



RGB International Bhd. [200301001411 (603831-K)]

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
30 June 2021



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Note	3 MONTHS ENDED			6 MONTHS ENDED		
		30 JUN	30 JUN	%	30 JUN	30 JUN	%
		2021	2020		2021	2020	
		RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	9	55,471	14,427	284%	89,642	91,860	-2%
Cost of sales		(48,437)	(24,202)	100%	(80,939)	(87,872)	-8%
- Depreciation		(11,993)	(13,514)	-11%	(23,965)	(26,385)	-9%
- Others		(36,444)	(10,688)	241%	(56,974)	(61,487)	-7%
Gross income/ (loss)		7,034	(9,775)	172%	8,703	3,988	118%
Other income		548	780	-30%	1,060	1,571	-33%
Administrative expenses		(5,007)	(6,487)	-23%	(10,091)	(13,168)	-23%
- Depreciation		(889)	(912)	-3%	(1,782)	(1,800)	-1%
- Others		(4,118)	(5,575)	-26%	(8,309)	(11,368)	-27%
Selling and marketing expenses		(431)	(473)	-9%	(804)	(1,577)	-49%
Other (expenses)/gain, net		(679)	1,979	-134%	(1,492)	277	-639%
Finance costs		(267)	(445)	-40%	(609)	(918)	-34%
Profit/(Loss) before tax		1,198	(14,421)	108%	(3,233)	(9,827)	-67%
Taxation	20	(606)	347	275%	(959)	(568)	-69%
Profit/(Loss) for the financial period		592	(14,074)	104%	(4,192)	(10,395)	-60%
Other comprehensive income/(loss), net of tax:							
Item that may be reclassified subsequently to profit or loss							
- Foreign currency translations, representing other comprehensive income/(loss) for the financial period		133	(2,778)	105%	6,526	10,992	-41%
Total comprehensive income/(loss) for the financial period		725	(16,852)	104%	2,334	597	291%
Profit/(Loss) attributable to:							
Owners of the Company		601	(14,029)	104%	(4,181)	(10,429)	-60%
Non-controlling interests		(9)	(45)	-80%	(11)	34	-132%
		592	(14,074)	104%	(4,192)	(10,395)	-60%
Total comprehensive income/(loss) attributable to:							
Owners of the Company		734	(16,575)	104%	1,695	(381)	545%
Non-controlling interests		(9)	(277)	-97%	639	978	-35%
		725	(16,852)	104%	2,334	597	291%
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen):							
Basic	26	0.04	(0.91)	104%	(0.27)	(0.68)	-60%
Diluted	26	0.04	(0.91)	104%	(0.27)	(0.68)	-60%

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	AS AT 30 JUN 2021 RM'000	AS AT 31 DEC 2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	136,196	156,530
Investment property		33,343	32,794
Investments in associates		166	161
Right-of-use assets		5,674	6,193
Intangible assets		1,908	1,878
Trade receivables		36,967	41,870
Other receivables		2,848	2,786
Lease receivables		2,152	4,196
Due from associates		2,894	2,791
		<u>222,148</u>	<u>249,199</u>
Current assets			
Inventories		5,096	3,595
Trade receivables		101,602	96,851
Other receivables		18,743	11,094
Lease receivables		4,438	4,026
Tax recoverable		-	346
Deposits with licensed banks		13,681	13,431
Cash and bank balances		36,774	25,748
		<u>180,334</u>	<u>155,091</u>
TOTAL ASSETS		<u>402,482</u>	<u>404,290</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		158,485	158,485
Treasury shares		(842)	(842)
Foreign currency translation reserve		18,687	12,811
Retained earnings		51,190	55,371
		<u>227,520</u>	<u>225,825</u>
Non-controlling interests		21,104	20,465
Total equity		<u>248,624</u>	<u>246,290</u>
Non-current liabilities			
Borrowings	22	14,326	17,350
Lease liabilities		1,555	2,007
Trade payables		8,862	17,517
Deferred tax liabilities		132	132
		<u>24,875</u>	<u>37,006</u>
Current liabilities			
Borrowings	22	13,338	14,300
Lease liabilities		1,119	1,166
Trade payables		68,946	69,317
Other payables		22,613	23,508
Contract liabilities		22,813	12,617
Due to associates		89	86
Current tax liabilities		65	-
		<u>128,983</u>	<u>120,994</u>
Total liabilities		<u>153,858</u>	<u>158,000</u>
TOTAL EQUITY AND LIABILITIES		<u>402,482</u>	<u>404,290</u>
Net assets per share (sen)		<u>15</u>	<u>15</u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	----- Attributable to owners of the Company -----						Total equity RM'000
	----- Non-distributable -----			Distributable			
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 January 2021	158,485	(842)	12,811	55,371	225,825	20,465	246,290
Loss for the financial period	-	-	-	(4,181)	(4,181)	(11)	(4,192)
Foreign currency translations	-	-	5,876	-	5,876	650	6,526
Total comprehensive income for the financial period	-	-	5,876	(4,181)	1,695	639	2,334
At 30 June 2021	158,485	(842)	18,687	51,190	227,520	21,104	248,624



