



RGB International Bhd. (603831-K)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
31 March 2015



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE-MONTH FINANCIAL PERIOD ENDED 31 MARCH 2015**

	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31 MAR	31 MAR	31 MAR	31 MAR
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Revenue	10	38,729	36,330	38,729	36,330
Cost of sales		(24,508)	(26,631)	(24,508)	(26,631)
- Depreciation		(6,207)	(7,123)	(6,207)	(7,123)
- Others		(18,301)	(19,508)	(18,301)	(19,508)
Gross profit		14,221	9,699	14,221	9,699
Other income		1,089	625	1,089	625
Administrative expenses		(8,460)	(6,679)	(8,460)	(6,679)
- Depreciation		(555)	(513)	(555)	(513)
- Others		(7,905)	(6,166)	(7,905)	(6,166)
Selling and marketing expenses		(1,049)	(279)	(1,049)	(279)
Other gain, net		885	278	885	278
Operating profit		6,686	3,644	6,686	3,644
Finance costs		(1,346)	(1,866)	(1,346)	(1,866)
Share of results of associates		-	4	-	4
Profit before tax		5,340	1,782	5,340	1,782
Income tax expense	21	(971)	(138)	(971)	(138)
Profit for the financial period		4,369	1,644	4,369	1,644
Other comprehensive income, net of tax					
Item that may be subsequently reclassified to profit or loss:					
- Foreign currency translation, representing other comprehensive income/(loss) for the financial period		8,602	(1,363)	8,602	(1,363)
Total comprehensive income		12,971	281	12,971	281
Profit attributable to:					
Owners of the parent		4,327	1,719	4,327	1,719
Non-controlling interests		42	(75)	42	(75)
		4,369	1,644	4,369	1,644
Total comprehensive income attributable to:					
Owners of the parent		12,042	475	12,042	475
Non-controlling interests		929	(194)	929	(194)
		12,971	281	12,971	281
Earnings per share attributable to owners of the parent:					
Basic, for profit for the financial period (sen)	28	0.37	0.15	0.37	0.15
Diluted, for profit for the financial period (sen)	28	0.36	0.15	0.36	0.15



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	Note	AS AT 31 MAR 2015 RM'000	AS AT 31 DEC 2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	111,253	108,075
Investments in associates		148	140
Trade receivables		2,741	3,374
Other receivables		156	146
Development costs		3,373	3,486
Other intangible assets		2,524	2,904
		120,195	118,125
Current assets			
Inventories		17,383	17,755
Trade Receivables		49,767	56,376
Other Receivables		10,938	10,437
Assets of disposal group classified as held for sale		1,344	1,284
Tax Recoverable		-	56
Due from associates		3,317	3,141
Deposits with licensed banks		16,671	15,847
Cash and bank balances		38,083	44,793
		137,503	149,689
TOTAL ASSETS		257,698	267,814
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	8	118,324	117,760
Share premium		14,610	14,536
Foreign exchange translation reserve		(1,451)	(9,166)
Share option reserve		817	771
Accumulated losses		(14,866)	(19,193)
		117,434	104,708
Non-controlling interests		16,793	15,693
Total equity		134,227	120,401
Non-current liabilities			
Borrowings	23	35,733	38,985
Trade payables		1,113	1,857
Other payables		106	124
Deferred tax liabilities		172	172
		37,124	41,138
Current liabilities			
Borrowings	23	22,650	27,892
Trade payables		39,321	53,919
Other payables		24,087	23,367
Liabilities of disposal group classified as held for sale		101	88
Due to associates		79	75
Due to minority shareholder of a subsidiary		-	934
Tax payable		109	-
		86,347	106,275
Total liabilities		123,471	147,413
TOTAL EQUITY AND LIABILITIES		257,698	267,814
Net assets per share (sen)		10	9



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014 AND 31 MARCH 2015**

	----- 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 2014	115,911	14,409	(19,318)	514	(36,554)	74,962	14,594	89,556
Profit for the financial period	-	-	-	-	1,719	1,719	(75)	1,644
Foreign currency translations	-	-	(1,244)	-	-	(1,244)	(119)	(1,363)
Total comprehensive income for the financial period	-	-	(1,244)	-	1,719	475	(194)	281
Transaction with owners:								
Issue of ordinary shares pursuant to ESOS	30	3	-	(3)	-	30	-	30
Share option granted under ESOS	-	-	-	35	-	35	-	35
Total transactions with owners	30	3	-	32	-	65	-	65
At 31 March 2014	115,941	14,412	(20,562)	546	(34,835)	75,502	14,400	89,902
At 1 January 2015	117,760	14,536	(9,166)	771	(19,193)	104,708	15,693	120,401
Profit for the financial period	-	-	-	-	4,327	4,327	42	4,369
Foreign currency translations	-	-	7,715	-	-	7,715	887	8,602
Total comprehensive income for the financial period	-	-	7,715	-	4,327	12,042	929	12,971
Transaction with owners:								
Issue of ordinary shares pursuant to ESOS	564	74	-	(72)	-	566	-	566
Share option granted under ESOS	-	-	-	118	-	118	-	118
Deconsolidation of a subsidiary	-	-	-	-	-	-	171	171
Total transactions with owners	564	74	-	46	-	684	171	855
At 31 March 2015	118,324	14,610	(1,451)	817	(14,866)	117,434	16,793	134,227



