



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

(Incorporated in Malaysia)

Interim Unaudited Financial Statements  
30 September 2015



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	Note	3 MONTHS ENDED		9 MONTHS ENDED	
		30 SEPT 2015 RM'000	30 SEPT 2014 RM'000	30 SEPT 2015 RM'000	30 SEPT 2014 RM'000
<b>Revenue</b>	<b>10</b>	79,666	61,512	168,275	158,393
<b>Cost of sales</b>		(60,101)	(44,630)	(116,838)	(117,330)
- Depreciation		(6,835)	(5,831)	(19,105)	(19,422)
- Others		(53,266)	(38,799)	(97,733)	(97,908)
<b>Gross profit</b>		19,565	16,882	51,437	41,063
Other income		1,045	871	3,272	2,071
Administrative expenses		(8,562)	(6,741)	(25,502)	(20,082)
- Depreciation		(500)	(487)	(1,499)	(1,496)
- Others		(8,062)	(6,254)	(24,003)	(18,586)
Selling and marketing expenses		(646)	(560)	(2,645)	(1,354)
Other (expenses)/gain, net		(3,353)	(1,734)	(3,184)	633
<b>Operating profit</b>		8,049	8,718	23,378	22,331
Finance costs		(1,065)	(1,684)	(3,628)	(5,347)
Share of results of associates		-	-	-	4
<b>Profit before tax</b>		6,984	7,034	19,750	16,988
Income tax expense	<b>21</b>	(1,148)	(768)	(2,902)	(1,562)
<b>Profit for the financial period</b>		5,836	6,266	16,848	15,426
<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 financial period		31,052	3,388	43,568	(1,199)
<b>Total comprehensive income</b>		36,888	9,654	60,416	14,227
<b>Profit attributable to:</b>					
Owners of the parent		5,717	6,280	16,603	15,532
Non-controlling interests		119	(14)	245	(106)
		5,836	6,266	16,848	15,426
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		33,546	9,399	55,658	14,412
Non-controlling interests		3,342	255	4,758	(185)
		36,888	9,654	60,416	14,227
<b>Earnings per share attributable to owners of the parent:</b>					
<b>Basic, for profit for the financial period (sen)</b>	<b>28</b>	0.44	0.54	1.34	1.34
<b>Diluted, for profit for the financial period (sen)</b>	<b>28</b>	0.44	0.53	1.32	1.31