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

	----- Attributable to owners of the Company -----						
	----- Non-distributable -----			Distributable			
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2020	158,485	-	15,167	88,738	262,390	21,170	283,560
Loss for the financial period	-	-	-	(10,429)	(10,429)	34	(10,395)
Foreign currency translations	-	-	10,048	-	10,048	944	10,992
Total comprehensive income for the financial period	-	-	10,048	(10,429)	(381)	978	597
Transaction with owners:							
Buy-back of own shares	-	(842)	-	-	(842)	-	(842)
Dividends paid	-	-	-	(4,630)	(4,630)	-	(4,630)
Total transactions with owners	-	(842)	-	(4,630)	(5,472)	-	(5,472)
At 31 June 2020	158,485	(842)	25,215	73,679	256,537	22,148	278,685



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	6 MONTHS ENDED	
	30 JUN 2021 RM'000	30 JUN 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,233)	(9,827)
Adjustments for:		
Interest income	(230)	(231)
Interest expense	510	813
Amortisation of intangibles assets	-	46
Bad debts written off	-	38
Depreciation of investment property	439	454
Depreciation of property, plant and equipment	24,763	27,200
Depreciation of right-of-use assets	545	531
Impairment losses on:		
- trade receivables	231	(4)
Gain on lease modification	-	(2)
Inventories written down	181	124
Unrealised forex loss/(gain)	1,421	(349)
Written off on property, plant and equipment	1	1
Operating profit before changes in working capital	24,628	18,794
Changes in working capital:		
Receivables, amount due from associates and inventories	(8,119)	38,108
Payables, contract liabilities and amount due to associates	243	(31,538)
Cash generated from operations	16,752	25,364
Interest paid	(444)	(742)
Taxes paid	(548)	(625)
Tax refunded	-	2
Net cash from operating activities	15,760	23,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(268)	(22,684)
Changes in deposits pledged to licensed banks	(250)	(378)
Interest received	230	231
Net cash used in investing activities	(288)	(22,831)



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

	6 MONTHS ENDED	
	30 JUN	30 JUN
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from onshore foreign currency loan	4,982	-
Net repayments of term loans	(2,547)	(658)
Net (repayments of)/proceeds from revolving credits	(6,422)	8,750
Payments of lease liabilities	(529)	(453)
Dividends paid	-	(4,630)
Buy-back of own shares	-	(842)
Net cash (used in)/from financing activities	(4,516)	2,167
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,956	3,335
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	70	1,219
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	25,748	40,650
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	36,774	45,204
Cash and cash equivalents at the end of the financial period comprise of the followings:		
Cash and bank balances	36,774	44,880
Deposits with licensed banks	13,681	14,100
	50,455	58,980
Less: Deposits pledged to licensed banks	(13,681)	(13,776)
	36,774	45,204



PART A - EXPLANATORY NOTES PURSUANT 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 2020. The explanatory notes attached to the interim financial statements provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

2. Changes in Accounting Policies

2.1 New MFRSs adopted during the financial period

The Group adopted the followings Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial period:

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

2.2 New MFRSs that have been issued but not yet effective

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 Business Combination – <i>Reference to Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment – <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – <i>Definition of Accounting Estimate</i>	1 January 2023
Amendments to MFRS 112 Income Taxes – <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred



2. Changes in Accounting Policies (Continued)

2.2 New MFRSs that have been issued but not yet effective (Continued)

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

3. Significant Event

During the quarter under review, there were no events that have not been reflected in the financial statements.

4. Comments about Seasonal or Cyclical Factors

The overall business of the Group was not affected by any significant seasonal factors.

5. 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.

6. 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.

7. Changes in Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

8. Dividends Paid

No dividend has been recommended by the Directors for the financial year ended 31 December 2020.



