



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

(Incorporated in Malaysia)

Interim Unaudited Financial Statements  
31 December 2015



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

	Note	3 MONTHS ENDED		12 MONTHS ENDED	
		31 DEC 2015	31 DEC 2014	31 DEC 2015	31 DEC 2014
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>10</b>	64,731	56,253	233,006	214,646
<b>Cost of sales</b>		(49,114)	(40,785)	(165,952)	(158,115)
- Depreciation		(7,267)	(5,779)	(26,372)	(25,201)
- Others		(41,847)	(35,006)	(139,580)	(132,914)
<b>Gross profit</b>		15,617	15,468	67,054	56,531
Other income		824	333	4,096	2,404
Administrative expenses		(8,124)	(7,393)	(33,626)	(27,475)
- Depreciation		(489)	(514)	(1,988)	(2,010)
- Others		(7,635)	(6,879)	(31,638)	(25,465)
Selling and marketing expenses		(1,060)	(1,302)	(3,705)	(2,656)
Other expenses, net		(885)	(2,743)	(4,069)	(2,110)
<b>Operating profit</b>		6,372	4,363	29,750	26,694
Finance costs		(1,011)	(1,655)	(4,639)	(7,002)
Share of results of associates		-	-	-	4
<b>Profit before tax</b>		5,361	2,708	25,111	19,696
Income tax expense	<b>21</b>	(920)	22	(3,822)	(1,540)
<b>Profit for the financial year</b>		4,441	2,730	21,289	18,156
<b>Other comprehensive (loss)/income, net of tax</b>					
Item that may be subsequently reclassified to profit or loss:					
- Foreign currency translation, representing other comprehensive (loss)/income for the financial year		(6,932)	12,314	36,636	11,115
<b>Total comprehensive (loss)/income</b>		(2,491)	15,044	57,925	29,271
<b>Profit attributable to:</b>					
Owners of the parent		4,260	2,994	20,863	18,526
Non-controlling interests		181	(264)	426	(370)
		4,441	2,730	21,289	18,156
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the parent		(1,955)	14,266	53,703	28,678
Non-controlling interests		(536)	778	4,222	593
		(2,491)	15,044	57,925	29,271
<b>Earnings per share attributable to owners of the parent:</b>					
<b>Basic, for profit for the financial year (sen)</b>	<b>28</b>	0.33	0.25	1.66	1.59
<b>Diluted, for profit for the financial year (sen)</b>	<b>28</b>	0.32	0.25	1.63	1.56



