----							
	----- Non-Distributable -----							
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share Option Reserve	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	115,105	14,373	(26,235)	82	(17,478)	85,847	7,033	92,880
Effect of adopting MFRSs	-	-	-	-	1,097	1,097	-	1,097
At 1 January 2011 (As restated)	115,105	14,373	(26,235)	82	(16,381)	86,944	7,033	93,977
Total comprehensive loss for the year (Restated)	-	-	(3,414)	-	(3,946)	(7,360)	(560)	(7,920)
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	14,373	(29,649)	118	(20,327)	79,634	6,473	86,107
At 1 January 2012	115,119	14,373	(23,133)	213	(48,294)	58,278	6,322	64,600
Effect of adopting MFRSs	-	-	-	-	1,166	1,166	-	1,166
At 1 January 2012 (As restated)	115,119	14,373	(23,133)	213	(47,128)	59,444	6,322	65,766
Total comprehensive loss for the year	-	-	(5,071)	-	124	(4,947)	(169)	(5,116)
Transaction with owners								
Share option granted under ESOS	-	-	-	35	-	35	-	35
At 31 March 2012	115,119	14,373	(28,204)	248	(47,004)	54,532	6,153	60,685



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012**

	3 MONTHS ENDED	
	31 MAR 2012 RM'000	31 MAR 2011 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	235	(4,257)
Adjustments for:		
Bad debts recovered	(54)	-
Depreciation	10,650	11,570
Impairment loss on investment	4	-
Impairment of property, plant & equipment written back	(4,761)	(320)
Impairment of lease receivable	-	23
Gain on disposal of equipment	(17)	-
Property, plant and equipment written off	4,178	57
Provision for doubtful debts (non trade)	31	8
Receivables written off	-	(2)
Reversal of provision for doubtful debts	-	(1,253)
Reversal of provision for doubtful debts (non trade)	(24)	-
Written down of inventories	-	156
Share options granted under ESOS	35	36
Share of profit of jointly controlled entities	-	(19)
Share of loss of associates	261	127
Interest expense	2,425	2,366
Interest income	(50)	(35)
Operating profit before working capital changes	12,913	8,457
Net changes in receivables, amount due from jointly controlled entities, associates and inventories	17,864	16,449
Net changes in payables, amount due to jointly controlled entities, associates and other shareholders	(18,266)	(12,030)
Interest paid	(386)	(279)
Taxes paid	(59)	(5)
Net cash flow generated from operating activities	12,066	12,592



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2012**

	3 MONTHS ENDED	
	31 MAR 2012 RM'000	31 MAR 2011 RM'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,272)	(923)
Proceeds from disposal of equipment	172	4,415
Changes in fixed deposits pledged to licensed banks	(115)	(122)
Expenditure on development costs	(43)	(90)
Partial consideration from disposal of a subsidiary	666	-
Interest received	50	35
Net cash flow (used in)/generated from investing activities	(10,542)	3,315
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bankers' acceptances and onshore foreign currency loan	(193)	(2,241)
Net repayment of term loan and CPMTN	(5,723)	(5,353)
Repayment of finance lease liability	(28)	-
Proceeds from issuance of shares	-	14
Net cash flow used in financing activities	(5,944)	(7,580)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,420)	8,327
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(1,027)	(171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	22,524	9,581
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	17,077	17,737
 * Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	20,499	23,986
Deposits with licensed banks	5,874	5,436
Less: Bank Overdrafts	(4,969)	(6,249)
	21,404	23,173
Add: Cash and bank balances for disposal group classified as held for sale	101	-
Less: Fixed deposit pledged to licensed banks	(4,428)	(5,436)
	17,077	17,737



PART A - EXPLANATORY NOTES PERSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134

1. Basis of Preparation

This unaudited condensed consolidated interim financial statements ("Condensed Report") for the period ended 31 March 2012 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

This Condensed Report is the Group's first MFRS compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note 2.1 below.

2. Changes in Accounting Policies

2.1 Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

Property, plant and equipment

Under FRS, all items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced parts is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred. Subsequent to recognition, properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Upon the transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment except for to regard the fair value of certain freehold and leasehold land and buildings at the date of transition as its deemed cost at that date. As at that date, an increase of RM1,375,904 (31 December 2011: RM1,438,102) was recognised in property, plant and equipment.



