



RGB International Bhd. (603831-K)

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
31 March 2016



CONTENTS

	PAGE
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	1
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3 - 4
CONSOLIDATED STATEMENT OF CASH FLOWS	5 – 6
EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134	7 – 12
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B (RULE 9.22(2)) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)	13 – 21



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH FINANCIAL PERIOD ENDED 31 MARCH 2016**

	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31 MAR 2016 RM'000	31 MAR 2015 RM'000	31 MAR 2016 RM'000	31 MAR 2015 RM'000
Revenue	10	56,090	38,729	56,090	38,729
Cost of sales		(40,605)	(24,508)	(40,605)	(24,508)
- Depreciation		(7,212)	(6,207)	(7,212)	(6,207)
- Others		(33,393)	(18,301)	(33,393)	(18,301)
Gross profit		15,485	14,221	15,485	14,221
Other income		938	1,089	938	1,089
Administrative expenses		(8,358)	(8,459)	(8,358)	(8,459)
- Depreciation		(486)	(555)	(486)	(555)
- Others		(7,872)	(7,904)	(7,872)	(7,904)
Selling and marketing expenses		(920)	(1,050)	(920)	(1,050)
Other gain, net		1,169	885	1,169	885
Operating profit		8,314	6,686	8,314	6,686
Finance costs		(869)	(1,346)	(869)	(1,346)
Profit before tax		7,445	5,340	7,445	5,340
Income tax expense	21	(1,391)	(971)	(1,391)	(971)
Profit for the financial period		6,054	4,369	6,054	4,369
Other comprehensive (loss)/income, net of tax					
Item that may be subsequently reclassified to profit or loss:					
- Foreign currency translation, representing other comprehensive (loss)/income for the financial period		(16,894)	8,602	(16,894)	8,602
Total comprehensive (loss)/income		(10,840)	12,971	(10,840)	12,971
Profit attributable to:					
Owners of the Parent		5,930	4,327	5,930	4,327
Non-controlling interests		124	42	124	42
		6,054	4,369	6,054	4,369
Total comprehensive (loss)/income attributable to:					
Owners of the Parent		(9,171)	12,042	(9,171)	12,042
Non-controlling interests		(1,669)	929	(1,669)	929
		(10,840)	12,971	(10,840)	12,971
Earnings per share attributable to owners of the Parent:					
Basic, for profit for the financial period (sen)	28	0.45	0.37	0.45	0.37
Diluted, for profit for the financial period (sen)	28	0.45	0.36	0.45	0.36



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	Note	AS AT 31 MAR 2016 RM'000	AS AT 31 DEC 2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	107,988	118,578
Investments in associates		157	171
Trade receivables		6,101	8,224
Other receivables		71	64
Development costs		2,218	2,768
Other intangible assets		983	1,074
Goodwill on combination		870	870
		118,388	131,749
Current assets			
Inventories		5,689	11,243
Trade receivables		50,475	49,819
Other receivables		14,859	19,749
Tax recoverable		149	-
Due from associates		3,833	4,181
Deposits with licensed banks		8,522	9,651
Cash and bank balances		64,693	75,528
		148,220	170,171
TOTAL ASSETS		266,608	301,920
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital	8	131,807	130,762
Share premium		20,828	20,774
Foreign exchange translation reserve		8,476	23,577
Share option reserve		1,022	990
Retained Earnings/(Accumulated losses)		5,080	(850)
		167,213	175,253
Non-controlling interests		19,458	21,127
Total equity		186,671	196,380
Non-current liabilities			
Borrowings	23	16,063	17,052
Trade payables		3,303	3,821
Other payables		-	32
Deferred tax liabilities		159	159
		19,525	21,064
Current liabilities			
Borrowings	23	1,631	18,508
Trade payables		28,015	34,839
Other payables		30,682	30,850
Due to associates		84	92
Tax payable		-	187
		60,412	84,476
Total liabilities		79,937	105,540
TOTAL EQUITY AND LIABILITIES		266,608	301,920
Net assets per share (sen)		13	13



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015 AND 31 MARCH 2016**

	----- Attributable to owners of the Parent -----							Total Equity RM'000
	----- 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	
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 CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015 AND 31 MARCH 2016**

	----- Attributable to owners of the Parent -----							Total Equity RM'000
	----- Non-Distributable -----		Foreign Exchange Translation Reserve RM'000	Share Option Reserve RM'000	(Accumulated Losses)/ Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	
	Share Capital RM'000	Share Premium RM'000						
At 1 January 2016	130,762	20,774	23,577	990	(850)	175,253	21,127	196,380
Profit for the financial period	-	-	-	-	5,930	5,930	124	6,054
Foreign currency translations	-	-	(15,101)	-	-	(15,101)	(1,793)	(16,894)
Total comprehensive loss for the financial period	-	-	(15,101)	-	5,930	(9,171)	(1,669)	(10,840)
Transaction with owners:								
Issue of ordinary shares pursuant to ESOS	1,045	54	-	(53)	-	1,046	-	1,046
Share option granted under ESOS	-	-	-	85	-	85	-	85
Dividends	-	-	-	-	-	-	-	-
Total transactions with owners	1,045	54	-	32	-	1,131	-	1,131
At 31 March 2016	131,807	20,828	8,476	1,022	5,080	167,213	19,458	186,671