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

	Note	AS AT 31 DEC 2015 RM'000	AS AT 31 DEC 2014 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	118,578	108,075
Investments in associates		171	140
Trade receivables		8,224	3,374
Other receivables		63	146
Development costs		2,768	3,486
Other intangible assets		1,074	2,904
Goodwill on combination		871	-
		<u>131,749</u>	<u>118,125</u>
<b>Current assets</b>			
Inventories		11,242	17,755
Trade receivables		49,819	56,376
Other receivables		19,766	10,437
Assets of disposal group classified as held for sale		-	1,284
Tax recoverable		-	56
Due from associates		4,182	3,141
Deposits with licensed banks		9,651	15,847
Cash and bank balances		75,528	44,793
		<u>170,188</u>	<u>149,689</u>
<b>TOTAL ASSETS</b>		<u>301,937</u>	<u>267,814</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	8	130,762	117,760
Share premium		20,774	14,536
Foreign exchange translation reserve		23,577	(9,166)
Share option reserve		990	771
Accumulated losses		(850)	(19,193)
		<u>175,253</u>	<u>104,708</u>
Non-controlling interests		21,127	15,693
<b>Total equity</b>		<u>196,380</u>	<u>120,401</u>
<b>Non-current liabilities</b>			
Borrowings	23	17,052	38,985
Trade payables		3,821	1,857
Other payables		33	124
Deferred tax liabilities		159	172
		<u>21,065</u>	<u>41,138</u>
<b>Current liabilities</b>			
Borrowings	23	18,508	27,892
Trade payables		34,839	53,919
Other payables		30,866	23,367
Liabilities of disposal group classified as held for sale		-	88
Due to associates		92	75
Due to minority shareholder of a subsidiary		-	934
Tax payable		187	-
		<u>84,492</u>	<u>106,275</u>
<b>Total liabilities</b>		<u>105,557</u>	<u>147,413</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>301,937</u>	<u>267,814</u>
Net assets per share (sen)		<u>13</u>	<u>9</u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 AND 31 DECEMBER 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 year	-	-	-	-	18,526	18,526	(370)	18,156
Foreign currency translations	-	-	10,152	-	-	10,152	963	11,115
Total comprehensive income for the financial year	-	-	10,152	-	18,526	28,678	593	29,271
<b>Transaction with owners:</b>								
Issue of ordinary shares pursuant to ESOS	1,849	127	-	(125)	-	1,851	-	1,851
Share option granted under ESOS	-	-	-	382	-	382	-	382
Deconsolidation of a subsidiary	-	-	-	-	-	-	506	506
Dividends	-	-	-	-	(1,165)	(1,165)	-	(1,165)
Total transactions with owners	1,849	127	-	257	(1,165)	1,068	506	1,574
<b>At 31 December 2014</b>	<b>117,760</b>	<b>14,536</b>	<b>(9,166)</b>	<b>771</b>	<b>(19,193)</b>	<b>104,708</b>	<b>15,693</b>	<b>120,401</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 AND 31 DECEMBER 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 year	-	-	-	-	20,863	20,863	426	21,289
Foreign currency translations	-	-	32,840	-	-	32,840	3,796	36,636
Total comprehensive income for the financial year	-	-	32,840	-	20,863	53,703	4,222	57,925
<b>Transaction with owners:</b>								
Issue of ordinary shares pursuant to:								
- ESOS	1,170	302	-	(259)	-	1,213	-	1,213
- Private Placement	11,832	5,936	-	-	-	17,768	-	17,768
Share option granted under ESOS	-	-	-	478	-	478	-	478
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	13,002	6,238	(97)	219	(2,520)	16,842	1,212	18,054
<b>At 31 December 2015</b>	<b>130,762</b>	<b>20,774</b>	<b>23,577</b>	<b>990</b>	<b>(850)</b>	<b>175,253</b>	<b>21,127</b>	<b>196,380</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<b>12 MONTHS ENDED</b>	
	<b>31 DEC 2015 RM'000</b>	<b>31 DEC 2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	25,111	19,696
Adjustments for:		
Amortisation of development costs	1,344	145
Amortisation of other intangible assets	2,291	1,020
Bad debts written off	158	29
Depreciation	28,360	27,211
Impairment of property, plant and equipment	819	187
Impairment of property, plant & equipment written back	(5)	-
Gain on disposal of property, plant & equipment	(7)	(30)
Gain on deconsolidation of a subsidiaries	(585)	(1,285)
Gain on remeasurement of financial liability	(185)	-
Property, plant and equipment written off	-	70
Provision for doubtful debts	153	402
Provision for doubtful debts (non trade)	109	116
Provision for slow moving stock	776	-
Reversal of provision for doubtful debts	(64)	(88)
Reversal of provision for doubtful debts (non trade)	(267)	(2)
Written down of inventories	1,837	208
Share options granted under ESOS	478	382
Share of results of associates	-	(4)
Interest expense	4,402	6,821
Interest income	(509)	(366)
Unrealised forex losses	2,896	2,760
Operating profit before changes in working capital	<u>67,112</u>	<u>57,272</u>
Changes in working capital:		
Receivables, amount due from jointly controlled entities, associates and inventories	(1,470)	(33,934)
Payables, amount due to associates and minority shareholders of a subsidiary	<u>(10,335)</u>	<u>27,925</u>
Cash from operations	<u>55,307</u>	<u>51,263</u>
Interest paid	(785)	(1,250)
Taxes paid	<u>(3,592)</u>	<u>(1,407)</u>
<b>Net cash from operating activities</b>	<u>50,930</u>	<u>48,606</u>



