



RGB International Bhd. (603831-K)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
30 September 2012



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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2012**

	Note	3 MONTHS ENDED		9 MONTHS ENDED	
		30 SEPT 2012 RM'000	30 SEPT 2011 RM'000 (Restated)	30 SEPT 2012 RM'000	30 SEPT 2011 RM'000 (Restated)
Revenue	10	56,670	28,531	113,011	87,072
Cost of sales		(47,430)	(23,308)	(88,129)	(70,167)
- Depreciation		(10,536)	(11,993)	(31,293)	(34,829)
- Others		(36,894)	(11,315)	(56,836)	(35,338)
Gross profit		9,240	5,223	24,882	16,905
Other income		125	273	1,007	578
Administrative expenses		(6,670)	(6,920)	(19,050)	(22,195)
- Depreciation		(579)	(753)	(1,814)	(2,234)
- Others		(6,091)	(6,167)	(17,236)	(19,961)
Selling and marketing expenses		(808)	(324)	(1,557)	(912)
Other gain/(expenses), net		2,222	(846)	4,690	(293)
Operating profit/(loss)		4,109	(2,594)	9,972	(5,917)
Finance costs		(2,334)	(2,499)	(7,190)	(7,325)
Share of profit/(loss) of jointly controlled entities		-	1	-	(6)
Share of loss of associates		(217)	(201)	(509)	(205)
Profit/(Loss) before tax		1,558	(5,293)	2,273	(13,453)
Income tax expense	21	(86)	(5)	(96)	(12)
Profit/(Loss) for the period		1,472	(5,298)	2,177	(13,465)
Other comprehensive (loss)/income					
- Foreign currency translation, representing other comprehensive (loss)/income for the period		(7,449)	8,794	(7,701)	5,146
Total comprehensive (loss)/income		(5,977)	3,496	(5,524)	(8,319)
Profit/(Loss) attributable to:					
Owners of the parent		1,505	(4,939)	2,104	(12,295)
Non-controlling interests		(33)	(359)	73	(1,170)
		1,472	(5,298)	2,177	(13,465)
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(4,699)	3,400	(4,417)	(7,365)
Non-controlling interests		(1,278)	96	(1,107)	(954)
		(5,977)	3,496	(5,524)	(8,319)
Earnings/(Loss) per share attributable to owners of the parent:					
Basic, for profit/(loss) for the period (sen)	27	0.13	(0.43)	0.18	(1.07)
Diluted, for profit/(loss) for the period (sen)	27	0.13	(0.43)	0.18	(1.06)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

	Note	AS AT 30 SEPT 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	111,127	121,739	177,538
Investments in jointly controlled entities		245	239	1,264
Investments in associates		1,254	1,707	2,238
Other investment		-	4	4
Development costs		1,084	430	208
Other receivables		384	396	1,565
Gaming licenses		446	388	556
Goodwill		-	-	272
		<u>114,540</u>	<u>124,903</u>	<u>183,645</u>
Current assets				
Inventories		12,658	14,965	11,884
Trade Receivables		40,046	48,978	77,630
Short term lease receivables		-	-	509
Other Receivables		16,009	13,484	9,675
Assets of disposal group classified as held for sale		7,393	13,298	-
Tax Recoverable		218	180	123
Due from jointly controlled entities		-	-	307
Due from associates		2,800	3,057	4,106
Deposits with licensed banks		4,589	5,770	5,314
Cash and bank balances		28,128	26,735	15,861
		<u>111,841</u>	<u>126,467</u>	<u>125,409</u>
TOTAL ASSETS		<u>226,381</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		(29,654)	(23,133)	(26,235)
Share option reserve		293	213	82
Accumulated losses		(44,799)	(47,128)	(16,381)
		<u>55,332</u>	<u>59,444</u>	<u>86,944</u>
Non-controlling interests		9,802	6,322	7,033
Total equity		<u>65,134</u>	<u>65,766</u>	<u>93,977</u>
Non-current liabilities				
Borrowings	23	59,505	70,804	12,319
Deferred tax liabilities		280	286	287
		<u>59,785</u>	<u>71,090</u>	<u>12,606</u>
Current liabilities				
Borrowings	23	32,053	35,781	116,000
Trade payables		41,584	50,912	52,270
Other payables		24,984	24,342	25,458
Liabilities of disposal group classified as held for sale		551	1,153	-
Due to jointly controlled entities		187	213	3,368
Due to associates		1,172	1,095	3,073
Due to other shareholders		914	998	2,302
Tax payable		17	20	-
		<u>101,462</u>	<u>114,514</u>	<u>202,471</u>
Total liabilities		<u>161,247</u>	<u>185,604</u>	<u>215,077</u>
TOTAL EQUITY AND LIABILITIES		<u>226,381</u>	<u>251,370</u>	<u>309,054</u>
Net assets per share (sen)		5	5	8