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

	3 MONTHS ENDED	
	31 MAR 2016 RM'000	31 MAR 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,445	5,340
Adjustments for:		
Amortisation of development costs	356	315
Amortisation of other intangible assets	-	531
Bad debts written off	17	-
Depreciation	7,698	6,762
Gain on disposal of property, plant & equipment	-	(2)
Gain on deconsolidation of a subsidiaries	-	(585)
Gain on remeasurement of financial liability	-	(968)
Provision for doubtful debts (non trade)	-	2
Reversal of provision for doubtful debts	-	(1)
Reversal of provision for doubtful debts (non trade)	(1)	-
Written down of inventories	-	145
Share options granted under ESOS	85	118
Interest expense	815	1,310
Interest income	(201)	(71)
Unrealised forex (gain)/losses	(825)	793
Operating profit before changes in working capital	<u>15,389</u>	<u>13,689</u>
Changes in working capital:		
Receivables, amount due from jointly controlled entities, associates and inventories	12,090	6,381
Payables, amount due to associates and minority shareholders of a subsidiary	<u>(7,094)</u>	<u>(14,686)</u>
Cash from operations	20,385	5,384
Interest paid	(197)	(276)
Taxes paid	<u>(1,726)</u>	<u>(806)</u>
Net cash from operating activities	<u>18,462</u>	<u>4,302</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

	3 MONTHS ENDED	
	31 MAR 2016 RM'000	31 MAR 2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,022)	(4,617)
Proceeds from disposal of property, plant and equipment	-	2
Changes in fixed deposits pledged to licensed banks	63	(779)
Changes in bank balances pledged to licensed banks	5,637	153
Expenditure on development costs	-	(36)
Interest received	201	71
Net cash used in investing activities	(121)	(5,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of onshore foreign currency loan	-	(2,244)
Net repayment of term loan and commercial papers	(18,469)	(5,039)
Repayment of finance lease liability	-	(7)
Repayment of hire purchase payable	(15)	(12)
Proceeds from issuance of shares	1,046	566
Net cash used in financing activities	(17,438)	(6,736)
NET CHANGES IN CASH AND CASH EQUIVALENTS	903	(7,640)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(7,168)	2,386
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	69,141	41,032
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	62,876	35,778
 * Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	64,693	38,083
Deposits with licensed banks	8,522	16,671
Less: Bank overdrafts	-	(557)
	<u>73,215</u>	<u>54,197</u>
Less: Fixed deposit pledged to licensed banks	(7,654)	(15,841)
Less: Bank balances pledged to licensed banks	(2,685)	(2,578)
	<u>62,876</u>	<u>35,778</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 Securities.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015. 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 2015.

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 14 *Regulatory Deferral Accounts*

Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*

Amendments to MFRS 101 *Disclosure Initiative*

Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*

Amendments to MFRS 127 *Equity Method in Separate Financial Statements*

Amendments to MFRSs *Annual Improvements to 2012-2014 Cycle*

The adoption of the above pronouncements did not have any material 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 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 2015 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**

	Number of ordinary shares ('000) of RM0.10 each	
	2016	2015
As at 1 January	1,307,621	1,177,600
Issue of ordinary shares pursuant to:		
- ESOS	10,449	11,698
- Share Placement	-	118,323
As at 31 March/31 December	<u>1,318,070</u>	<u>1,307,621</u>

9. Dividend Paid

An interim single-tier dividend of 0.25 sen per ordinary share for the year ended 31 December 2015 was paid on 15 April 2016.