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

	<b>12 MONTHS ENDED</b>	
	<b>31 DEC 2015 RM'000</b>	<b>31 DEC 2014 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(23,889)	(14,573)
Proceeds from disposal of property, plant and equipment	2,070	47
Changes in fixed deposits pledged to licensed banks	7,345	(4,928)
Changes in bank balances pledged to licensed banks	(5,590)	(2,604)
Expenditure on development costs	(36)	(476)
Acquisition of intangible assets	-	(245)
Interest received	509	366
<b>Net cash used in investing activities</b>	<b>(19,591)</b>	<b>(22,413)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of onshore foreign currency loan	(10,587)	477
Net repayment of term loan and commercial papers	(22,135)	(12,047)
Repayment of finance lease liability	(159)	(314)
Repayment of hire purchase payable	(53)	(11)
Proceeds from issuance of shares	18,981	1,851
Subscription of ordinary shares by the non-controlling interests in a subsidiary	1,029	-
Dividends paid	(2,605)	(1,165)
<b>Net cash used in financing activities</b>	<b>(15,529)</b>	<b>(11,209)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>15,810</b>	<b>14,984</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>12,299</b>	<b>2,197</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>41,032</b>	<b>23,851</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>69,141</b>	<b>41,032</b>
 * Cash and cash equivalents at end of the financial year comprise the following:		
Cash and bank balances	75,528	44,793
Deposits with licensed banks	9,651	15,847
Less: Bank overdrafts	-	(1,815)
	<b>85,179</b>	<b>58,825</b>
Less: Fixed deposit pledged to licensed banks	(7,717)	(15,062)
Less: Bank balances pledged to licensed banks	(8,321)	(2,731)
	<b>69,141</b>	<b>41,032</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 Securities.

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, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</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
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial periods.

## 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.



**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	11,698	18,488
- Share Placement	118,323	-
As at 31 December	<u>1,307,621</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		12 MONTHS ENDED	
	31 DEC 2015 RM'000	31 DEC 2014 RM'000	31 DEC 2015 RM'000	31 DEC 2014 RM'000
<b>Segment Revenue</b>				
Sales and Marketing	41,870	38,690	145,547	143,156
Technical Support and Management	22,760	17,421	86,868	70,928
Others (1)	164	190	843	754
	<u>64,794</u>	<u>56,301</u>	<u>233,258</u>	<u>214,838</u>
Eliminations	(63)	(48)	(252)	(192)
Revenue	<u>64,731</u>	<u>56,253</u>	<u>233,006</u>	<u>214,646</u>
<b>EBITDA*</b>				
Sales and Marketing	4,083	5,123	18,247	16,096
Technical Support and Management	13,983	10,085	53,177	44,841
Others	(678)	(312)	(122)	(119)
Unallocated	(1,689)	(3,882)	(8,979)	(5,737)
Total	<u>15,699</u>	<u>11,014</u>	<u>62,323</u>	<u>55,081</u>
<b>Segment Results</b>				
Sales and Marketing	3,700	4,727	16,845	14,819
Technical Support and Management	5,366	4,278	23,483	19,413
Others	(1,057)	(768)	(1,704)	(1,865)
	<u>8,009</u>	<u>8,237</u>	<u>38,624</u>	<u>32,367</u>
Unallocated expenses	(1,637)	(3,874)	(8,874)	(5,673)
- Realised foreign exchange loss	(718)	(36)	(1,137)	(410)
- Unrealised foreign exchange gain/(loss) (trade)	772	262	(64)	535
- Unrealised foreign exchange gain/(loss) (non-trade)	506	(2,936)	(2,832)	(3,295)
- Interest income	83	108	489	349
- Sundry income	156	149	730	720
- Legal and professional fee	(97)	(117)	(641)	(587)
- Gain on deconsolidation of a subsidiary	-	-	585	1,285
- (Loss)/Gain on remeasurement of financial liability	(783)	-	185	-
- Other expenses	(1,556)	(1,304)	(6,189)	(4,270)
<b>Operating profit</b>	<u>6,372</u>	<u>4,363</u>	<u>29,750</u>	<u>26,694</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) 4,276,800 ordinary shares at an issue price of RM0.10 per ordinary shares;
  - (ii) 27,100 ordinary shares at an issue price of RM0.105 per ordinary shares; and
  - (iii) 22,400 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.

