



**RGB International Bhd.** (603831-K)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements  
31 March 2013



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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013**

	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31 MAR 2013 RM'000	31 MAR 2012 RM'000	31 MAR 2013 RM'000	31 MAR 2012 RM'000
<b>Revenue</b>	<b>10</b>	31,449	28,091	31,449	28,091
<b>Cost of sales</b>		(21,583)	(21,431)	(21,583)	(21,431)
- Depreciation		(8,297)	(10,026)	(8,297)	(10,026)
- Others		(13,286)	(11,405)	(13,286)	(11,405)
<b>Gross profit</b>		9,866	6,660	9,866	6,660
Other income		762	375	762	375
Administrative expenses		(6,762)	(5,667)	(6,762)	(5,667)
- Depreciation		(506)	(624)	(506)	(624)
- Others		(6,256)	(5,043)	(6,256)	(5,043)
Selling and marketing expenses		(331)	(484)	(331)	(484)
Other gain, net		292	2,073	292	2,073
<b>Operating profit</b>		3,827	2,957	3,827	2,957
Finance costs		(1,971)	(2,461)	(1,971)	(2,461)
Share of profit/(loss) of associates		718	(261)	718	(261)
<b>Profit before tax</b>		2,574	235	2,574	235
Income tax expense	<b>21</b>	(5)	(3)	(5)	(3)
<b>Profit for the period</b>		2,569	232	2,569	232
<b>Other comprehensive income/(loss), net of tax</b>					
Item that may be subsequently reclassified to profit or loss:					
- Foreign currency translation, representing other comprehensive income/(loss) for the period		1,340	(5,348)	1,340	(5,348)
<b>Total comprehensive income/(loss)</b>		3,909	(5,116)	3,909	(5,116)
<b>Profit attributable to:</b>					
Owners of the parent		2,593	124	2,593	124
Non-controlling interests		(24)	108	(24)	108
		2,569	232	2,569	232
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		3,829	(4,947)	3,829	(4,947)
Non-controlling interests		80	(169)	80	(169)
		3,909	(5,116)	3,909	(5,116)
<b>Earnings per share attributable to owners of the parent:</b>					
<b>Basic, for profit for the period (sen)</b>	<b>27</b>	0.23	0.01	0.23	0.01
<b>Diluted, for profit for the period (sen)</b>	<b>27</b>	0.23	0.01	0.23	0.01



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2013**

	Note	AS AT 31 MAR 2013 RM'000	AS AT 31 DEC 2012 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	102,885	107,841
Investments in jointly controlled entities		-	244
Investments in associates		124	585
Development costs		458	464
Other receivables		316	346
Gaming licenses		449	446
		<u>104,232</u>	<u>109,926</u>
<b>Current assets</b>			
Inventories		7,588	8,043
Trade Receivables		47,424	62,088
Other Receivables		13,294	9,905
Assets of disposal group classified as held for sale		7,369	7,364
Tax Recoverable		255	188
Due from associates		2,427	2,405
Deposits with licensed banks		7,005	4,608
Cash and bank balances		29,376	26,030
		<u>114,738</u>	<u>120,631</u>
<b>TOTAL ASSETS</b>		<u>218,970</u>	<u>230,557</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	8	115,119	115,119
Share premium		14,373	14,373
Foreign exchange translation reserve		(28,951)	(30,187)
Share option reserve		413	376
Accumulated losses		(37,592)	(40,185)
		<u>63,362</u>	<u>59,496</u>
Non-controlling interests		9,107	9,027
<b>Total equity</b>		<u>72,469</u>	<u>68,523</u>
<b>Non-current liabilities</b>			
Borrowings	23	60,654	65,084
Deferred tax liabilities		195	195
		<u>60,849</u>	<u>65,279</u>
<b>Current liabilities</b>			
Borrowings	23	25,013	25,247
Trade payables		34,793	48,831
Other payables		24,323	20,500
Liabilities of disposal group classified as held for sale		550	550
Due to jointly controlled entities		-	185
Due to associates		68	532
Due to other shareholders		880	890
Tax payable		25	20
		<u>85,652</u>	<u>96,755</u>
<b>Total liabilities</b>		<u>146,501</u>	<u>162,034</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>218,970</u>	<u>230,557</u>
Net assets per share (sen)		<u>6</u>	<u>5</u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2012 AND 31 MARCH 2013**