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015**

	Note	AS AT 30 SEPT 2015 RM'000	AS AT 31 DEC 2014 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	124,530	108,075
Investments in associates		177	140
Trade receivables		1,105	3,374
Other receivables		173	146
Development costs		3,230	3,486
Other intangible assets		1,763	2,904
Goodwill on combination		871	-
		<u>131,849</u>	<u>118,125</u>
<b>Current assets</b>			
Inventories		9,013	17,755
Trade Receivables		79,096	56,376
Other Receivables		11,053	10,437
Assets of disposal group classified as held for sale		-	1,284
Tax Recoverable		-	56
Due from associates		4,093	3,141
Deposits with licensed banks		6,089	15,847
Cash and bank balances		70,618	44,793
		<u>179,962</u>	<u>149,689</u>
<b>TOTAL ASSETS</b>		<u>311,811</u>	<u>267,814</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	8	130,241	117,760
Share premium		20,559	14,536
Foreign exchange translation reserve		29,792	(9,166)
Share option reserve		1,022	771
Accumulated losses		(5,110)	(19,193)
		<u>176,504</u>	<u>104,708</u>
Non-controlling interests		21,663	15,693
<b>Total equity</b>		<u>198,167</u>	<u>120,401</u>
<b>Non-current liabilities</b>			
Borrowings	23	25,906	38,985
Trade payables		1,977	1,857
Other payables		65	124
Deferred tax liabilities		172	172
		<u>28,120</u>	<u>41,138</u>
<b>Current liabilities</b>			
Borrowings	23	17,861	27,892
Trade payables		41,094	53,919
Other payables		25,921	23,367
Liabilities of disposal group classified as held for sale		-	88
Due to associates		95	75
Due to minority shareholder of a subsidiary		-	934
Tax payable		553	-
		<u>85,524</u>	<u>106,275</u>
<b>Total liabilities</b>		<u>113,644</u>	<u>147,413</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>311,811</u>	<u>267,814</u>
Net assets per share (sen)		<u>14</u>	<u>9</u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014 AND 30 SEPTEMBER 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
<b>At 1 January 2014</b>	115,911	14,409	(19,318)	514	(36,554)	74,962	14,594	89,556
Profit for the financial period	-	-	-	-	15,532	15,532	(106)	15,426
Foreign currency translations	-	-	(1,120)	-	-	(1,120)	(79)	(1,199)
Total comprehensive income for the financial period	-	-	(1,120)	-	15,532	14,412	(185)	14,227
<b>Transaction with owners:</b>								
Issue of ordinary shares pursuant to ESOS	1,255	76	-	(75)	-	1,256	-	1,256
Share option granted under ESOS	-	-	-	76	-	76	-	76
Deconsolidation of a subsidiary	-	-	-	-	-	-	506	506
Dividends	-	-	-	-	(580)	(580)	-	(580)
Total transactions with owners	1,255	76	-	1	(580)	752	506	1,258
<b>At 30 September 2014</b>	<b>117,166</b>	<b>14,485</b>	<b>(20,438)</b>	<b>515</b>	<b>(21,602)</b>	<b>90,126</b>	<b>14,915</b>	<b>105,041</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014 AND 30 SEPTEMBER 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
<b>At 1 January 2015</b>	117,760	14,536	(9,166)	771	(19,193)	104,708	15,693	120,401
Profit for the financial period	-	-	-	-	16,603	16,603	245	16,848
Foreign currency translations	-	-	39,055	-	-	39,055	4,513	43,568
Total comprehensive income for the financial period	-	-	39,055	-	16,603	55,658	4,758	60,416
<b>Transaction with owners:</b>								
Issue of ordinary shares pursuant to:								
- ESOS	649	87	-	(84)	-	652	-	652
- Private Placement	11,832	5,936	-	-	-	17,768	-	17,768
Share option granted under ESOS	-	-	-	335	-	335	-	335
Deconsolidation of a subsidiary	-	-	-	-	-	-	171	171
Subscription of ordinary shares by the non-controlling interests in a subsidiary	-	-	-	-	-	-	1,029	1,029
Dividends	-	-	-	-	(2,605)	(2,605)	-	(2,605)
(Dilution)/Accretion from change in stake	-	-	(97)	-	85	(12)	12	-
Total transactions with owners	12,481	6,023	(97)	251	(2,520)	16,138	1,212	17,350
<b>At 30 September 2015</b>	<b>130,241</b>	<b>20,559</b>	<b>29,792</b>	<b>1,022</b>	<b>(5,110)</b>	<b>176,504</b>	<b>21,663</b>	<b>198,167</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	<b>9 MONTHS ENDED</b>	
	<b>30 SEPT 2015 RM'000</b>	<b>30 SEPT 2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	19,750	16,988
Adjustments for:		
Amortisation of development costs	981	21
Amortisation of other intangible assets	1,661	756
Bad debts written off	158	29
Depreciation	20,604	20,918
Impairment of property, plant and equipment	150	182
Gain on disposal of property, plant & equipment	(5)	(10)
Gain on deconsolidation of a subsidiaries	(585)	(1,285)
Gain on remeasurement of financial liability	(968)	-
Property, plant and equipment written off	-	20
Provision for doubtful debts	-	2
Provision for doubtful debts (non trade)	6	2
Reversal of provision for doubtful debts	(34)	(9)
Reversal of provision for doubtful debts (non trade)	(21)	-
Written down of inventories	1,428	11
Share options granted under ESOS	335	76
Share of results of associates	-	(4)
Interest expense	3,479	5,203
Interest income	(421)	(251)
Unrealised forex losses	4,174	85
Operating profit before changes in working capital	<u>50,692</u>	<u>42,734</u>
Changes in working capital:		
Receivables, amount due from jointly controlled entities, associates and inventories	(12,705)	(17,209)
Payables, amount due to associates and minority shareholders of a subsidiary	<u>(11,220)</u>	<u>15,393</u>
Cash from operations	26,767	40,918
Interest paid	(665)	(901)
Taxes paid	<u>(2,293)</u>	<u>(1,057)</u>
<b>Net cash from operating activities</b>	<u>23,809</u>	<u>38,960</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	<b>9 MONTHS ENDED</b>	
	<b>30 SEPT 2015 RM'000</b>	<b>30 SEPT 2014 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,659)	(9,753)
Proceeds from disposal of property, plant and equipment	2,031	26
Changes in fixed deposits pledged to licensed banks	9,929	(5,792)
Changes in bank balances pledged to licensed banks	(14,268)	31
Expenditure on development costs	(36)	(476)
Interest received	421	251
<b>Net cash used in investing activities</b>	<b>(18,582)</b>	<b>(15,713)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of onshore foreign currency loan	(5,186)	(1,277)
Net repayment of term loan and commercial papers	(17,756)	(7,993)
Repayment of finance lease liability	(159)	(304)
Repayment of hire purchase payable	(40)	-
Proceeds from issuance of shares	18,420	1,256
Subscription of ordinary shares by the non-controlling interests in a subsidiary	1,029	-
Dividends paid	(2,605)	(580)
<b>Net cash used in financing activities</b>	<b>(6,297)</b>	<b>(8,898)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(1,070)</b>	<b>14,349</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>14,613</b>	<b>(203)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>41,032</b>	<b>23,851</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>54,575</b>	<b>37,997</b>
* Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	70,618	39,339
Deposits with licensed banks	6,089	15,926
Less: Bank overdrafts	-	(1,246)
	<u>76,707</u>	<u>54,019</u>
Less: Fixed deposit pledged to licensed banks	(5,133)	(15,926)
Less: Bank balances pledged to licensed banks	(16,999)	(96)
	<u>54,575</u>	<u>37,997</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.