2. Changes in Accounting Policies (Continued)

2.1 Application of MFRS 1 (Continued)

(a) Reconciliation of statement of financial position as at 1 January 2011

	As previously reported RM'000	Effects of transition to MFRSs RM'000	As restated RM'000
Property, plant and equipment	176,162	1,376	177,538
Accumulated losses	(17,478)	1,097	(16,381)
Deferred tax liabilities	8	279	287

(b) Reconciliation of statement of financial position as at 31 December 2011

	As previously reported RM'000	Effects of transition to MFRSs RM'000	As restated RM'000
Property, plant and equipment	120,301	1,438	121,739
Accumulated losses	(48,294)	1,166	(47,128)
Deferred tax liabilities	14	272	286

(c) Reconciliation of statement of comprehensive income for the period ended 31 March 2011

	As previously reported RM'000	Effects of transition to MFRSs RM'000	As restated RM'000
Cost of sales	(20,878)	3	(20,875)
Administrative expenses	(8,929)	12	(8,917)
Loss before tax	(4,272)	15	(4,257)
Income tax expenses	(5)	2	(3)
Loss for the period	(4,277)	17	(4,260)



2. Changes in Accounting Policies (Continued)

2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of this Condensed Report, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

	Effective Date
Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits (revised)	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9 Financial Instruments	1 January 2015

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 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 current quarter.



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 for the current quarter.

9. Dividend

No dividend was paid for the financial period ended 31 March 2012.



10. Segmental Information

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2012 RM'000	31 MAR 2011 RM'000 (Restated)	31 MAR 2012 RM'000	31 MAR 2011 RM'000 (Restated)
Segment Revenue				
Sales and Marketing	10,757	7,604	10,757	7,604
Technical Support and Management	16,417	13,942	16,417	13,942
Leisure and Entertainment (1)	569	5,188	569	5,188
Others (2)	432	639	432	639
	<u>28,175</u>	<u>27,373</u>	<u>28,175</u>	<u>27,373</u>
Eliminations	(84)	(84)	(84)	(84)
Revenue	<u>28,091</u>	<u>27,289</u>	<u>28,091</u>	<u>27,289</u>
EBITDA*				
Sales and Marketing	833	2,008	833	2,008
Technical Support and Management	10,848	8,375	10,848	8,375
Leisure and Entertainment	(3,673)	50	(3,673)	50
Others	48	(548)	48	(548)
Unallocated	496	(525)	496	(525)
Total	<u>8,552</u>	<u>9,360</u>	<u>8,552</u>	<u>9,360</u>
Segment Results				
Sales and Marketing	1,476	2,077	1,476	2,077
Technical Support and Management	750	(2,265)	750	(2,265)
Leisure and Entertainment	326	(270)	326	(270)
Others	(84)	(758)	(84)	(758)
	<u>2,468</u>	<u>(1,216)</u>	<u>2,468</u>	<u>(1,216)</u>
Unallocated income/(expenses)	489	(525)	489	(525)
- Foreign exchange gain	1,474	488	1,474	488
- Interest income	35	32	35	32
- Sundry Income	261	226	261	226
- Legal and professional fee	(431)	(406)	(431)	(406)
- Other expenses	(850)	(865)	(850)	(865)
	<u>2,957</u>	<u>(1,741)</u>	<u>2,957</u>	<u>(1,741)</u>
Operating profit/(loss)	<u>2,957</u>	<u>(1,741)</u>	<u>2,957</u>	<u>(1,741)</u>

Note

- (1) "Leisure and Entertainment" consist of leasing income from Chateau De Bavet Club Co Ltd. ("Chateau").
- (2) "Others" consist of revenue from manufacturing activities, research & development activities and inter-segment transaction.

* Earnings before interest, taxation, depreciation, amortisation, 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 during the quarter

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 2012 RM'000
Gaming machines and equipment	<u>35,800</u>