	----- Attributable to owners of the parent -----							Total Equity RM'000
	Share Capital RM'000		Share Premium RM'000		Foreign Exchange Translation Reserve RM'000	Share Option Reserve RM'000	Accumulated Losses RM'000	
<b>At 1 January 2012</b>	115,119	14,373	(23,133)	213	(47,128)	59,444	6,322	65,766
Total comprehensive (loss)/income for the period	-	-	(5,071)	-	124	(4,947)	(169)	(5,116)
<b>Transaction with owners:</b>								
Share option granted under ESOS	-	-	-	35	-	35	-	35
<b>At 31 March 2012</b>	<b>115,119</b>	<b>14,373</b>	<b>(28,204)</b>	<b>248</b>	<b>(47,004)</b>	<b>54,532</b>	<b>6,153</b>	<b>60,685</b>
<b>At 1 January 2013</b>	115,119	14,373	(30,187)	376	(40,185)	59,496	9,027	68,523
Total comprehensive income for the period	-	-	1,236	-	2,593	3,829	80	3,909
<b>Transaction with owners:</b>								
Share option granted under ESOS	-	-	-	37	-	37	-	37
<b>At 31 March 2013</b>	<b>115,119</b>	<b>14,373</b>	<b>(28,951)</b>	<b>413</b>	<b>(37,592)</b>	<b>63,362</b>	<b>9,107</b>	<b>72,469</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2013**

	<b>3 MONTHS ENDED</b>	
	<b>31 MAR 2013 RM'000</b>	<b>31 MAR 2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,574	235
Adjustments for:		
Amortisation of development costs	7	-
Bad debts recovered	-	(54)
Depreciation	8,803	10,650
Impairment loss on investment	-	4
Impairment of property, plant & equipment written back	(423)	(4,761)
Loss/(Gain) on disposal of property, plant & equipment	172	(17)
Loss on disposal of associates	600	-
Loss on winding up of a jointly controlled entity	57	-
Property, plant and equipment written off	3	4,178
Provision for doubtful debts (non trade)	-	31
Reversal of provision for doubtful debts	(1)	-
Reversal of provision for doubtful debts (non trade)	(61)	(24)
Share options granted under ESOS	37	35
Share of profit/(loss) of associates	(718)	261
Interest expense	1,928	2,425
Interest income	(52)	(50)
Operating profit before working capital changes	12,926	12,913
Net changes in receivables, amount due from jointly controlled entities, associates and inventories	11,895	17,864
Net changes in payables, amount due to jointly controlled entities, associates and other shareholders	(11,611)	(18,266)
Interest paid	(430)	(593)
Taxes paid	(67)	(59)
<b>Net cash generated from operating activities</b>	<b>12,713</b>	<b>11,859</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2013**