<b>Title</b>	<b>Effective Date</b>
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**

	<b>Number of ordinary shares ('000) of RM0.10 each</b>	
	<b>2015</b>	<b>2014</b>
As at 1 January	1,177,600	1,159,112
Issue of ordinary shares pursuant to:		
- ESOS	6,484	18,488
- Share Placement	118,323	-
As at 30 September/31 December	<u>1,302,407</u>	<u>1,177,600</u>

**9. Dividend Paid**

A final single-tier dividend of 0.2 sen per ordinary share for the year ended 31 December 2014 (2013: 0.05 sen) was paid on 15 July 2015.



**10. Segmental Information**

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

	3 MONTHS ENDED		9 MONTHS ENDED	
	30 SEPT 2015 RM'000	30 SEPT 2014 RM'000	30 SEPT 2015 RM'000	30 SEPT 2014 RM'000
<b>Segment Revenue</b>				
Sales and Marketing	57,237	42,868	103,677	104,466
Technical Support and Management	22,277	18,507	64,108	53,507
Others (1)	245	185	679	564
	<u>79,759</u>	<u>61,560</u>	<u>168,464</u>	<u>158,537</u>
Eliminations	(93)	(48)	(189)	(144)
Revenue	<u>79,666</u>	<u>61,512</u>	<u>168,275</u>	<u>158,393</u>
<b>EBITDA*</b>				
Sales and Marketing	7,362	5,249	14,164	10,973
Technical Support and Management	13,643	12,315	39,194	34,756
Others	98	65	556	193
Unallocated	(4,683)	(2,199)	(7,290)	(1,855)
Total	<u>16,420</u>	<u>15,430</u>	<u>46,624</u>	<u>44,067</u>
<b>Segment Results</b>				
Sales and Marketing	7,000	4,957	13,145	10,092
Technical Support and Management	5,982	6,295	18,117	15,135
Others	(277)	(349)	(647)	(1,097)
	<u>12,705</u>	<u>10,903</u>	<u>30,615</u>	<u>24,130</u>
Unallocated expenses	(4,656)	(2,185)	(7,237)	(1,799)
- Realised foreign exchange loss	(496)	(42)	(419)	(374)
- Unrealised foreign exchange (loss)/gain (trade)	(440)	(306)	(836)	273
- Unrealised foreign exchange loss (non-trade)	(2,271)	(1,205)	(3,338)	(359)
- Interest income	188	83	406	241
- Sundry income	282	364	574	571
- Legal and professional fee	(347)	(206)	(544)	(470)
- Gain on deconsolidation of a subsidiary	-	-	585	1,285
- Gain on remeasurement of financial liability	-	-	968	-
- Other expenses	(1,572)	(873)	(4,633)	(2,966)
<b>Operating profit</b>	<u>8,049</u>	<u>8,718</u>	<u>23,378</u>	<u>22,331</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) 450,900 ordinary shares at an issue price of RM0.10 per ordinary shares;
  - (ii) 46,100 ordinary shares at an issue price of RM0.104 per ordinary shares;
  - (iii) 31,400 ordinary shares at an issue price of RM0.105 per ordinary shares; and
  - (iv) 246,500 ordinary shares at an issue price of RM0.117 per ordinary shares.