**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 DEC 2015 RM'000</b>
Gaming machines, furnitures, equipment and renovation	<u>18,600</u>



**16. Significant Related Party Transactions**

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

	<b>01.10.2015 to 31.12.2015 RM'000</b>	<b>01.01.2015 to 31.12.2015 RM'000</b>
Sales of products to:		
- Channel Paradise Sdn Bhd	313	3,019
TSM share of profit from:		
- Timor Holding, Lda.	1,213	3,224

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			12 MONTHS ENDED		
	31 DEC	31 DEC	%	31 DEC	31 DEC	%
	2015	2014		2015	2014	
	RM'000	RM'000	+/(-) %	RM'000	RM'000	+/(-) %
<b>Revenue</b>						
Sales and Marketing	41,870	38,690	+8%	145,547	143,156	+2%
Technical Support and Management	22,760	17,421	+31%	86,868	70,928	+22%
Others (1)	101	142	-29%	591	562	+5%
<b>Total</b>	<b>64,731</b>	<b>56,253</b>	<b>+15%</b>	<b>233,006</b>	<b>214,646</b>	<b>+9%</b>
<b>EBITDA*</b>						
Sales and Marketing	4,083	5,123	-20%	18,247	16,096	+13%
Technical Support and Management	13,983	10,085	+39%	53,177	44,841	+19%
Others	(678)	(312)	+117%	(122)	(119)	+3%
Unallocated	(1,689)	(3,882)	-56%	(8,979)	(5,737)	+57%
<b>Total</b>	<b>15,699</b>	<b>11,014</b>	<b>+43%</b>	<b>62,323</b>	<b>55,081</b>	<b>+13%</b>
<b>Profit/(Loss) before tax</b>						
Sales and Marketing	3,692	4,631	-20%	16,687	14,467	+15%
Technical Support and Management	6,037	4,068	+48%	23,331	17,384	+34%
Others	(1,036)	(808)	+28%	(1,688)	(1,954)	-14%
	8,693	7,891	+10%	38,330	29,897	+28%
Unallocated expenses	(3,332)	(5,183)	-36%	(13,219)	(10,201)	+30%
- Finance cost	(1,695)	(1,309)	+29%	(4,345)	(4,528)	-4%
- Realised foreign exchange loss	(718)	(36)	+1894%	(1,137)	(410)	+177%
- Unrealised foreign exchange gain/(loss) (trade)	772	262	+195%	(64)	535	-112%
- Unrealised foreign exchange gain/(loss) (non-trade)	506	(2,936)	+117%	(2,832)	(3,295)	-14%
- Interest income	83	108	-23%	489	349	+40%
- Sundry income	156	149	+5%	730	720	+1%
- Legal and professional fee	(97)	(117)	-17%	(641)	(587)	+9%
- Gain on deconsolidation of a subsidiary	-	-	+0%	585	1,285	-54%
- (Loss)/Gain on remeasurement of financial liability	(783)	-	+100%	185	-	+100%
- Other expenses	(1,556)	(1,304)	+19%	(6,189)	(4,270)	+45%
<b>Profit before tax</b>	<b>5,361</b>	<b>2,708</b>	<b>+98%</b>	<b>25,111</b>	<b>19,696</b>	<b>+27%</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

Sales and Marketing ("SSM") division achieved revenue of RM41.9 million for the quarter ended 31 December 2015, higher slightly by 8% as compared to previous year's corresponding quarter. However, the profit before tax decreased by 20%. This was due to quality mix of product sold in the previous year being better.