	<b>3 MONTHS ENDED</b>	
	<b>31 MAR 2013 RM'000</b>	<b>31 MAR 2012 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,968)	(11,272)
Proceeds from disposal of property, plant and equipment	194	172
Changes in fixed deposits pledged to licensed banks	(132)	(115)
Expenditure on development costs	-	(43)
Proceeds from disposal of associates	145	-
Distribution from a jointly controlled entity	185	-
Partial consideration from disposal of a subsidiary	737	666
Interest received	52	50
<b>Net cash used in investing activities</b>	<b>(1,787)</b>	<b>(10,542)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of onshore foreign currency loan	139	(193)
Net repayment of term loan and commercial papers	(2,543)	(5,516)
Repayment of finance lease liability	(43)	(28)
<b>Net cash used in financing activities</b>	<b>(2,447)</b>	<b>(5,737)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>8,479</b>	<b>(4,420)</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>847</b>	<b>(1,027)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>21,888</b>	<b>22,524</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>31,214</b>	<b>17,077</b>
* Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	29,376	20,499
Deposits with licensed banks	7,005	5,874
Less: Bank overdrafts	(429)	(4,969)
	<b>35,952</b>	<b>21,404</b>
Add: Cash and bank balances for disposal group classified as held for sale	2	101
Less: Fixed deposit pledged to licensed banks	(4,740)	(4,428)
	<b>31,214</b>	<b>17,077</b>



**PART A - EXPLANATORY NOTES PERSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 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 2012. 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 2012.

**2. Changes in Accounting Policies**

**2.1 Adoption of Standards, Amendments and Issues Committee (“IC”) Interpretations and changes in accounting policies**

During the financial period, the Group has adopted the following Standards, Amendments and IC Interpretations:

MFRS 3	<i>Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)</i>
MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Separate Financial Statements</i>
MFRS 128	<i>Investments in Associates and Joint Ventures</i>
Amendments to MFRS 1	<i>First-time Adoption of MFRS – Government Loans</i>
Amendments to MFRS 7	<i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10, MFRS 11 and MFRS 12	<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
IC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Amendments to MFRSs	<i>Annual Improvements 2009 – 2011 Cycle</i>





## **2. Changes in Accounting Policies (Continued)**

### **2.1 Adoption of Standards, Amendments and Issues Committee (“IC”) Interpretations and changes in accounting policies (Continued)**

The adoption of the above pronouncements did not have any impact on the financial statements of the Group, except for the following:

(a) Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*

The amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income* change the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time, i.e. exchange differences on translation of foreign operations would be presented separately from items that will never be reclassified.

The adoption of this amendment affects presentation only and has no financial impact on the Group’s financial statements.

### **2.2 Standards issued but not yet effective**

MFRS 9	<i>Financial instruments</i>
Amendments to MFRS 9	<i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Consolidated and Separate Financial Statements: Investment Entities</i>
Amendments to MFRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

## **3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 31 December 2012 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 2013.



**10. Segmental Information**

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR	31 MAR	31 MAR	31 MAR
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Sales and Marketing	12,726	10,757	12,726	10,757
Technical Support and Management	18,569	16,416	18,569	16,416
Others <sup>(1)</sup>	202	1,002	202	1,002
	<u>31,497</u>	<u>28,175</u>	<u>31,497</u>	<u>28,175</u>
Eliminations	(48)	(84)	(48)	(84)
Revenue	<u>31,449</u>	<u>28,091</u>	<u>31,449</u>	<u>28,091</u>
<b>EBITDA*</b>				
Sales and Marketing	1,245	833	1,245	833
Technical Support and Management	12,286	10,848	12,286	10,848
Others	(91)	(3,625)	(91)	(3,625)
Unallocated	(550)	496	(550)	496
Total	<u>12,890</u>	<u>8,552</u>	<u>12,890</u>	<u>8,552</u>
<b>Segment Results</b>				
Sales and Marketing	558	1,476	558	1,476
Technical Support and Management	4,324	750	4,324	750
Others	(521)	242	(521)	242
	<u>4,361</u>	<u>2,468</u>	<u>4,361</u>	<u>2,468</u>
Unallocated (expenses)/income	(534)	489	(534)	489
- Foreign exchange gain	701	1,474	701	1,474
- Interest income	40	35	40	35
- Sundry Income	128	261	128	261
- Legal and professional fee	(365)	(431)	(365)	(431)
- Other expenses	(1,038)	(850)	(1,038)	(850)
<b>Operating profit</b>	<u>3,827</u>	<u>2,957</u>	<u>3,827</u>	<u>2,957</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.