9. Segmental Information

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

	3 MONTHS ENDED		6 MONTHS ENDED	
	30 JUN 2021 RM'000	30 JUN 2020 RM'000	30 JUN 2021 RM'000	30 JUN 2020 RM'000
Segment Revenue				
Sales and Marketing	38,169	12,828	55,207	56,874
Technical Support and Management	16,967	1,492	33,928	34,168
Engineering Services	118	97	226	787
Others (1)	289	100	425	211
	<u>55,543</u>	<u>14,517</u>	<u>89,786</u>	<u>92,040</u>
Eliminations	(72)	(90)	(144)	(180)
Revenue	<u>55,471</u>	<u>14,427</u>	<u>89,642</u>	<u>91,860</u>
EBITDA*				
Sales and Marketing	12,296	2,833	14,773	10,811
Technical Support and Management	3,462	(1,925)	11,310	9,536
Engineering Services	100	39	208	515
Others	146	65	213	187
Unallocated	<u>(1,716)</u>	<u>(602)</u>	<u>(3,480)</u>	<u>(1,831)</u>
Total	<u>14,288</u>	<u>410</u>	<u>23,024</u>	<u>19,218</u>
Profit/(Loss) before tax				
Sales and Marketing	12,169	2,735	14,554	10,570
Technical Support and Management	(9,016)	(16,034)	(13,746)	(18,130)
Engineering Services	100	39	207	515
Others	<u>(214)</u>	<u>(333)</u>	<u>(512)</u>	<u>(601)</u>
	3,039	(13,593)	503	(7,646)
Unallocated expenses	<u>(1,841)</u>	<u>(828)</u>	<u>(3,736)</u>	<u>(2,181)</u>
- Finance cost	(65)	(140)	(113)	(209)
- Interest income	30	26	58	209
- Legal and professional fee	(94)	(68)	(146)	(121)
- Realised foreign exchange loss	(74)	(159)	(72)	(73)
- Sundry income	46	67	48	92
- Unrealised foreign exchange (loss)/gain (trade)	(124)	1,590	(571)	260
- Unrealised foreign exchange (loss)/gain (non-trade)	(482)	548	(850)	89
- Other expenses	<u>(1,078)</u>	<u>(2,692)</u>	<u>(2,090)</u>	<u>(2,428)</u>
Profit/(Loss) before tax	<u>1,198</u>	<u>(14,421)</u>	<u>(3,233)</u>	<u>(9,827)</u>

Note

(1) "Others" consist of 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.



10. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current quarter.

11. Subsequent Events

There were no material events subsequent to the end of the current quarter.

12. 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.

13. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and assets since the previous quarter.

14. Capital Commitments

The amount of capital commitments as at 30 June 2021 is as follows:

	AS AT 30 JUN 2021 RM'000
Capital expenditure	
Approved but not contracted for:	
Property, plant and equipment	<u>6,500</u>

15. Significant Related Party Transactions

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

	01.04.2021 to 30.06.2021 RM'000	01.01.2021 to 30.06.2021 RM'000
Sales of products/maintenance charges/technical service/rental charged to:		
- Channel Paradise Sdn. Bhd.	1,407	1,479
Technical support and management fee from:		
- Timor Holding, S.A.	305	1,953
Purchase of products from:		
- Channel Paradise Sdn. Bhd.	100	529
- Channel Paradise Pte. Ltd.	370	370

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

The related party transactions described above were undertaken on mutually agreed and negotiated terms.



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

16. Performance Review

	3 MONTHS ENDED			6 MONTHS ENDED		
	30 JUN	30 JUN	%	30 JUN	30 JUN	%
	2021	2020		2021	2020	
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue						
Sales and Marketing	38,169	12,828	+198%	55,207	56,874	-3%
Technical Support and Management	16,967	1,492	+1037%	33,928	34,168	-1%
Engineering Services	118	97	+22%	226	787	-71%
Others (1)	217	10	+2070%	281	31	+806%
Total	55,471	14,427	+284%	89,642	91,860	-2%
Profit/(Loss) before tax						
Sales and Marketing	12,169	2,735	+345%	14,554	10,570	+38%
Technical Support and Management	(9,016)	(16,034)	-44%	(13,746)	(18,130)	-24%
Engineering Services	100	39	+156%	207	515	-60%
Others	(214)	(333)	-36%	(512)	(601)	-15%
	3,039	(13,593)	+122%	503	(7,646)	+107%
Unallocated expenses	(1,841)	(828)	+122%	(3,736)	(2,181)	+71%
- Finance cost	(65)	(140)	-54%	(113)	(209)	-46%
- Interest income	30	26	+15%	58	209	-72%
- Legal and professional fee	(94)	(68)	+38%	(146)	(121)	+21%
- Realised foreign exchange loss	(74)	(159)	-53%	(72)	(73)	-1%
- Sundry income	46	67	-31%	48	92	-48%
- Unrealised foreign exchange (loss)/gain (trade)	(124)	1,590	-108%	(571)	260	-320%
- Unrealised foreign exchange (loss)/gain (non-trade)	(482)	548	-188%	(850)	89	-1055%
- Other expenses	(1,078)	(2,692)	-60%	(2,090)	(2,428)	-14%
Profit/(Loss) before tax	1,198	(14,421)	+108%	(3,233)	(9,827)	-67%