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2011 AND 30 SEPTEMBER 2012**

-----| Attributable to owners of the parent |-----
|-----| Non-Distributable |-----

	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Share Option Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity 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 income/(loss) for the period	-	-	4,930	-	(12,295)	(7,365)	(954)	(8,319)
Transaction with owners								
Issue of ordinary shares pursuant to ESOS	14	-	-	-	-	14	-	14
Share option granted under ESOS	-	-	-	104	-	104	-	104
Subscription of share application monies by the non-controlling interests in a subsidiary	-	-	-	-	-	-	1,262	1,262
At 30 September 2011	115,119	14,373	(21,305)	186	(28,676)	79,697	7,341	87,038
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)/income for the period	-	-	(6,521)	-	2,104	(4,417)	(1,107)	(5,524)
Transaction with owners								
Share option granted under ESOS	-	-	-	80	-	80	-	80
Accretion/(Dilution) from change in stake	-	-	-	-	225	225	(225)	-
Consideration paid by the non-controlling interests in a subsidiary	-	-	-	-	-	-	4,812	4,812
At 30 September 2012	115,119	14,373	(29,654)	293	(44,799)	55,332	9,802	65,134



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	9 MONTHS ENDED	
	30 SEPT 2012 RM'000	30 SEPT 2011 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	2,273	(13,453)
Adjustments for:		
Amortisation of development costs	11	-
Bad debts written off	-	5,165
Bad debts recovered	(54)	-
Depreciation	33,107	37,063
Impairment loss on investment	4	-
Impairment of property, plant & equipment written back	(5,009)	(588)
Impairment of lease receivable	-	23
Gain on disposal of equipment	(32)	(363)
Gain on disposal of a subsidiary	-	(86)
Property, plant and equipment written off	4,430	492
Provision for doubtful debts	-	385
Provision for doubtful debts (non trade)	281	31
Receivables written off	-	(2)
Reversal of provision for doubtful debts	-	(6,421)
Reversal of provision for doubtful debts (non trade)	(33)	(191)
Write down of inventories	573	114
Share options granted under ESOS	80	104
Share of loss of jointly controlled entities	-	6
Share of loss of associates	509	205
Interest expense	7,035	7,212
Interest income	(136)	(45)
Operating profit before working capital changes	43,039	29,651
Net changes in receivables, amount due from jointly controlled entities, associates and inventories	9,988	39,053
Net changes in payables, amount due to jointly controlled entities, associates and other shareholders	(11,636)	(30,048)
Interest paid	(1,222)	(1,060)
Taxes paid	(142)	(80)
Net cash flow generated from operating activities	40,027	37,516



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	9 MONTHS ENDED	
	30 SEPT 2012	30 SEPT 2011
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,896)	(8,206)
Proceeds from disposal of equipment	231	6,219
Changes in fixed deposits pledged to licensed banks	(275)	1,000
Expenditure on development costs	(665)	(184)
Partial consideration from disposal of a subsidiary	2,315	1,545
Interest received	136	45
Net cash flow (used in)/generated from investing activities	(20,154)	419
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bankers' acceptances and onshore foreign currency loan	(428)	(1,195)
Net repayment of term loan and CPMTN	(19,229)	(24,269)
Repayment of finance lease liability	(165)	-
Proceeds from issuance of shares	-	14
Consideration paid by the non-controlling interests in a subsidiary	4,812	1,262
Net cash flow used in financing activities	(15,010)	(24,188)
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,863	13,747
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(3,825)	2,030
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	23,562	25,358
* Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	28,128	29,473
Deposits with licensed banks	4,589	5,775
Less: Bank Overdrafts	(4,568)	(5,576)
	28,149	29,672
Add: Cash and bank balances for disposal group classified as held for sale	2	-
Less: Fixed deposit pledged to licensed banks	(4,589)	(4,314)
	23,562	25,358



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 30 September 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 30 September 2011

	As previously reported RM'000	Effects of transition to MFRSs RM'000	As restated RM'000
Cost of sales	(70,179)	12	(70,167)
Administrative expenses	(22,230)	35	(22,195)
Loss before tax	(13,500)	47	(13,453)
Income tax expenses	(18)	6	(12)
Loss for the period	(13,518)	53	(13,465)



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 was no significant 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 30 September 2012.