**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 except for the following:

- (a) On 7 February 2013, RGB Abbiati Pte. Ltd. was struck off from the register of companies in Singapore.
- (b) On 4 March 2013, the Group disposed its entire 50% equity interest in Cron Corporation, a company incorporated in Japan.

**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:

	<b>AS AT 31 MAR 2013 RM'000</b>
Gaming machines and equipment	<u>15,000</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	31 MAR	%	31 MAR	31 MAR	%
	2013	2012		2013	2012	
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
<b>Revenue</b>						
Sales and Marketing	12,726	10,757	+18%	12,726	10,757	+18%
Technical Support and Management	18,569	16,416	+13%	18,569	16,416	+13%
Others (1)	154	918	-83%	154	918	-83%
<b>Total</b>	<b>31,449</b>	<b>28,091</b>	<b>+12%</b>	<b>31,449</b>	<b>28,091</b>	<b>+12%</b>
<b>EBITDA*</b>						
Sales and Marketing	1,245	833	+49%	1,245	833	+49%
Technical Support and Management	12,286	10,848	+13%	12,286	10,848	+13%
Others	(91)	(3,625)	-97%	(91)	(3,625)	-97%
Unallocated	(550)	496	-211%	(550)	496	-211%
<b>Total</b>	<b>12,890</b>	<b>8,552</b>	<b>+51%</b>	<b>12,890</b>	<b>8,552</b>	<b>+51%</b>
<b>Profit/(Loss) before tax</b>						
Sales and Marketing	1,232	1,101	+12%	1,232	1,101	+12%
Technical Support and Management	3,549	(202)	+1857%	3,549	(202)	+1857%
Others	(541)	176	-407%	(541)	176	-407%
	4,240	1,075	+294%	4,240	1,075	+294%
Unallocated Expenses	(1,666)	(840)	+98%	(1,666)	(840)	+98%
- Finance cost	(1,132)	(1,329)	-15%	(1,132)	(1,329)	-15%
- Foreign exchange gain	701	1,474	-52%	701	1,474	-52%
- Interest income	40	35	+14%	40	35	+14%
- Sundry Income	128	261	-51%	128	261	-51%
- Legal and professional fee	(365)	(431)	-15%	(365)	(431)	-15%
- Other expenses	(1,038)	(850)	+22%	(1,038)	(850)	+22%
<b>Profit before tax</b>	<b>2,574</b>	<b>235</b>	<b>+995%</b>	<b>2,574</b>	<b>235</b>	<b>+995%</b>

**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.



**17. Performance Review (Continued)**

The Sales and Marketing (“SSM”) division’s revenue and profit before tax increased by 18% and 12% respectively for quarter ended 31 March 2013 as compared to previous year’s corresponding quarter mainly due to increase in sales of machines in the region.

The revenue and profit before tax for Technical Support and Management (“TSM”) division increased by 13% and 1857% respectively for the quarter ended 31 March 2013 as compared to previous year’s corresponding quarter due to 3 additional concessions in operation this quarter, better performance at most outlets and lower depreciation of gaming machines.

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



**18. Comparison with previous quarter's results**

	<b>CURRENT QUARTER RM'000</b>	<b>PREVIOUS QUARTER RM'000</b>	<b>% + / (-)</b>
<b>Revenue</b>			
Sales and Marketing	12,726	57,953	-78%
Technical Support and Management	18,569	18,040	+3%
Others (1)	154	(1,606)	+110%
Revenue	<u>31,449</u>	<u>74,387</u>	<u>-58%</u>
<b>EBITDA*</b>			
Sales and Marketing	1,245	3,410	-63%
Technical Support and Management	12,286	12,338	-0%
Others	(91)	(912)	-90%
Unallocated	(550)	(24)	+2192%
	<u>12,890</u>	<u>14,812</u>	<u>-13%</u>
<b>Profit/(Loss) before tax</b>			
Sales and Marketing	1,232	3,187	-61%
Technical Support and Management	3,549	1,339	+165%
Others	(541)	503	-208%
	<u>4,240</u>	<u>5,029</u>	<u>-16%</u>
Unallocated expenses	(1,666)	(1,168)	+43%
- Finance cost	(1,132)	(1,158)	-2%
- Foreign exchange gain	701	647	+8%
- Interest income	40	37	+8%
- Sundry income	128	423	-70%
- Legal and professional fee	(365)	(638)	-43%
- Other expenses	(1,038)	(479)	+117%
<b>Profit before tax</b>	<u>2,574</u>	<u>3,861</u>	<u>-33%</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 decrease in revenue and profit before tax for SSM division in this quarter is due to decrease in number of machines sold in this quarter. However, the profit margin improved this quarter due to better sales mix and provision of technical services.