Note

(1) “Others” consist of 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.



16. Performance Review (Continued)

(i) Comparison with previous year's corresponding quarter

The revenue and profit before tax for Sales and Marketing ("SSM") division increased by 198% and 345% respectively for the quarter ended 30 June 2021 as compared to previous year's corresponding quarter mainly due to increase in number of products sold and variation in product mix.

The revenue and loss before tax for Technical Support and Management ("TSM") division improved by 1037% and 44% respectively for the quarter ended 30 June 2021 as compared to previous year's corresponding quarter mainly due to more outlets have resumed operations in the current quarter. However, most of these operating outlets are running at restricted capacity as part of the measures to prevent the spreading of COVID-19. Therefore, the TSM division has recorded a loss during the quarter.

(ii) Comparison with previous year's corresponding period

The revenue for SSM division decreased by 3% for the six months period ended 30 June 2021 as compared to preceding year's corresponding period mainly due to decrease in number of products sold. The increase in profit before tax for SSM division is mainly due to variation in product mix.

The revenue for TSM division decreased by 1% while loss before tax for TSM division improved by 24% respectively for the six months period ended 30 June 2021 as compared to previous year's corresponding period mainly due to more outlets have resumed operations during the current period. However, most of these operating outlets are running at restricted capacity as part of the measures to prevent the spreading of COVID-19. Therefore, the TSM division has recorded a loss during the period.



17. Comparison with Previous Quarter's Results

	3 MONTHS ENDED		
	30 JUN	31 MAR	%
	2021	2021	+ / (-)
	RM'000	RM'000	+ / (-)
Revenue			
Sales and Marketing	38,169	17,038	+124%
Technical Support and Management	16,967	16,961	+0%
Engineering Services	118	108	+9%
Others (1)	217	64	+239%
Revenue	<u>55,471</u>	<u>34,171</u>	<u>+62%</u>
Profit/(Loss) before tax			
Sales and Marketing	12,169	2,385	+410%
Technical Support and Management	(9,016)	(4,730)	+91%
Engineering Services	100	107	-7%
Others	(214)	(298)	-28%
	<u>3,039</u>	<u>(2,536)</u>	<u>+220%</u>
Unallocated expenses	(1,841)	(1,895)	-3%
- Finance cost	(65)	(48)	+35%
- Interest income	30	28	+7%
- Legal and professional fee	(94)	(52)	+81%
- Realised foreign exchange (loss)/gain	(74)	2	-3800%
- Sundry income	46	2	+2200%
- Unrealised foreign exchange loss (trade)	(124)	(447)	-72%
- Unrealised foreign exchange loss (non-trade)	(482)	(368)	+31%
- Other expenses	(1,078)	(1,012)	+7%
Profit/(Loss) before tax	<u>1,198</u>	<u>(4,431)</u>	<u>+127%</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.

SSM division recorded higher revenue and profit before tax in current quarter due to increase in number of products sold and variation in product mix as compared to previous quarter.

The increase in loss before tax for TSM division is mainly due to the removal of certain cost cutting measures such as wage and allowance cuts with the expectation of higher TSM revenue as more outlets have resumed operations in the second quarter. However, the intermittent lockdowns in the countries where the Group operates have affected the TSM revenue during the quarter.



18. Commentary on Prospects

Global economic conditions are expected to continue recovering, on expectations of vaccine rollout and additional policy support in a few large economies. However, we expect market conditions to remain volatile in the second half of 2021 due to the uncertainties amid the fluidity of the COVID-19 situation especially in the countries where the Group operates. Barring unforeseen circumstances, the Group foresees some recovery in the gaming market and therefore a better performance for year 2021.