16. Significant Related Party Transactions

There was no significant related party transaction 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 2012 RM'000	31 MAR 2011 RM'000 (Restated)	% +/(-)	31 MAR 2012 RM'000	31 MAR 2011 RM'000 (Restated)	% +/(-)
Revenue						
Sales and Marketing	10,757	7,604	+41%	10,757	7,604	+41%
Technical Support and Management	16,417	13,942	+18%	16,417	13,942	+18%
Leisure and Entertainment (1)	569	5,188	-89%	569	5,188	-89%
Others (2)	348	555	-37%	348	555	-37%
Total	28,091	27,289	+3%	28,091	27,289	+3%
EBITDA*						
Sales and Marketing	833	2,008	-59%	833	2,008	-59%
Technical Support and Management	10,848	8,375	+30%	10,848	8,375	+30%
Leisure and Entertainment	(3,673)	50	-7446%	(3,673)	50	-7446%
Others	48	(548)	+109%	48	(548)	+109%
Unallocated	496	(525)	+194%	496	(525)	+194%
Total	8,552	9,360	-9%	8,552	9,360	-9%
Profit/(Loss) before tax						
Sales and Marketing	1,101	1,940	-43%	1,101	1,940	-43%
Technical Support and Management	544	(3,016)	+118%	544	(3,016)	+118%
Leisure and Entertainment	326	(270)	+221%	326	(270)	+221%
Others	(150)	(845)	-82%	(150)	(845)	-82%
	1,821	(2,191)	+183%	1,821	(2,191)	+183%
Unallocated Expenses	(1,586)	(2,066)	-23%	(1,586)	(2,066)	-23%
- Finance cost	(2,075)	(1,541)	+35%	(2,075)	(1,541)	+35%
- Foreign exchange gain	1,474	488	+202%	1,474	488	+202%
- Interest income	35	32	+9%	35	32	+9%
- Sundry Income	261	226	+15%	261	226	+15%
- Legal and professional fee	(431)	(406)	+6%	(431)	(406)	+6%
- Other expenses	(850)	(865)	-2%	(850)	(865)	-2%
Profit/(Loss) before tax	235	(4,257)	+106%	235	(4,257)	+106%

Note

- (1) "Leisure and Entertainment" consist of leasing income from Chateau.
- (2) "Others" consist of revenue from manufacturing activities, research & development activities and inter-segment transaction.

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



17. Performance Review (Continued)

The Sales and Marketing division's revenue increased by 41% for quarter ended 31 March 2012 as compared to previous year's corresponding quarter mainly due to increase in sales of machines and other SSM products such as casino accessories and equipments. However, EBITDA before impairment decreased by 59% due to lower profit margin for the products sold during the quarter. In addition, there was a reversal of provision for sales return of RM1.3 million in previous year's corresponding quarter.

The summary of machines and casino equipments sold is as follows:-

Country	Number of machines sold	
	3 months ended 31 Mar 2012 (Unit/ Station)	3 months ended 31 Mar 2011 (Unit/ Station)
Cambodia *	32	-
Macau	20	-
Malaysia	2	25
Philippines	18	12
Singapore	-	1
Vietnam	14	10
Grand Total:	86	48

* Sales of refurbished machines.

Country	Number of casino equipment sold	
	3 months ended 31 Mar 2012 (Unit)	3 months ended 31 Mar 2011 (Unit)
Cambodia	12	-
Malaysia	-	6
Philippines	10	40
Grand Total:	22	46

The revenue and EBITDA before impairment for Technical Support and Management ("TSM") division increased by 18% and 30% respectively for the quarter ended 31 March 2012 as compared to previous year's corresponding quarter due to opening of a new outlet in Myanmar and better performance of existing outlets particularly in the Philippines.



17. Performance Review (Continued)

The summary of number of outlets and number of machines placed are as below:

Country	Number of outlets as at		Number of machines placed as at	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
Cambodia	13	13	2,280	2,375
Philippines	17	17	1,983	1,886
Vietnam	-	1	-	58
Macau	4	4	368	356
Laos	2	2	185	159
Myanmar	1	-	44	-
Grand Total:	37	37	4,860	4,834

The revenue for Leisure and Entertainment (“L&E”) division is relates to income from lease of building. The negative EBITDA before impairment is mainly due to reversal of impairment in respect of fixed assets written off of RM4.2 million in this quarter.

The revenue of “Others” division was mainly contributed by sales of refurbished machines and table games layout.