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	3 MONTHS ENDED	
	31 MAR	31 MAR
	2015	2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,340	1,782
Adjustments for:		
Amortisation of development costs	315	7
Amortisation of other intangible assets	531	258
Bad debts written off	-	12
Depreciation	6,762	7,636
Gain on disposal of property, plant & equipment	(2)	-
Gain on deconsolidation of a subsidiaries	(585)	-
Gain on remeasurement of financial liability	(968)	-
Property, plant and equipment written off	-	20
Provision for doubtful debts (non trade)	2	-
Written down of inventories	145	11
Share options granted under ESOS	118	35
Share of results of associates	-	(4)
Interest expense	1,310	1,832
Interest income	(71)	(69)
Unrealised forex losses/(gain)	793	(627)
Operating profit before changes in working capital	<u>13,689</u>	<u>10,893</u>
Changes in working capital:		
Receivables, amount due from jointly controlled entities, associates and inventories	6,381	(4,784)
Payables, amount due to associates and minority shareholders of a subsidiary	<u>(14,686)</u>	<u>11,683</u>
Cash from operations	5,384	17,792
Interest paid	(276)	(311)
Taxes paid	(806)	(162)
Net cash from operating activities	<u>4,302</u>	<u>17,319</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

	3 MONTHS ENDED	
	31 MAR 2015 RM'000	31 MAR 2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,617)	(5,316)
Proceeds from disposal of property, plant and equipment	2	-
Changes in fixed deposits pledged to licensed banks	(779)	459
Changes in bank balances pledged to licensed banks	153	(121)
Expenditure on development costs	(36)	(200)
Interest received	71	69
Net cash used in investing activities	<u>(5,206)</u>	<u>(5,109)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of onshore foreign currency loan	(2,244)	(3,987)
Net repayment of term loan and commercial papers	(5,039)	(4,623)
Repayment of finance lease liability	(7)	(26)
Repayment of hire purchase payable	(12)	-
Proceeds from issuance of shares	566	30
Net cash used in financing activities	<u>(6,736)</u>	<u>(8,606)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(7,640)	3,604
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	2,386	(238)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>41,032</u>	<u>23,851</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>35,778</u>	<u>27,217</u>
 * Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	38,083	30,929
Deposits with licensed banks	16,671	9,675
Less: Bank overdrafts	(557)	(3,464)
	<u>54,197</u>	<u>37,140</u>
Less: Fixed deposit pledged to licensed banks	(15,841)	(9,675)
Less: Bank balances pledged to licensed banks	(2,578)	(248)
	<u>35,778</u>	<u>27,217</u>



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 financial year ended 31 December 2014. The 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 financial year ended 31 December 2014.

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:

Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*
Amendments to MFRSs *Annual Improvements 2010 – 2012 Cycle*
Amendments to MFRSs *Annual Improvements 2011 – 2013 Cycle*

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.



2. Changes in Accounting Policies (Continued)

2.2 Standards issued but not yet effective

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been early adopted by the Group.

Title	Effective Date
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs <i>Annual Improvements to 2012-2014 Cycle</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018

The Group will adopt the above Standards when they become effective in the respective financial periods. The Group does not expect any material impact to the financial statements upon adoption of the above Standards.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2014 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 the opening and expansion of Integrated Resorts and Gaming Establishment.



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 that are unusual because of their nature, size and incidence.

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	
	2015	2014
As at 1 January	1,177,600	1,159,112
Issue of ordinary shares pursuant to ESOS	5,643	18,488
As at 31 March/31 December	<u>1,183,243</u>	<u>1,177,600</u>

9. Dividend Paid

No dividend was paid during the financial period ended 31 March 2015.