**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) On 3 July 2015, RGB (Macau) Limited ("RGBML"), a wholly owned subsidiary of RGB Ltd. which in turn is a wholly owned subsidiary of the Company, had acquired 100% equity stake in Media Horizon Holdings Limited ("MHHL") represented by one (1) ordinary share with face value of HKD1 for a total cash consideration of HKD1 (equivalent to approximately RM0.49) from Cheong Wai Yan. Following the acquisition, MHHL becomes a wholly owned subsidiary of RGBML.

**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 30 SEPT 2015 RM'000</b>
Gaming machines, furnitures, equipment and renovation	<u>7,650</u>



**16. Significant Related Party Transactions**

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

	<b>01.07.2015 to 30.09.2015 RM'000</b>	<b>01.01.2015 to 30.09.2015 RM'000</b>
Sales of products to:		
- Channel Paradise Sdn Bhd	1,449	2,788
TSM share of profit from:		
- Timor Holding, Lda.	916	2,011

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			9 MONTHS ENDED		
	30 SEPT 2015	30 SEPT 2014	%	30 SEPT 2015	30 SEPT 2014	%
	RM'000	RM'000	+/(-)	RM'000	RM'000	+/(-)
<b>Revenue</b>						
Sales and Marketing	57,237	42,868	+34%	103,677	104,466	-1%
Technical Support and Management	22,277	18,507	+20%	64,108	53,507	+20%
Others (1)	152	137	+11%	490	420	+17%
<b>Total</b>	<b>79,666</b>	<b>61,512</b>	<b>+30%</b>	<b>168,275</b>	<b>158,393</b>	<b>+6%</b>
<b>EBITDA*</b>						
Sales and Marketing	7,362	5,249	+40%	14,164	10,973	+29%
Technical Support and Management	13,643	12,315	+11%	39,194	34,756	+13%
Others	98	65	+51%	556	193	+188%
Unallocated	(4,683)	(2,199)	+113%	(7,290)	(1,855)	+293%
<b>Total</b>	<b>16,420</b>	<b>15,430</b>	<b>+6%</b>	<b>46,624</b>	<b>44,067</b>	<b>+6%</b>
<b>Profit/(Loss) before tax</b>						
Sales and Marketing	6,994	4,892	+43%	12,995	9,836	+32%
Technical Support and Management	5,722	5,829	-2%	17,294	13,316	+30%
Others	(288)	(365)	-21%	(652)	(1,146)	-43%
	12,428	10,356	+20%	29,637	22,006	+35%
Unallocated expenses	(5,444)	(3,322)	+64%	(9,887)	(5,018)	+97%
- Finance cost	(788)	(1,137)	-31%	(2,650)	(3,219)	-18%
- Realised foreign exchange (loss)/gain	(496)	(42)	+1081%	(419)	(374)	+12%
- Unrealised foreign exchange (loss)/gain (trade)	(440)	(306)	+44%	(836)	273	-406%
- Unrealised foreign exchange (loss)/gain (non-trade)	(2,271)	(1,205)	+88%	(3,338)	(359)	+830%
- Interest income	188	83	+127%	406	241	+68%
- Sundry income	282	364	-23%	574	571	+1%
- Legal and professional fee	(347)	(206)	+68%	(544)	(470)	+16%
- Gain on deconsolidation of a subsidiary	-	-	+0%	585	1,285	-54%
- Gain on remeasurement of financial liability	-	-	+0%	968	-	+100%
- Other expenses	(1,572)	(873)	+80%	(4,633)	(2,966)	+56%
<b>Profit before tax</b>	<b>6,984</b>	<b>7,034</b>	<b>-1%</b>	<b>19,750</b>	<b>16,988</b>	<b>+16%</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)**