18. Comparison with previous quarter's results

	CURRENT QUARTER RM'000	PREVIOUS QUARTER RM'000 (Restated)	% +/(-)
Revenue			
Sales and Marketing	10,757	12,606	-15%
Technical Support and Management	16,417	17,711	-7%
Leisure and Entertainment (1)	569	546	+4%
Others (2)	348	276	+26%
Revenue	<u>28,091</u>	<u>31,139</u>	<u>-10%</u>
EBITDA*			
Sales and Marketing	833	(559)	+249%
Technical Support and Management	10,848	11,163	-3%
Leisure and Entertainment	(3,673)	(650)	+465%
Others	48	(213)	+123%
Unallocated	496	757	-34%
	<u>8,552</u>	<u>10,498</u>	<u>-19%</u>
Profit/(Loss) before tax			
Sales and Marketing	1,101	(492)	+324%
Technical Support and Management	544	(14,846)	+104%
Leisure and Entertainment	326	(2,506)	+113%
Others	(150)	(450)	-67%
	<u>1,821</u>	<u>(18,294)</u>	<u>+110%</u>
Unallocated expenses	(1,586)	(1,059)	+50%
- Finance cost	(2,075)	(1,535)	+35%
- Foreign exchange gain	1,474	68	+2068%
- Interest income	35	36	-3%
- Sundry income	261	23	+1035%
- Legal and professional fee	(431)	(439)	-2%
- Other (expenses)/income	(850)	788	-208%
Profit/(Loss) before tax	<u>235</u>	<u>(19,353)</u>	<u>+101%</u>

Note

- (1) "Leisure and Entertainment" consists of leasing income from Chateau.
(2) "Others" consists of revenue from manufacturing activities, research & development activities and inter-segment transaction.

* Earnings before interest, taxation, depreciation, amortisation, 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 decrease in number of machines in this quarter.

Country	Number of machines sold	
	31 Mar 2012	31 Dec 2011
	(Unit/ Station)	(Unit/ Station)
Cambodia *	32	-
Macau	20	-
Malaysia	2	30
Philippines	18	138
Singapore	-	17
Vietnam	14	4
Grand Total:	86	189

* Sales of refurbished machines.

Country	Number of casino equipment sold	
	3 months ended	3 months ended
	31 Mar 2012	31 Dec 2011
	(Unit)	(Unit)
Cambodia	12	3
Philippines	10	2
Grand Total:	22	5

The EBITDA before impairment for SSM increased by 249% in this quarter due to low profit margin for machines sold and higher operating expenses incurred in last quarter.

The revenue for TSM decreased by 7% mainly due to lower performance of existing outlets in Poipet, Cambodia due to drop in patronage. The profit before taxation improved due to lower depreciation for current quarter and impairment of machines and equipment of RM13 million made in last quarter.

The profit before taxation for L&E this quarter is relates to income from lease of building while the losses in previous quarter was caused by cessation of operation in December 2011.

The loss before taxation for Others is mainly related to R&D expenditures.



19. Commentary on Prospects

SSM Division continues to concentrate its sales effort in key markets, ie the Philippines and Macau, while establishing more significant presence in Cambodia, Vietnam, Laos and Korea.

TSM Division remains focused on growing revenue at its existing concessions via increasing yield per machine by installing in-house and 3rd party Slot Management Systems and utilizing new as well as refurbished machines for placement under selective new concessions. Currently TSM has approximately 4,900 units of slot machines at the existing concessions and target to increase the placement of machines to 5,300 units by end of 2012.

The Group has entered into a lease agreement with a leading Bingo Operator in Philippines to place electronic Bingo machines at its bingo halls. We expect to commence operations in July 2012.

In L&E division, a tenant has been operating the casino and hotel on certain floors for a rental income of USD60,000 per month.

The Group has reduced its Commercial Papers and term loan by RM3 million and RM759k respectively in 1st quarter of 2012 due to strong operating cash flow and expects to further reduce borrowings in subsequent quarters.

In view of the foregoing and barring unforeseen circumstances, the Group expects to perform better than last year.

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 2012	31 MAR 2011	31 MAR 2012	31 MAR 2011
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Income Tax				
- Current period	3	3	3	3

Domestic income tax is calculated at the Malaysian statutory rate of 25% (2010: 25%) of the estimated assessable profit for the period. The effective tax rate of the Group is lower than the statutory income tax rate mainly due to income subjected to different tax jurisdictions and income not subjected to tax, partially offset by expenses not deductible for tax purposes.



22. 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”)

Grant Date	Exercise Price	Balance As At 1 Jan 2012	Number of Options Over Ordinary Shares of RM0.10 each			Balance As At 31 Mar 2012
			Granted	Exercised	Cancelled	
	RM	'000	'000	'000	'000	'000
25 Nov 2010	0.10	62,532	-	-	(179)	62,353
13 Feb 2012	0.10	-	3,290	-	(65)	3,225
		62,532	3,290	-	(244)	65,578

The above option expires on 20 October 2014.