10. Segmental Information

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR 2016 RM'000	31 MAR 2015 RM'000	31 MAR 2016 RM'000	31 MAR 2015 RM'000
Segment Revenue				
Sales and Marketing	34,174	18,916	34,174	18,916
Technical Support and Management	21,891	19,600	21,891	19,600
Others (1)	88	261	88	261
	<u>56,153</u>	<u>38,777</u>	<u>56,153</u>	<u>38,777</u>
Eliminations	(63)	(48)	(63)	(48)
Revenue	<u>56,090</u>	<u>38,729</u>	<u>56,090</u>	<u>38,729</u>
EBITDA*				
Sales and Marketing	2,704	2,689	2,704	2,689
Technical Support and Management	13,881	11,892	13,881	11,892
Others	(92)	362	(92)	362
Unallocated	(178)	(685)	(178)	(685)
Total	<u>16,315</u>	<u>14,258</u>	<u>16,315</u>	<u>14,258</u>
Segment Results				
Sales and Marketing	2,341	2,362	2,341	2,362
Technical Support and Management	6,599	5,115	6,599	5,115
Others	(468)	(111)	(468)	(111)
	<u>8,472</u>	<u>7,366</u>	<u>8,472</u>	<u>7,366</u>
Unallocated expenses	(158)	(680)	(158)	(680)
- Realised foreign exchange gain	344	122	344	122
- Unrealised foreign exchange gain/(loss) (trade)	215	(174)	215	(174)
- Unrealised foreign exchange gain/(loss) (non-trade)	610	(619)	610	(619)
- Interest income	201	66	201	66
- Sundry income	162	183	162	183
- Legal and professional fee	(109)	(116)	(109)	(116)
- Gain on deconsolidation of a subsidiary	-	585	-	585
- Gain on remeasurement of financial liability	-	968	-	968
- Other expenses	(1,581)	(1,695)	(1,581)	(1,695)
Operating profit	<u>8,314</u>	<u>6,686</u>	<u>8,314</u>	<u>6,686</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) 58,400 ordinary shares at an issue price of RM0.117 per ordinary shares; and
 - (ii) 3,600 ordinary shares at an issue price of RM0.104 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:

	AS AT 31 MAR 2016 RM'000
Gaming machines, furnitures, equipment and renovation	<u>12,000</u>



16. Significant Related Party Transactions

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

	01.01.2016 to 31.03.2016 RM'000
TSM share of profit from:	
- Timor Holding, Lda.	860

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	31 MAR	%	31 MAR	31 MAR	%
	2016	2015		2016	2015	
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue						
Sales and Marketing	34,174	18,916	+81%	34,174	18,916	+81%
Technical Support and Management	21,891	19,600	+12%	21,891	19,600	+12%
Others (1)	25	213	-88%	25	213	-88%
Total	56,090	38,729	+45%	56,090	38,729	+45%
EBITDA*						
Sales and Marketing	2,704	2,689	+1%	2,704	2,689	+1%
Technical Support and Management	13,881	11,892	+17%	13,881	11,892	+17%
Others	(92)	362	-125%	(92)	362	-125%
Unallocated	(178)	(685)	-74%	(178)	(685)	-74%
Total	16,315	14,258	+14%	16,315	14,258	+14%
Profit/(Loss) before tax						
Sales and Marketing	2,338	2,297	+2%	2,338	2,297	+2%
Technical Support and Management	6,529	4,825	+35%	6,529	4,825	+35%
Others	(468)	(128)	+266%	(468)	(128)	+266%
	8,399	6,994	+20%	8,399	6,994	+20%
Unallocated expenses	(954)	(1,654)	-42%	(954)	(1,654)	-42%
- Finance cost	(796)	(974)	-18%	(796)	(974)	-18%
- Realised foreign exchange gain	344	122	+182%	344	122	+182%
- Unrealised foreign exchange gain/(loss) (trade)	215	(174)	+224%	215	(174)	+224%
- Unrealised foreign exchange gain/(loss) (non-trade)	610	(619)	+199%	610	(619)	+199%
- Interest income	201	66	+205%	201	66	+205%
- Sundry income	162	183	-11%	162	183	-11%
- Legal and professional fee	(109)	(116)	-6%	(109)	(116)	-6%
- Gain on deconsolidation of a subsidiary	-	585	-100%	-	585	-100%
- Gain on remeasurement of financial liability	-	968	-100%	-	968	-100%
- Other expenses	(1,581)	(1,695)	-7%	(1,581)	(1,695)	-7%
Profit before tax	7,445	5,340	+39%	7,445	5,340	+39%

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 RM34.2 million for the quarter ended 31 March 2016, higher by 81% as compared to previous year's corresponding quarter. However, the profit before tax only increased slightly as compared to previous year's corresponding quarter. This was due to variation in product mix.

The revenue and profit before tax for Technical Support and Management ("TSM") division increased by 12% and 35% respectively for the quarter ended 31 March 2016 as compared to previous year's corresponding quarter mainly due to favourable impact from foreign exchange rate, better performance of TSM operations across the region and contribution from new outlets.