(i) Comparison with previous year's corresponding quarter

The revenue and profit before tax for Sales and Marketing ("SSM") increased by 34% and 43% respectively for the quarter ended 30 September 2015 as compared to previous year's corresponding quarter mainly due to favourable impact from foreign exchange rates and increase in number of machines sold during the quarter.

Technical Support and Management ("TSM") division achieved revenue of RM22.3 million for the quarter ended 30 September 2015, higher by 20% as compared to previous year's corresponding quarter, was mainly due to favourable impact from foreign exchange rates and contribution from new outlets. However, the profit before tax decreased by 2% due to depreciation on new gaming machines and cost on upkeep of existing gaming machines.

The revenue of "Others" division is mainly contributed by sales of refurbished machines and table games layout.

(ii) Comparison with previous year's corresponding period

The profit before tax increased by 32% for SSM division for nine months period ended 30 September 2015 and it was mainly due to favourable impact from foreign exchange rate and quality mix of product sold.

The revenue and profit before tax for TSM division increased by 20% and 30% respectively for nine months period ended 30 September 2015 as compared to preceding year primarily due to better performance of TSM operations across the region, opening of new outlets and favourable impact from foreign exchange rates.

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





**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	57,237	27,524	+108%
Technical Support and Management	22,277	22,231	+0%
Others (1)	152	125	+22%
<b>Revenue</b>	<b>79,666</b>	<b>49,880</b>	<b>+60%</b>
<b>EBITDA*</b>			
Sales and Marketing	7,362	4,113	+79%
Technical Support and Management	13,643	13,659	-0%
Others	98	96	+2%
Unallocated	(4,683)	(1,922)	+144%
	<b>16,420</b>	<b>15,946</b>	<b>+3%</b>
<b>Profit/(Loss) before tax</b>			
Sales and Marketing	6,994	3,704	+89%
Technical Support and Management	5,722	6,747	-15%
Others	(288)	(236)	+22%
	<b>12,428</b>	<b>10,215</b>	<b>+22%</b>
Unallocated expenses	(5,444)	(2,789)	+95%
- Finance cost	(788)	(888)	-11%
- Realised foreign exchange loss	(496)	(46)	+978%
- Unrealised foreign exchange loss (trade)	(440)	(222)	+98%
- Unrealised foreign exchange loss (non-trade)	(2,271)	(447)	+408%
- Interest income	188	152	+24%
- Sundry income	282	109	+159%
- Legal and professional fee	(347)	(81)	+328%
- Other expenses	(1,572)	(1,366)	+15%
<b>Profit before tax</b>	<b>6,984</b>	<b>7,426</b>	<b>-6%</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.



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

SSM division recorded higher revenue and profit before tax in this quarter mainly due to increase in number of machines sold in this quarter.

The revenue for TSM division has improved slightly as compared to last quarter. However, the profit before tax decreased by 15% and it is mainly due to the purchase of additional spare parts for the upkeep of machines in this quarter.

The loss before tax for Others is mainly related to expensed 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**

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30 SEPT</b>	<b>30 SEPT</b>	<b>30 SEPT</b>	<b>30 SEPT</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income Tax				
- Current period	1,242	161	3,096	953
- (Over)/Underprovision in prior year	(94)	607	(194)	609
	<u>1,148</u>	<u>768</u>	<u>2,902</u>	<u>1,562</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**

There were no corporate proposals announced but not completed as at 23 November 2015.