(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 RM3 million of CPs leaving a balance of RM71 million as at 31 March 2012.

(c) Disposal of 32% equity interest in Chateau

As at 31 March 2012, the Company has received RM3.0 million as progressive proceeds from the disposal of a 32% equity interest in Chateau. The balance of RM6.6 million will be received progressively over the next 28 months.



23. Borrowings

	AS AT 31 MAR 2012 RM'000	AS AT 31 DEC 2011 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Bank overdrafts	4,969	5,965
Onshore foreign currency loan	14,232	14,425
Commercial Papers	19,689	13,615
Finance lease liability	142	151
Term loans	894	1,625
	<u>39,926</u>	<u>35,781</u>
Long Term Borrowings:		
<u>Secured</u>		
Commercial Papers (Modified term) *	51,000	60,000
Medium Term Notes	10,000	10,000
Finance lease liability	239	258
Term loans	518	546
	<u>61,757</u>	<u>70,804</u>
Total borrowings	<u>101,683</u>	<u>106,585</u>
Borrowings denominated in foreign currency as at 31 Mar 2012:		
	USD'000	RM'000
Borrowings	<u>5,015</u>	<u>15,395</u>

24. 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.



25. Notes to the Statements of Comprehensive Income

The profit/(loss) before taxation is after accounting for the following:-

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR	31 MAR	31 MAR	31 MAR
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Interest income	(50)	(35)	(50)	(35)
Interest expenses	2,425	2,366	2,425	2,366
Bad debts recovered	(54)	-	(54)	-
Depreciation	10,650	11,570	10,650	11,570
Impairment loss on investment	4	-	4	-
Impairment of property, plant & equipment written back	(4,761)	(320)	(4,761)	(320)
Impairment of lease receivable	-	23	-	23
Gain on disposal of equipment	(17)	-	(17)	-
Property, plant and equipment written off	4,178	57	4,178	57
Provision for doubtful debts (non trade)	31	8	31	8
Receivables written off	-	(2)	-	(2)
Reversal of provision for doubtful debts	-	(1,253)	-	(1,253)
Reversal of provision for doubtful debts (non trade)	(24)	-	(24)	-
Written down of inventories	-	156	-	156



26. Disclosure of Realised and Unrealised Profits/ Losses

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

	ACCUMULATED QUARTER ENDED	
	31 MAR 2012 RM'000	31 DEC 2011 RM'000 (Restated)
The accumulated losses of the Company and subsidiaries:		
- Realised	(124,943)	(124,489)
- Unrealised	5,212	3,966
Total share of accumulated losses from jointly controlled entities:		
- Realised	(58)	(58)
- Unrealised	1	1
Total share of retained profit from associates:		
- Realised	642	922
- Unrealised	(549)	(568)
	<u>(119,695)</u>	<u>(120,226)</u>
Add: Consolidation adjustments	72,691	73,098
Total Group accumulated losses	<u>(47,004)</u>	<u>(47,128)</u>



27. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing the profit/(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	31 MAR	31 MAR	31 MAR
	2012	2011	2012	2011
		(Restated)		(Restated)
Profit/(Loss) attributable to owners of the parent (RM'000)	124	(3,946)	124	(3,946)
Weighted average number of ordinary shares in issue ('000)	1,151,189	1,151,114	1,151,189	1,151,114
Basic earnings/(loss) per share (sen)	0.01	(0.34)	0.01	(0.34)

(b) Diluted

For the purpose of calculating diluted earnings/(loss) per share, the profit/(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.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR	31 MAR	31 MAR	31 MAR
	2012	2011	2012	2011
		(Restated)		(Restated)
Profit/(Loss) attributable to owners of the parent (RM'000)	124	(3,946)	124	(3,946)
Weighted average number of ordinary shares in issue ('000)	1,151,189	1,151,114	1,151,189	1,151,114
Effect of dilution of share options	-	8,460	-	8,460
Adjusted weighted average number of ordinary shares in issue and issuable	1,151,189	1,159,573	1,151,189	1,159,573
Diluted earnings/(loss) per share (sen)	0.01	(0.34)	0.01	(0.34)



RGB International Bhd. (603831-K)

28. Authorisation For Issue

On 28 May 2012, 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
28 May 2012