10. Segmental Information

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

	3 MONTHS ENDED		9 MONTHS ENDED	
	30 SEPT 2012 RM'000	30 SEPT 2011 RM'000 (Restated)	30 SEPT 2012 RM'000	30 SEPT 2011 RM'000 (Restated)
Segment Revenue				
Sales and Marketing	36,677	12,138	56,436	32,508
Technical Support and Management	19,079	15,377	54,006	45,309
Leisure and Entertainment (1)	-	776	-	6,312
Others (2)	998	324	2,821	3,195
	<u>56,754</u>	<u>28,615</u>	<u>113,263</u>	<u>87,324</u>
Eliminations	(84)	(84)	(252)	(252)
Revenue	<u>56,670</u>	<u>28,531</u>	<u>113,011</u>	<u>87,072</u>
EBITDA*				
Sales and Marketing	1,861	55	4,157	3,472
Technical Support and Management	12,863	11,393	37,062	30,920
Leisure and Entertainment	-	(85)	(4,168)	(691)
Others	(574)	(6)	64	491
Unallocated	689	(1,471)	306	(3,959)
Total	<u>14,839</u>	<u>9,886</u>	<u>37,421</u>	<u>30,233</u>
Segment Results				
Sales and Marketing	2,103	199	5,148	3,507
Technical Support and Management	2,316	(719)	5,575	(3,741)
Leisure and Entertainment	-	(454)	(4)	(1,721)
Others	(1,023)	(151)	(1,100)	6
	<u>3,396</u>	<u>(1,125)</u>	<u>9,619</u>	<u>(1,949)</u>
Unallocated income/(expenses)	713	(1,469)	353	(3,968)
- Foreign exchange gain/(loss)	2,162	(331)	4,079	(448)
- Interest income	38	34	111	29
- Sundry Income	59	186	632	434
- Legal and professional fee	(466)	(628)	(1,362)	(1,506)
- Other expenses	(1,080)	(730)	(3,107)	(2,477)
	<u>4,109</u>	<u>(2,594)</u>	<u>9,972</u>	<u>(5,917)</u>
Operating profit/(loss)	<u>4,109</u>	<u>(2,594)</u>	<u>9,972</u>	<u>(5,917)</u>

Note

- (1) "Leisure and Entertainment" consist of casino revenue from Chateau De Bavet Club Co Ltd. ("Chateau").
- (2) "Others" consist of revenue from leasing of Chateau building, 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 except for:

- (a) The Company granted options over the ordinary shares amounting to 11,022,400 to eligible employees of the Group as an exercise price of RM0.10 per share under the Company's ESOS on 1 November 2012.

13. Changes in the Composition of the Group during the quarter

Pursuant to the Sale and Purchase Agreement dated 22 June 2011, for the disposal of 32% equity interest in Chateau de Bavet Club Co., Ltd. ("CDBC"), 3.2% and 9.6% has been transferred to the acquirer during the previous and current quarter respectively.

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 30 SEPT 2012 RM'000
Gaming machines and equipment	<u>9,400</u>

16. Significant Related Party Transactions

There were no significant related party transactions 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			9 MONTHS ENDED		
	30 SEPT 2012 RM'000	30 SEPT 2011 RM'000 (Restated)	% +/(-) %	30 SEPT 2012 RM'000	30 SEPT 2011 RM'000 (Restated)	% +/(-) %
Revenue						
Sales and Marketing	36,677	12,138	+202%	56,436	32,508	+74%
Technical Support and Management	19,079	15,377	+24%	54,006	45,309	+19%
Leisure and Entertainment (1)	-	776	-100%	-	6,312	-100%
Others (2)	914	240	+281%	2,569	2,943	-13%
Total	56,670	28,531	+99%	113,011	87,072	+30%
EBITDA*						
Sales and Marketing	1,861	55	+3284%	4,157	3,472	+20%
Technical Support and Management	12,863	11,393	+13%	37,062	30,920	+20%
Leisure and Entertainment	-	(85)	-100%	(4,168)	(691)	+503%
Others	(574)	(6)	+9467%	64	491	-87%
Unallocated	689	(1,471)	+147%	306	(3,959)	+108%
Total	14,839	9,886	+50%	37,421	30,233	+24%
Profit/(Loss) before tax						
Sales and Marketing	1,718	(248)	+793%	4,213	2,806	+50%
Technical Support and Management	2,108	(1,355)	+256%	4,963	(5,752)	+186%
Leisure and Entertainment	-	(454)	-100%	(4)	(1,721)	-100%
Others	(1,069)	(245)	+336%	(1,284)	(286)	+349%
	2,757	(2,302)	+220%	7,888	(4,953)	+259%
Unallocated Expenses	(1,199)	(2,991)	-60%	(5,615)	(8,500)	-34%
- Finance cost	(1,912)	(1,522)	+26%	(5,968)	(4,532)	+32%
- Foreign exchange gain/ (loss)	2,162	(331)	+753%	4,079	(448)	+1010%
- Interest income	38	34	+12%	111	29	+283%
- Sundry Income	59	186	-68%	632	434	+46%
- Legal and professional fee	(466)	(628)	-26%	(1,362)	(1,506)	-10%
- Other expenses	(1,080)	(730)	+48%	(3,107)	(2,477)	+25%
Profit/(Loss) before tax	1,558	(5,293)	+129%	2,273	(13,453)	+117%