The revenue for TSM increased slightly by 3% mainly due to improved performance of existing outlets in the region. The profit margin improved significantly in this quarter due to an increase in revenue as a result of better yield of machines across the region while carrying a lower depreciation of gaming machines.

The negative revenue in the previous quarter was due to a reclassification of leasing income under "Other" segment revenue to "Other Income". The loss before taxation for Others is due to higher R&D expenditures in this quarter.

**19. Commentary on Prospects**

SSM Division continues to concentrate its sales effort in key markets and steps has been taken to increase new products under distribution including sub-licensing a "Manny Pacquiao" brand to a well-known gaming machine manufacturer in return for royalty payment.

TSM Division remains focused on growing revenue at its existing concessions via increasing yield per machine by installing in-house and 3<sup>rd</sup> party Slot Management Systems in additional 5 existing concessions in Cambodia this year, management of 3 new concessions in the region and operation of 100 Bingo machines in outlets operated by one of the biggest Bingo operators from April 2013.

RGBGames has under development a new set of games with a 3<sup>rd</sup> party in addition to in-house games with a plan to release these products in 2013.

In view of the foregoing and barring unforeseen circumstances, the Group expects to perform better in this 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 2013	31 MAR 2012	31 MAR 2013	31 MAR 2012
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Current period	5	3	5	3

Domestic income tax is calculated at the Malaysian statutory rate of 25% (2012: 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	Number of Options Over			Balance As At
			Ordinary Shares of RM0.10 each			
		1 Jan 2013	Granted	Exercised	Forfeited	31 Mar 2013
	RM	'000	'000	'000	'000	'000
25 Nov 2010	0.10	61,286	-	-	-	61,286
13 Feb 2012	0.10	2,827	-	-	(33)	2,794
1 Nov 2012	0.10	10,908	-	-	-	10,908
		75,021	-	-	(33)	74,988

The above option expires on 20 October 2019.

**(b) Proposed Issuance of 7 Years Unrated Commercial Paper (“CP”) and/ or Medium Term Notes (“MTN”) with an aggregate nominal value of RM73 million (“CP/MTN” Programme)**

During the quarter, the Company retired RM1 million of CPs leaving a balance of RM70 million as at 31 March 2013.

The Group’s proposed issuance of 7 years Unrated CP/MTN Programme to refinance the existing CP/MTN Programme had been approved by Securities Commission and is expected to be issued in June 2013.



**22. Corporate Proposals (Continued)**

**(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, 12.8% equity interest has been transferred to the acquirer in 2012 and the remaining 19.2% will be transferred to the acquirer in two tranches in 2013 and 2014 upon receipt of sales proceeds.