The revenue and profit before tax for Technical Support and Management ("TSM") division increased by 31% and 48% respectively for the quarter ended 31 December 2015 as compared to previous year's corresponding quarter mainly due to favourable impact from foreign exchange rates and contribution from new outlets.

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

(ii) Comparison with previous year

The profit before tax increased by 15% for SSM division for the financial year ended 31 December 2015 and it was mainly due to a better mix of products sold and favourable impact from foreign exchange rate.

The revenue and profit before tax for TSM division increased by 22% and 34% respectively for the financial year ended 31 December 2015 as compared to preceding year primarily due to better performance across the region and additional income from new outlets, besides the 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	41,870	57,237	-27%
Technical Support and Management	22,760	22,277	+2%
Others (1)	101	152	-34%
Revenue	<u>64,731</u>	<u>79,666</u>	<u>-19%</u>
<b>EBITDA*</b>			
Sales and Marketing	4,083	7,362	-45%
Technical Support and Management	13,983	13,643	+2%
Others	(678)	98	-792%
Unallocated	(1,689)	(4,683)	-64%
	<u>15,699</u>	<u>16,420</u>	<u>-4%</u>
<b>Profit/(Loss) before tax</b>			
Sales and Marketing	3,692	6,994	-47%
Technical Support and Management	6,037	5,722	+6%
Others	(1,036)	(288)	+260%
	<u>8,693</u>	<u>12,428</u>	<u>-30%</u>
Unallocated expenses	(3,332)	(5,444)	-39%
- Finance cost	(1,695)	(788)	+115%
- Realised foreign exchange loss	(718)	(496)	+45%
- Unrealised foreign exchange gain/(loss) (trade)	772	(440)	+275%
- Unrealised foreign exchange gain/(loss) (non-trade)	506	(2,271)	+122%
- Interest income	83	188	-56%
- Sundry income	156	282	-45%
- Legal and professional fee	(97)	(347)	-72%
- Other expenses	(1,556)	(1,572)	-1%
<b>Profit before tax</b>	<u>5,361</u>	<u>6,984</u>	<u>-23%</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)**

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

The revenue and profit before tax for TSM division has improved as compared to last quarter mainly due to better performance and also favourable exchange rates.

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

**19. Commentary on Prospects**

The Group will continue to capitalise on reputable and top performing products under our portfolio as well as improve in the technical and management expertise in TSM for year 2016.

In view of the foregoing and barring unforeseen circumstances, the Group expects to achieve better performance 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>12 MONTHS ENDED</b>	
	<b>31 DEC 2015 RM'000</b>	<b>31 DEC 2014 RM'000</b>	<b>31 DEC 2015 RM'000</b>	<b>31 DEC 2014 RM'000</b>
Income Tax				
- Current period	932	496	4,028	1,449
- (Over)/Underprovision in prior year	-	(500)	(194)	109
Deferred Tax				
- Current period	(12)	(40)	(12)	(40)
- Underprovision in prior year	-	22	-	22
	<u>920</u>	<u>(22)</u>	<u>3,822</u>	<u>1,540</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 22 February 2016.