Note

- (1) "Leisure and Entertainment" consist of casino revenue from Chateau De Bavet Club Co Ltd. ("Chateau").
- (2) "Others" consist of revenue from leasing of Chateau building, 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)

(i) Comparison with previous year's corresponding quarter

The Sales and Marketing division's revenue and EBITDA increased significantly for quarter ended 30 September 2012 as compared to previous year's corresponding quarter mainly due to increase in number of machines sold in the region.

The revenue and EBITDA before impairment for Technical Support and Management ("TSM") division increased by 24% and 13% respectively for the quarter ended 30 September 2012 as compared to previous year's corresponding quarter due to better performance of existing outlets in various countries and increase in number of machines on concession by approximately 500 units.

The revenue of "Others" division was mainly contributed by leasing income on Chateau building, sales of refurbished machines and table games layout.

(ii) Comparison with previous year's corresponding period

The increase in revenue and EBITDA by 74% and 20% respectively for 9 months period ended 30 September 2012 as compared to preceding year for Sales and Marketing ("SSM") division mainly due to increase in sales of machines and gaming products to various countries.

The revenue and EBITDA from TSM division increased by 19% and 20% respectively for 9 months period ended 30 September 2012 as compared to preceding year due to opening of new concessions and better performance of existing outlets in various countries.

The negative EBITDA for L&E for period ended 30 Sept 2012 relates to the write off of fixed assets which have been fully impaired in the previous year.

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



18. Comparison with previous quarter's results

	CURRENT QUARTER RM'000	PREVIOUS QUARTER RM'000 (Restated)	% +/(-)
Revenue			
Sales and Marketing	36,677	9,002	+307%
Technical Support and Management	19,079	18,510	+3%
Others (2)	914	738	+24%
Revenue	<u>56,670</u>	<u>28,250</u>	<u>+101%</u>
EBITDA*			
Sales and Marketing	1,861	1,463	+27%
Technical Support and Management	12,863	13,351	-4%
Others	(574)	95	-704%
Unallocated	689	(879)	+178%
	<u>14,839</u>	<u>14,030</u>	<u>+6%</u>
Profit/(Loss) before tax			
Sales and Marketing	1,718	1,394	+23%
Technical Support and Management	2,108	2,311	-9%
Others	(1,069)	(395)	+171%
	<u>2,757</u>	<u>3,310</u>	<u>-17%</u>
Unallocated expenses	(1,199)	(2,830)	-58%
- Finance cost	(1,912)	(1,981)	-3%
- Foreign exchange gain	2,162	443	+388%
- Interest income	38	38	-
- Sundry income	59	312	-81%
- Legal and professional fee	(466)	(465)	+0%
- Other expenses	(1,080)	(1,177)	-8%
Profit before tax	<u>1,558</u>	<u>480</u>	<u>+225%</u>

Note

(1) "Others" consist of revenue from leasing of Chateau building, 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 increase in revenue and EBITDA before impairment for Sales and Marketing (“SSM”) division in this quarter is due to increase in number of machines sold.

The revenue for TSM increased by 3% is mainly due to better performance of existing outlets in various countries.

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

19. Commentary on Prospects

SSM Division has sold 700 machines (RM45 million) in the 4th quarter todate (30 November 2012) and expects to sell another 100 machines before end of the year.

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. A total of 162 refurbished machines will be placed in operation by end of the year.

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		9 MONTHS ENDED	
	30 SEPT 2012	30 SEPT 2011	30 SEPT 2012	30 SEPT 2011
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Income Tax				
- Current period	86	5	96	12

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, 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 30 Sept 2012
			Granted	Exercised	Cancelled	
	RM	'000	'000	'000	'000	'000
25 Nov 2010	0.10	62,532	-	-	(540)	61,992
13 Feb 2012	0.10	-	3,290	-	(210)	3,080
		62,532	3,290	-	(750)	65,072

The above option expires on 20 October 2014. The Company has resolved to extend the option for another 5 years until 20 October 2019.