**23. Borrowings**

	<b>AS AT 30 SEPT 2015 RM'000</b>	<b>AS AT 31 DEC 2014 RM'000</b>
<b>Short Term Borrowings:</b>		
<u>Secured</u>		
Bank overdrafts	-	1,815
Onshore foreign currency loan	5,401	10,587
Commercial papers	12,294	13,198
Hire purchase payable	54	60
Finance lease liability	-	159
Term loans	112	2,073
	<u>17,861</u>	<u>27,892</u>
<b>Long Term Borrowings:</b>		
<u>Secured</u>		
Commercial papers	15,624	25,222
Hire purchase payable	196	230
Term loans	86	3,533
	<u>15,906</u>	<u>28,985</u>
<u>Unsecured</u>		
Medium term notes	10,000	10,000
	<u>25,906</u>	<u>38,985</u>
Total borrowings	<u>43,767</u>	<u>66,877</u>
<b>Borrowings denominated in foreign currency as at 30 September 2015:</b>		
	<b>USD'000</b>	<b>RM'000</b>
Borrowings	<u>1,215</u>	<u>5,401</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 disclosed in Note 9.

**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		9 MONTHS ENDED	
	30 SEPT 2015 RM'000	30 SEPT 2014 RM'000	30 SEPT 2015 RM'000	30 SEPT 2014 RM'000
Interest income	(193)	(88)	(421)	(251)
Interest expenses	1,006	1,640	3,479	5,203
Amortisation of development costs	352	7	981	21
Amortisation of other intangible assets	594	250	1,661	756
Bad debts written off	118	-	158	29
Depreciation	7,335	6,318	20,604	20,918
Impairment of property, plant and equipment	150	182	150	182
Gain on disposal of property, plant & equipment	(3)	-	(5)	(10)
Gain on deconsolidation of a subsidiary	-	-	(585)	(1,285)
Gain on remeasurement of financial liability	-	-	(968)	-
Property, plant and equipment written off	-	-	-	20
Provision for doubtful debts	-	2	-	2
Provision for doubtful debts (non trade)	-	-	6	2
Reversal of provision for doubtful debts	(5)	(1)	(34)	(9)
Reversal of provision for doubtful debts (non trade)	(2)	-	(21)	-
Written down of inventories	(18)	-	1,428	11



**27. 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>30 SEPT 2015 RM'000</b>	<b>31 DEC 2014 RM'000</b>
The accumulated losses of the Company and subsidiaries:		
- Realised	(89,599)	(141,186)
- Unrealised	(1,912)	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/>
	(91,581)	(138,689)
Add: Consolidation adjustments	86,471	119,496
Total Group accumulated losses	<hr/>	<hr/>
	(5,110)	(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.

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30 SEPT</b>	<b>30 SEPT</b>	<b>30 SEPT</b>	<b>30 SEPT</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Profit attributable to owners of the parent (RM'000)	5,717	6,280	16,603	15,532
Weighted average number of ordinary shares in issue ('000)	1,302,407	1,162,660	1,241,365	1,160,490
<b>Basic earnings per share (sen)</b>	<b>0.44</b>	<b>0.54</b>	<b>1.34</b>	<b>1.34</b>

**(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.

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>30 SEPT</b>	<b>30 SEPT</b>	<b>30 SEPT</b>	<b>30 SEPT</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Profit attributable to owners of the parent (RM'000)	5,717	6,280	16,603	15,532
Weighted average number of ordinary shares in issue ('000)	1,302,407	1,162,660	1,241,365	1,160,490
Effect of dilution of share options	9,127	20,969	17,150	22,261
Adjusted weighted average number of ordinary shares ('000)	1,311,534	1,183,629	1,258,515	1,182,751
<b>Diluted earnings per share (sen)</b>	<b>0.44</b>	<b>0.53</b>	<b>1.32</b>	<b>1.31</b>



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

**29. Authorisation for Issue**

On 23 November 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  
23 November 2015