10. Segmental Information

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2015 RM'000	31 MAR 2014 RM'000	31 MAR 2015 RM'000	31 MAR 2014 RM'000
Segment Revenue				
Sales and Marketing	18,916	19,825	18,916	19,825
Technical Support and Management	19,600	16,413	19,600	16,413
Others (1)	261	140	261	140
	<u>38,777</u>	<u>36,378</u>	<u>38,777</u>	<u>36,378</u>
Eliminations	(48)	(48)	(48)	(48)
Revenue	<u>38,729</u>	<u>36,330</u>	<u>38,729</u>	<u>36,330</u>
EBITDA*				
Sales and Marketing	2,689	2,077	2,689	2,077
Technical Support and Management	11,892	9,914	11,892	9,914
Others	362	10	362	10
Unallocated	(685)	(486)	(685)	(486)
Total	<u>14,258</u>	<u>11,515</u>	<u>14,258</u>	<u>11,515</u>
Segment Results				
Sales and Marketing	2,362	1,777	2,362	1,777
Technical Support and Management	5,115	2,779	5,115	2,779
Others	(111)	(433)	(111)	(433)
	<u>7,366</u>	<u>4,123</u>	<u>7,366</u>	<u>4,123</u>
Unallocated expenses	(680)	(479)	(680)	(479)
- Foreign exchange (loss)/gain	(671)	299	(671)	299
- Interest income	66	66	66	66
- Sundry income	183	124	183	124
- Legal and professional fee	(116)	(88)	(116)	(88)
- Gain on deconsolidation of a subsidiary	585	-	585	-
- Gain on remeasurement of financial liability	968	-	968	-
- Other expenses	(1,695)	(880)	(1,695)	(880)
Operating profit	<u>6,686</u>	<u>3,644</u>	<u>6,686</u>	<u>3,644</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.

12. Subsequent Events

There were no material events subsequent to the end of the current quarter except for:

- (a) The Company has allotted the followings ordinary shares of RM0.10 each for cash pursuant to the Company's ESOS:
 - (i) 389,400 ordinary shares at an issue price of RM0.10 per ordinary shares;
 - (ii) 92,000 ordinary shares at an issue price of RM0.105 per ordinary shares; and
 - (iii) 45,300 ordinary shares at an issue price of RM0.117 per ordinary shares.
- (b) 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"), the remaining 115,200 shares representing 3.2% of the entire capital of CDBC has been transferred to the acquirer on 9 April 2015. As a result, Macrocept Sdn. Bhd. ("MCSB") holds 45.14% of CDBC as at 9 April 2015.

The Group considers that it controls CDBC even though it owns 45.14% of the voting rights as MCSB is the single largest shareholder of CDBC. MCSB entered into an agreement with another shareholder of CDBC who owns a 25.6% equity interest to act in concert with MCSB in the management of CDBC. MCSB also has three (3) representatives out of total of four (4) members in the Board of Directors of CDBC.

- (c) On 13 May 2015, the Company allotted 118,323,300 new ordinary shares of RM0.10 each fully paid up at RM0.154 pursuant to its Private Placement exercise. The said shares were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 18 May 2015. The Private Placement is consistent with long term objective of the Group to enlarge its share capital and to raise funds for repayment of borrowings, working capital and expansion program.

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

There were no material changes in the composition of the Group during the current quarter except for:

- (a) RGB OMMCO Ltd., a 65% sub-sub-subsidiary of the Company with no business activity, was struck off without objection from the shareholders from the register with effect from 3 January 2015 pursuant to Section 151(4) of the Labuan Companies Act 1990.

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 2015 RM'000
Gaming machines, furnitures, equipment, motor vehicle and renovation	<u>12,614</u>

16. Significant Related Party Transactions

There were no significant related party transactions during the current quarter except for:

	01.01.2015 to 31.03.2015 RM'000
Sales of products to:	
- Channel Paradise Sdn Bhd	1,339
TSM share of profit from:	
- Timor Holding, Lda.	558

Related parties are corporations in which certain Directors of the Company have substantial interest in these corporations.

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B (RULE 9.22(2)) OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