**23. Borrowings**

	AS AT 31 MAR 2013 RM'000	AS AT 31 DEC 2012 RM'000
<b>Short Term Borrowings:</b>		
<u>Secured</u>		
Bank overdrafts	429	4,144
Onshore foreign currency loan	14,448	14,309
Commercial papers	9,803	6,466
Finance lease liability	221	216
Term loans	112	112
	<u>25,013</u>	<u>25,247</u>
<b>Long Term Borrowings:</b>		
<u>Secured</u>		
Commercial papers	49,950	54,300
Finance lease liability	301	350
Term loans	403	434
	<u>50,654</u>	<u>55,084</u>
<u>Unsecured</u>		
Medium term notes	10,000	10,000
	<u>60,654</u>	<u>65,084</u>
Total borrowings	<u>85,667</u>	<u>90,331</u>
<b>Borrowings denominated in foreign currency as at 31 Mar 2013:</b>		
	USD'000	RM'000
Borrowings	<u>4,845</u>	<u>14,970</u>

**24. Material Litigation**

The Group is not engaged in any material litigation, either as plaintiff or defendant and the Directors do not know of any proceedings pending or threatened or of any fact likely to give to any proceedings which might adversely affect the position or business of the Group, save for the announcements made on 8 February 2013 and 15 February 2013.



**25. Notes to the Statements of Comprehensive Income**

The profit before taxation is after accounting for the following:

	<b>3 MONTHS ENDED</b>		<b>3 MONTHS ENDED</b>	
	<b>31 MAR</b>	<b>31 MAR</b>	<b>31 MAR</b>	<b>31 MAR</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(52)	(50)	(52)	(50)
Interest expenses	1,928	2,425	1,928	2,425
Amortisation of development costs	7	-	7	-
Bad debts recovered	-	(54)	-	(54)
Depreciation	8,803	10,650	8,803	10,650
Impairment loss on investment	-	4	-	4
Impairment of property, plant & equipment written back	(423)	(4,761)	(423)	(4,761)
Loss/(Gain) on disposal of property, plant & equipment	172	(17)	172	(17)
Loss on disposal of associates	600	-	600	-
Loss on winding up of a jointly controlled entity	57	-	57	-
Property, plant and equipment written off	3	4,178	3	4,178
Provision for doubtful debts (non trade)	-	31	-	31
Reversal of provision for doubtful debts	(1)	-	(1)	-
Reversal of provision for doubtful debts (non trade)	(61)	(24)	(61)	(24)



**26. Disclosure of Realised and Unrealised Profits/ Losses**

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

	<b>ACCUMULATED QUARTER ENDED</b>	
	<b>31 MAR 2013 RM'000</b>	<b>31 DEC 2012 RM'000</b>
The accumulated losses of the Company and subsidiaries:		
- Realised	(128,446)	(132,695)
- Unrealised	8,614	8,051
Total share of accumulated losses from jointly controlled entities:		
- Realised	(58)	(58)
Total share of retained profit from associates:		
- Realised	250	(56)
- Unrealised	(266)	(677)
	<hr/>	<hr/>
	(119,906)	(125,435)
Add: Consolidation adjustments	82,314	85,250
Total Group accumulated losses	<hr/> <b>(37,592)</b>	<hr/> <b>(40,185)</b>



## 27. Earnings Per Share

### (a) Basic

Basic earnings per share amounts are calculated by dividing the profit 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
	2013	2012	2013	2012
Profit attributable to owners of the parent (RM'000)	<u>2,593</u>	<u>124</u>	<u>2,593</u>	<u>124</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>1,151,189</u>
<b>Basic earnings per share (sen)</b>	<u>0.23</u>	<u>0.01</u>	<u>0.23</u>	<u>0.01</u>

### (b) Diluted

For the purpose of calculating diluted earnings per share, the profit 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
	2013	2012	2013	2012
Profit attributable to owners of the parent (RM'000)	<u>2,593</u>	<u>124</u>	<u>2,593</u>	<u>124</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>1,151,189</u>
Effect of dilution of share options	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,151,189</u>	<u>1,151,189</u>
<b>Diluted earnings per share (sen)</b>	<u>0.23</u>	<u>0.01</u>	<u>0.23</u>	<u>0.01</u>



**RGB International Bhd. (603831-K)**

**28. Authorisation For Issue**

On 28 May 2013, 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 2013