The Group is embarking on new avenue by optimizing its existing resources to increase the revenue during this unprecedented period and at the same time, conducting the test simulations on the remote gaming solutions for land-based casino. The Group has also put in place stringent health and precautionary measures at all its properties to comply with the relevant standard operating procedures and to ensure the safety and well-being of its employees and visitors at all times.

19. Profit Forecast

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

20. Taxation

	3 MONTHS ENDED		6 MONTHS ENDED	
	30 JUN 2021 RM'000	30 JUN 2020 RM'000	30 JUN 2021 RM'000	30 JUN 2020 RM'000
Income Tax				
- Current period	605	(348)	958	622
- Under/(Over)provision in prior year	1	1	1	(54)
	<u>606</u>	<u>(347)</u>	<u>959</u>	<u>568</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2020: 24%) of the estimated assessable profit for the financial year. The effective tax rate of the Group for the financial year 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.



21. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

22. Borrowings

	AS AT 30 JUN 2021 RM'000	AS AT 31 DEC 2020 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Onshore foreign currency loan	4,981	-
Revolving credits	3,556	9,977
Term loans	4,801	4,323
	<u>13,338</u>	<u>14,300</u>
Long Term Borrowings:		
<u>Secured</u>		
Term loans	14,326	17,350
	<u>14,326</u>	<u>17,350</u>
Total borrowings	<u>27,664</u>	<u>31,650</u>

Borrowings denominated in foreign currency as at 30 June 2021:

	Foreign currency '000	RM equivalent '000
<u>Onshore foreign currency loan</u>		
United States Dollar	1,200	4,981
<u>Revolving credits</u>		
United States Dollar	857	3,556
<u>Term loans</u>		
United States Dollar	4,608	19,127
		<u>27,664</u>

23. Material Litigation

The Group does not have any material litigation, which in the opinion of the Directors, would have a material impact on the financial results of the Group.

24. Dividends

No dividend has been recommended by the Directors for the financial period ended 30 June 2021.

**25. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

The profit/(loss) before taxation is after accounting for the following:

	3 MONTHS ENDED		6 MONTHS ENDED	
	30 JUN 2021 RM'000	30 JUN 2020 RM'000	30 JUN 2021 RM'000	30 JUN 2020 RM'000
Interest income	(121)	(48)	(230)	(231)
Rental income	(33)	(194)	(332)	(758)
Sundry income	(394)	(537)	(499)	(581)
Interest expenses	209	405	510	813
Amortisation of intangibles assets	-	-	-	46
Bad debts written off	-	38	-	38
Depreciation of investment property	221	231	439	454
Depreciation of property, plant and equipment	12,391	13,945	24,763	27,200
Depreciation of right-of-use assets	270	250	545	531
Impairment losses on:				
- trade receivables	169	(49)	231	(4)
Gain on lease modification	-	-	-	(2)
Inventories written down	159	180	181	124
Realised foreign exchange loss	74	159	72	73
Unrealised foreign exchange loss/(gain)	606	(2,138)	1,421	(349)
Written off on property, plant and equipment	-	-	1	1

26. Earnings/(Loss) Per Ordinary Share**(a) Basic**

Basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares.

	3 MONTHS ENDED		6 MONTHS ENDED	
	30 JUN 2021	30 JUN 2020	30 JUN 2021	30 JUN 2020
Profit/(Loss) attributable to owners of the Company (RM'000)	601	(14,029)	(4,181)	(10,429)
Weighted average number of ordinary shares in issue ('000)	1,543,461	1,543,461	1,543,461	1,544,070
Basic earnings/(loss) per ordinary share (sen)	0.04	(0.91)	(0.27)	(0.68)



26. Earnings/(Loss) Per Ordinary Share (Continued)

(b) Diluted

Diluted earnings/(loss) per ordinary share have not been presented as the Group did not have any outstanding share options as at 30 June 2021.

Diluted earnings/(loss) per ordinary share for the quarter ended 30 June 2021 equal basic earnings/(loss) per ordinary share because there are no potentially dilutive instruments in existence as at 30 June 2021.

27. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

28. Authorisation for Issue

On 27 August 2021, the Board of Directors authorised the issue of these interim financial statements.

By Order of the Board
RGB International Bhd. [200301001411 (603831-K)]

Dato' Seri Chuah Kim Seah
Managing Director
27 August 2021