17. Performance Review

	3 MONTHS ENDED			3 MONTHS ENDED		
	31 MAR 2015 RM'000	31 MAR 2014 RM'000	% + / (-)	31 MAR 2015 RM'000	31 MAR 2014 RM'000	% + / (-)
Revenue						
Sales and Marketing	18,916	19,825	-5%	18,916	19,825	-5%
Technical Support and Management	19,600	16,413	+19%	19,600	16,413	+19%
Others (1)	213	92	+132%	213	92	+132%
Total	38,729	36,330	+7%	38,729	36,330	+7%
EBITDA*						
Sales and Marketing	2,689	2,077	+29%	2,689	2,077	+29%
Technical Support and Management	11,892	9,914	+20%	11,892	9,914	+20%
Others	362	10	+3520%	362	10	+3520%
Unallocated	(685)	(486)	+41%	(685)	(486)	+41%
Total	14,258	11,515	+24%	14,258	11,515	+24%
Profit/(Loss) before tax						
Sales and Marketing	2,297	1,677	+37%	2,297	1,677	+37%
Technical Support and Management	4,825	2,120	+128%	4,825	2,120	+128%
Others	(128)	(444)	-71%	(128)	(444)	-71%
	6,994	3,353	+109%	6,994	3,353	+109%
Unallocated expenses	(1,654)	(1,571)	+5%	(1,654)	(1,571)	+5%
- Finance cost	(974)	(1,092)	-11%	(974)	(1,092)	-11%
- Foreign exchange (loss)/gain	(671)	299	-324%	(671)	299	-324%
- Interest income	66	66	-	66	66	-
- Sundry income	183	124	+48%	183	124	+48%
- Legal and professional fee	(116)	(88)	+32%	(116)	(88)	+32%
- Gain on deconsolidation of a subsidiary	585	-	+100%	585	-	+100%
- Gain on remeasurement of financial liability	968	-	+100%	968	-	+100%
- Other expenses	(1,695)	(880)	+93%	(1,695)	(880)	+93%
Profit before tax	5,340	1,782	+200%	5,340	1,782	+200%

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)

(i) Comparison with previous year's corresponding quarter

The revenue for Sales and Marketing ("SSM") decreased slightly by 5% for the quarter ended 31 March 2015 as compared to previous year's corresponding quarter. However, the profit before tax increased by 37% due to better profit margin from a mixture of products sold during the quarter.

The revenue and profit before tax for Technical Support and Management ("TSM") division grew 19% and 128% respectively for the quarter ended 31 March 2015 as compared to previous year's corresponding quarter is mainly due to better performance of TSM operations across the region 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

	CURRENT QUARTER RM'000	PREVIOUS QUARTER RM'000	% +/(-)
Revenue			
Sales and Marketing	18,916	38,690	-51%
Technical Support and Management	19,600	17,421	+13%
Others (1)	213	142	+50%
Revenue	<u>38,729</u>	<u>56,253</u>	<u>-31%</u>
EBITDA*			
Sales and Marketing	2,689	5,123	-48%
Technical Support and Management	11,892	10,085	+18%
Others	362	(312)	+216%
Unallocated	(685)	(3,882)	-82%
	<u>14,258</u>	<u>11,014</u>	<u>+29%</u>
Profit/(Loss) before tax			
Sales and Marketing	2,297	4,631	-50%
Technical Support and Management	4,825	4,069	+19%
Others	(128)	(808)	-84%
	6,994	7,892	-11%
Unallocated expenses	(1,654)	(5,183)	-68%
- Finance cost	(974)	(1,309)	-26%
- Foreign exchange loss	(671)	(2,709)	-75%
- Interest income	66	108	-39%
- Sundry income	183	149	+23%
- Legal and professional fee	(116)	(117)	-1%
- Gain on deconsolidation of a subsidiary	585	-	+100%
- Gain on remeasurement of financial liability	968	-	+100%
- Other expenses	(1,695)	(1,305)	+30%
Profit before tax	<u>5,340</u>	<u>2,709</u>	<u>+97%</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 a decrease in number of machines sold in this quarter as the sales of machines in this quarter is only for replacement market whereas previous quarter are for both new and replacement market.

The revenue and profit before tax for TSM division grew 13% and 19% respectively as compared to last quarter is due to better performance of TSM operations across the region.

The loss before tax for Others is mainly related to charge out of R&D expenditures.

19. Commentary on Prospects

The Group will continue to capitalize on the strong 2014 performance in SSM and TSM for year 2015.

In view of the foregoing and barring unforeseen circumstances, the Group expects to achieve better performance in this year.

20. Profit Forecast

The company did not announce any profit forecast for the financial year.

21. Income Tax Expense

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2015 RM'000	31 MAR 2014 RM'000	31 MAR 2015 RM'000	31 MAR 2014 RM'000
Income Tax				
- Current period	999	138	999	138
- Overprovision in prior year	(28)	-	(28)	-
	<u>971</u>	<u>138</u>	<u>971</u>	<u>138</u>

Domestic income tax is calculated at the Malaysian statutory rate of 25% (2014: 25%) of the estimated assessable profit for the financial period. The effective tax rate of the Group for the financial period 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 31 March 2015:

- (a) Acquisition of 30% equity stake in Timor Holding, Lda. by RGB (Macau) Limited (“RGBML”)

RGBML is in the process of finalising the said acquisition and expects to complete it by end of 2015.