(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 RM5 million of CPs leaving a balance of RM62 million as at 30 September 2012.

The Group has announced the Proposed Issuance of 7 years Unrated Commercial Papers/ Medium Term Notes Programme (“CP/MTN Programme”) to refinance the existing CP/MTN programme. The proposed issuance is currently pending submission to Securities Commission.

(c) Disposal of 32% equity interest in Chateau

Pursuant to the Sale and Purchase Agreement dated 22 June 2011, for the disposal of 32% equity interest in Chateau de Bavet Club Co., Ltd. (“CDBC”), 3.2% and 9.6% has been transferred to the acquirer during the previous and current quarter respectively.

The Company continues to receive the progressive proceeds as per the Agreement.



23. Borrowings

	AS AT 30 SEPT 2012 RM'000	AS AT 31 DEC 2011 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Bank overdrafts	4,568	5,965
Onshore foreign currency loan	13,997	14,425
Commercial Papers	13,196	13,615
Finance lease liability	180	151
Term loans	112	1,625
	<u>32,053</u>	<u>35,781</u>
Long Term Borrowings:		
<u>Secured</u>		
Commercial Papers (Modified term)	48,600	60,000
Medium Term Notes	10,000	10,000
Finance lease liability	443	258
Term loans	462	546
	<u>59,505</u>	<u>70,804</u>
Total borrowings	<u>91,558</u>	<u>106,585</u>
Borrowings denominated in foreign currency as at 30 Sept 2012:		
	USD'000	RM'000
Borrowings	<u>4,766</u>	<u>14,620</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 tax is after accounting for the following:-

	3 MONTHS ENDED		9 MONTHS ENDED	
	30 SEPT	30 SEPT	30 SEPT	30 SEPT
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Interest income	(41)	(36)	(136)	(45)
Interest expenses	2,279	2,458	7,035	7,212
Amortisation of development costs	7	-	11	-
Bad debts written off	-	5,165	-	5,165
Bad debts recovered	-	-	(54)	-
Depreciation	11,115	12,746	33,107	37,063
Impairment loss on investment	-	-	4	-
Impairment of property, plant & equipment written back	(120)	(24)	(5,009)	(588)
Impairment of lease receivable	-	-	-	23
(Gain)/Loss on disposal of equipment	(5)	12	(32)	(363)
Gain on disposal of a subsidiary	-	(86)	-	(86)
Property, plant and equipment written off	65	222	4,430	492
Provision for doubtful debts	-	-	-	385
Provision for doubtful debts (non trade)	3	23	281	31
Receivables written off	-	-	-	(2)
Reversal of provision for doubtful debts	-	(5,160)	-	(6,421)
Reversal of provision for doubtful debts (non trade)	(9)	(191)	(33)	(191)
Write down of inventories	573	-	573	114



26. Disclosure of Realised and Unrealised Profits/ Losses

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

	ACCUMULATED QUARTER ENDED	
	30 SEPT 2012 RM'000	31 DEC 2011 RM'000 (Restated)
The accumulated losses of the Company and subsidiaries:		
- Realised	(123,947)	(124,489)
- Unrealised	7,104	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	532	922
- Unrealised	(688)	(568)
	<u>(117,056)</u>	<u>(120,226)</u>
Add: Consolidation adjustments	72,257	73,098
Total Group accumulated losses	<u>(44,799)</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		9 MONTHS ENDED	
	30 SEPT	30 SEPT	30 SEPT	30 SEPT
	2012	2011	2012	2011
		(Restated)		(Restated)
Profit/(Loss) attributable to owners of the parent (RM'000)	<u>1,505</u>	<u>(4,939)</u>	<u>2,104</u>	<u>(12,295)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,151,164</u>
Basic earnings/(loss) per share (sen)	<u>0.13</u>	<u>(0.43)</u>	<u>0.18</u>	<u>(1.07)</u>

(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		9 MONTHS ENDED	
	30 SEPT	30 SEPT	30 SEPT	30 SEPT
	2012	2011	2012	2011
		(Restated)		(Restated)
Profit/(Loss) attributable to owners of the parent (RM'000)	<u>1,505</u>	<u>(4,939)</u>	<u>2,104</u>	<u>(12,295)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,151,164</u>
Effect of dilution of share options	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,095</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,156,259</u>
Diluted earnings/(loss) per share (sen)	<u>0.13</u>	<u>(0.43)</u>	<u>0.18</u>	<u>(1.06)</u>



RGB International Bhd. (603831-K)

28. Authorisation For Issue

On 30 November 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
30 November 2012