**23. Borrowings**

	<b>AS AT 31 DEC 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	-	10,587
Commercial papers	16,732	13,198
Hire purchase payable	58	60
Finance lease liability	-	159
Term loans	1,718	2,073
	<u>18,508</u>	<u>27,892</u>
<b>Long Term Borrowings:</b>		
<u>Secured</u>		
Commercial papers	-	25,222
Hire purchase payable	179	230
Term loans	6,873	3,533
	<u>7,052</u>	<u>28,985</u>
<u>Unsecured</u>		
Medium term notes	10,000	10,000
	<u>17,052</u>	<u>38,985</u>
Total borrowings	<u>35,560</u>	<u>66,877</u>

**Borrowings denominated in foreign currency as at 31 December 2015:**

	<b>USD'000</b>	<b>RM'000</b>
Borrowings	<u>2,000</u>	<u>8,591</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**

- (a) The Board of Directors has approved an interim single-tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2015. The entitlement date is fixed on 31 March 2016 and payment will be made on 15 April 2016.
- (b) The Board of Directors has proposed a final single-tier dividend of 0.25 sen per ordinary share for the financial year ended 31 December 2015 (“the Final Dividend”). The Final Dividend is subject to the Shareholders’ approval at the forthcoming Annual General Meeting. The dates of entitlement and payment for the Final Dividend shall be determined by the Board of Directors at a later date.



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

The profit before taxation is after accounting for the following:

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>31 DEC 2015</b>	<b>31 DEC 2014</b>	<b>31 DEC 2015</b>	<b>31 DEC 2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(88)	(115)	(509)	(366)
Interest expenses	923	1,618	4,402	6,821
Amortisation of development costs	363	124	1,344	145
Amortisation of other intangible assets	630	264	2,291	1,020
Bad debts written off	-	-	158	29
Depreciation	7,756	6,293	28,360	27,211
Impairment of property, plant and equipment	669	5	819	187
Impairment of property, plant & equipment written back	(5)	-	(5)	-
Gain on disposal of property, plant & equipment	(2)	(20)	(7)	(30)
Gain on deconsolidation of a subsidiary	-	-	(585)	(1,285)
Loss/(Gain) on remeasurement of financial liability	783	-	(185)	-
Property, plant and equipment written off	-	50	-	70
Provision for doubtful debts	153	400	153	402
Provision for doubtful debts (non trade)	103	114	109	116
Provision for slow moving stock	776	-	776	-
Reversal of provision for doubtful debts	(30)	(79)	(64)	(88)
Reversal of provision for doubtful debts (non trade)	(246)	(2)	(267)	(2)
Written down of inventories	409	197	1,837	208



**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>31 DEC 2015 RM'000</b>	<b>31 DEC 2014 RM'000</b>
The accumulated losses of the Company and subsidiaries:		
- Realised	(75,152)	(141,186)
- Unrealised	(620)	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/>
	(75,842)	(138,689)
Add: Consolidation adjustments	74,992	119,496
	<hr/>	<hr/>
Total Group accumulated losses	<u>(850)</u>	<u>(19,193)</u>



**28. Earnings Per Share**

**(a) Basic**

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

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>31 DEC 2015</b>	<b>31 DEC 2014</b>	<b>31 DEC 2015</b>	<b>31 DEC 2014</b>
Profit attributable to owners of the parent (RM'000)	4,260	2,994	20,863	18,526
Weighted average number of ordinary shares in issue ('000)	1,305,023	1,176,512	1,257,411	1,164,528
<b>Basic earnings per share (sen)</b>	<b>0.33</b>	<b>0.25</b>	<b>1.66</b>	<b>1.59</b>

**(b) Diluted**

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

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>31 DEC 2015</b>	<b>31 DEC 2014</b>	<b>31 DEC 2015</b>	<b>31 DEC 2014</b>
Profit attributable to owners of the parent (RM'000)	4,260	2,994	20,863	18,526
Weighted average number of ordinary shares in issue ('000)	1,305,023	1,176,512	1,257,411	1,164,528
Effect of dilution of share options	20,416	15,804	22,348	22,281
Adjusted weighted average number of ordinary shares ('000)	1,325,439	1,192,316	1,279,759	1,186,809
<b>Diluted earnings per share (sen)</b>	<b>0.32</b>	<b>0.25</b>	<b>1.63</b>	<b>1.56</b>



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

**29. Authorisation for Issue**

On 22 February 2016, 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 February 2016