23. Borrowings

	AS AT 31 MAR 2015 RM'000	AS AT 31 DEC 2014 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Bank overdrafts	557	1,815
Onshore foreign currency loan	8,343	10,587
Commercial papers	12,132	13,198
Hire purchase payable	60	60
Finance lease liability	152	159
Term loans	1,406	2,073
	<u>22,650</u>	<u>27,892</u>
 Long Term Borrowings:		
<u>Secured</u>		
Commercial papers	21,825	25,222
Hire purchase payable	218	230
Term loans	3,690	3,533
	<u>25,733</u>	<u>28,985</u>
<u>Unsecured</u>		
Medium term notes	10,000	10,000
	<u>35,733</u>	<u>38,985</u>
 Total borrowings	 <u>58,383</u>	 <u>66,877</u>
 Borrowings denominated in foreign currency as at 31 March 2015:		
	USD'000	RM'000
Borrowings	<u>3,598</u>	<u>13,302</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 (“the said announcements”).

With regard to the said announcements pertaining to the alleged design infringement on jackpot signages filed by a third party in Macau Court of which RGB (Macau) Limited (“RGBML”) has no direct business dealings, a writ of summons was served on RGBML, as one of the defendants on 17 October 2012. There is no further development of the suit subsequent to the Statement of Defence filed by RGBML’s solicitors on 24 October 2014.

25. Dividends

As at date of announcement, the shareholders have approved the payment of a final single-tier dividend of 0.20 sen per ordinary share in respect of the financial year ended 31 December 2014 (“the Dividend”) under Resolution 1 at the 12th Annual General Meeting of the Company held on 29 May 2015, the Dividend will be paid to the shareholders on 15 July 2015. The entitlement date for the Dividend shall be 30 June 2015.

26. Notes to the Statements of Profit or Loss and Other Comprehensive Income

The profit before taxation is after accounting for the following:

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2015	31 MAR 2014	31 MAR 2015	31 MAR 2014
	RM’000	RM’000	RM’000	RM’000
Interest income	(71)	(69)	(71)	(69)
Interest expenses	1,310	1,832	1,310	1,832
Amortisation of development costs	315	7	315	7
Amortisation of other intangible assets	531	258	531	258
Bad debts written off	-	12	-	12
Depreciation	6,762	7,636	6,762	7,636
Gain on disposal of property, plant & equipment	(2)	-	(2)	-
Gain on deconsolidation of a subsidiary	(585)	-	(585)	-
Gain on remeasurement of financial liability	(968)	-	(968)	-
Property, plant and equipment written off	-	20	-	20
Provision for doubtful debts (non trade)	2	-	2	-
Written down of inventories	145	11	145	11



27. Disclosure of Realised and Unrealised Profits/Losses

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

	ACCUMULATED QUARTER ENDED	
	31 MAR 2015 RM'000	31 DEC 2014 RM'000
The accumulated losses of the Company and subsidiaries:		
- Realised	(129,876)	(141,186)
- Unrealised	222	2,567
Total share of accumulated losses from jointly controlled entities:		
- Realised	(58)	(58)
Total share of accumulated losses from associates:		
- Realised	253	253
- Unrealised	(265)	(265)
	<hr/>	<hr/>
	(129,724)	(138,689)
Add: Consolidation adjustments	114,858	119,496
Total Group accumulated losses	<hr/>	<hr/>
	(14,866)	(19,193)



28. Earnings Per Share

(a) Basic

Basic earnings per ordinary share is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2015	31 MAR 2014	31 MAR 2015	31 MAR 2014
Profit attributable to owners of the parent (RM'000)	4,327	1,719	4,327	1,719
Weighted average number of ordinary shares in issue ('000)	1,180,735	1,159,362	1,180,735	1,159,362
Basic earnings per share (sen)	0.37	0.15	0.37	0.15

(b) Diluted

Diluted earnings per ordinary share is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2015	31 MAR 2014	31 MAR 2015	31 MAR 2014
Profit attributable to owners of the parent (RM'000)	4,327	1,719	4,327	1,719
Weighted average number of ordinary shares in issue ('000)	1,180,735	1,159,362	1,180,735	1,159,362
Effect of dilution of share options ('000)	18,181	7,392	18,181	7,392
Adjusted weighted average number of ordinary shares ('000)	1,198,917	1,166,754	1,198,917	1,166,754
Diluted earnings per share (sen)	0.36	0.15	0.36	0.15



RGB International Bhd. (603831-K)

29. Authorisation for Issue

On 29 May 2015, 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
Managing Director
29 May 2015