The revenue of "Others" division is 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	34,174	41,870	-18%
Technical Support and Management	21,891	22,760	-4%
Others (1)	25	101	-75%
Revenue	56,090	64,731	-13%
EBITDA*			
Sales and Marketing	2,704	4,086	-34%
Technical Support and Management	13,881	13,980	-1%
Others	(92)	(678)	-86%
Unallocated	(178)	(1,689)	-89%
	16,315	15,699	+4%
Profit/(Loss) before tax			
Sales and Marketing	2,338	3,695	-37%
Technical Support and Management	6,529	6,034	+8%
Others	(468)	(1,036)	-55%
	8,399	8,693	-3%
Unallocated expenses	(954)	(3,332)	-71%
- Finance cost	(796)	(1,695)	-53%
- Realised foreign exchange gain/(loss)	344	(718)	+148%
- Unrealised foreign exchange gain (trade)	215	772	-72%
- Unrealised foreign exchange gain (non-trade)	610	506	+21%
- Interest income	201	83	+142%
- Sundry income	162	156	+4%
- Legal and professional fee	(109)	(97)	+12%
- Loss on remeasurement of financial liability	-	(783)	-100%
- Other expenses	(1,581)	(1,556)	+2%
Profit before tax	7,445	5,361	+39%

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 as well as variation in product mix in this quarter.

The revenue and profit before tax for TSM division has improved as compared to previous quarter mainly due to contribution from new outlets and better performance of TSM operations across the region.

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 improvement 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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31 MAR	31 MAR	31 MAR	31 MAR
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Current period	1,391	999	1,391	999
- Overprovision in prior year	-	(28)	-	(28)
	<u>1,391</u>	<u>971</u>	<u>1,391</u>	<u>971</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2015: 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 25 May 2016.



23. Borrowings

	AS AT 31 MAR 2016 RM'000	AS AT 31 DEC 2015 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Commercial papers	-	16,732
Hire purchase payable	58	58
Term loans	1,573	1,718
	<u>1,631</u>	<u>18,508</u>
 Long Term Borrowings:		
<u>Secured</u>		
Hire purchase payable	164	179
Term loans	5,899	6,873
	<u>6,063</u>	<u>7,052</u>
<u>Unsecured</u>		
Medium term notes	10,000	10,000
	<u>16,063</u>	<u>17,052</u>
 Total borrowings	 <u>17,694</u>	 <u>35,560</u>

Borrowings denominated in foreign currency as at 31 March 2016:

	USD'000	RM'000
Borrowings	<u>1,900</u>	<u>7,472</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 0.25 sen per ordinary share in respect of the financial year ended 31 December 2015 (“the Dividend”) under Resolution 1 at the 13th Annual General Meeting of the Company held on 26 May 2016, the Dividend will be paid to the shareholders on 15 July 2016. The entitlement date for the Dividend shall be 30 June 2016.

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 2016 RM'000	31 MAR 2015 RM'000	31 MAR 2016 RM'000	31 MAR 2015 RM'000
Interest income	(201)	(71)	(201)	(71)
Interest expenses	815	1,310	815	1,310
Amortisation of development costs	356	315	356	315
Amortisation of other intangible assets	-	531	-	531
Bad debts written off	17	-	17	-
Depreciation	7,698	6,762	7,698	6,762
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)
Provision for doubtful debts (non trade)	-	2	-	2
Reversal of provision for doubtful debts	-	(1)	-	(1)
Reversal of provision for doubtful debts (non trade)	(1)	-	(1)	-
Written down of inventories	-	145	-	145



27. Disclosure of Realised and Unrealised Profits/Losses

The Group's realised and unrealised retained earnings/(accumulated losses) disclosures are as follows:

	ACCUMULATED QUARTER ENDED	
	31 MAR 2016 RM'000	31 DEC 2015 RM'000
The accumulated losses of the Company and subsidiaries:		
- Realised	(68,070)	(75,356)
- Unrealised	210	(620)
Total share of retained earnings from associates:		
- Realised	82	82
	<hr/>	<hr/>
	(67,778)	(75,894)
Add: Consolidation adjustments	72,858	75,044
	<hr/>	<hr/>
Total Group retained earnings/(accumulated losses)	<u>5,080</u>	<u>(850)</u>



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 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
Profit attributable to owners of the Parent (RM'000)	5,930	4,327	5,930	4,327
Weighted average number of ordinary shares in issue ('000)	1,312,687	1,180,735	1,312,687	1,180,735
Basic earnings per share (sen)	0.45	0.37	0.45	0.37

(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 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
Profit attributable to owners of the Parent (RM'000)	5,930	4,327	5,930	4,327
Weighted average number of ordinary shares in issue ('000)	1,312,687	1,180,735	1,312,687	1,180,735
Effect of dilution of share options	16,219	18,181	16,219	18,181
Adjusted weighted average number of ordinary shares ('000)	1,328,906	1,198,916	1,328,906	1,198,916
Diluted earnings per share (sen)	0.45	0.36	0.45	0.36



RGB International Bhd. (603831-K)

29. Authorisation for Issue

On 26 May 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
Managing Director
26 May 2016