



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

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
30 September 2021



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

	Note	3 MONTHS ENDED			9 MONTHS ENDED		
		30 SEP	30 SEP	%	30 SEP	30 SEP	%
		2021	2020		2021	2020	
		RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	9	70,079	39,973	75%	159,721	131,833	21%
Cost of sales		(66,535)	(46,926)	42%	(147,474)	(134,798)	9%
- Depreciation		(12,084)	(13,056)	-7%	(36,049)	(39,441)	-9%
- Others		(54,451)	(33,870)	61%	(111,425)	(95,357)	17%
Gross income/ (loss)		3,544	(6,953)	151%	12,247	(2,965)	513%
Other income		735	447	64%	1,795	2,018	-11%
Administrative expenses		(6,028)	(4,460)	35%	(16,119)	(17,628)	-9%
- Depreciation		(872)	(934)	-7%	(2,654)	(2,734)	-3%
- Others		(5,156)	(3,526)	46%	(13,465)	(14,894)	-10%
Selling and marketing expenses		(366)	(440)	-17%	(1,170)	(2,017)	-42%
Other expenses, net		(2,747)	(592)	364%	(4,239)	(315)	1246%
Finance costs		(252)	(436)	-42%	(861)	(1,354)	-36%
Loss before tax		(5,114)	(12,434)	-59%	(8,347)	(22,261)	-63%
Taxation	20	(473)	442	207%	(1,432)	(126)	-1037%
Loss for the financial period		(5,587)	(11,992)	-53%	(9,779)	(22,387)	-56%
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		1,860	(7,264)	126%	8,386	3,727	125%
Total comprehensive loss for the financial period		(3,727)	(19,256)	-81%	(1,393)	(18,660)	-93%
Loss attributable to:							
Owners of the Company		(5,566)	(11,901)	-53%	(9,747)	(22,330)	-56%
Non-controlling interests		(21)	(91)	-77%	(32)	(57)	-44%
		(5,587)	(11,992)	-53%	(9,779)	(22,387)	-56%
Total comprehensive loss attributable to:							
Owners of the Company		(3,884)	(18,492)	-79%	(2,189)	(18,874)	-88%
Non-controlling interests		157	(764)	121%	796	214	272%
		(3,727)	(19,256)	-81%	(1,393)	(18,660)	-93%
Loss per ordinary share attributable to owners of the Company (sen):							
Basic	26	(0.36)	(0.77)	-53%	(0.63)	(1.45)	-57%
Diluted	26	(0.36)	(0.77)	-53%	(0.63)	(1.45)	-57%

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

	Note	AS AT 30 SEP 2021 RM'000	AS AT 31 DEC 2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	126,793	156,530
Investment property		33,400	32,794
Investments in associates		167	161
Right-of-use assets		5,327	6,193
Intangible assets		1,917	1,878
Trade receivables		38,523	41,450
Other receivables		2,868	2,786
Lease receivables		1,005	4,196
Due from associates		2,924	2,791
		<u>212,924</u>	<u>248,779</u>
Current assets			
Inventories		3,554	3,595
Trade receivables		120,351	97,271
Other receivables		21,017	11,094
Lease receivables		4,594	4,026
Tax recoverable		-	346
Deposits with licensed banks		6,432	13,431
Cash and bank balances		27,098	25,748
		<u>183,046</u>	<u>155,511</u>
TOTAL ASSETS		<u>395,970</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		20,369	12,811
Retained earnings		45,624	55,371
		<u>223,636</u>	<u>225,825</u>
Non-controlling interests		21,261	20,465
Total equity		<u>244,897</u>	<u>246,290</u>
Non-current liabilities			
Borrowings	22	460	17,350
Lease liabilities		1,333	2,007
Trade payables		6,825	17,517
Deferred tax liabilities		132	132
		<u>8,750</u>	<u>37,006</u>
Current liabilities			
Borrowings	22	16,882	14,300
Lease liabilities		966	1,166
Trade payables		83,489	69,317
Other payables		21,174	23,508
Contract liabilities		19,615	12,617
Due to associates		90	86
Current tax liabilities		107	-
		<u>142,323</u>	<u>120,994</u>
Total liabilities		<u>151,073</u>	<u>158,000</u>
TOTAL EQUITY AND LIABILITIES		<u>395,970</u>	<u>404,290</u>
Net assets per share (sen)		<u>14</u>	<u>15</u>



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

|----- Attributable to owners of the Company -----|

	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 2021	158,485	(842)	12,811	55,371	225,825	20,465	246,290
Loss for the financial period	-	-	-	(9,747)	(9,747)	(32)	(9,779)
Foreign currency translations	-	-	7,558	-	7,558	828	8,386
Total comprehensive income/(loss) for the financial period	-	-	7,558	(9,747)	(2,189)	796	(1,393)
At 30 September 2021	158,485	(842)	20,369	45,624	223,636	21,261	244,897



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

|----- Attributable to owners of the Company -----|

	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	-	-	-	(22,821)	(22,821)	(57)	(22,878)
Foreign currency translations	-	-	3,457	-	3,457	270	3,727
Total comprehensive income/(loss) for the financial period	-	-	3,457	(22,821)	(19,364)	213	(19,151)
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 30 September 2020	158,485	(842)	18,624	61,287	237,554	21,383	258,937



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

	9 MONTHS ENDED	
	30 SEP	30 SEP
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(8,347)	(22,261)
Adjustments for:		
Interest income	(483)	(456)
Interest expense	703	1,222
Amortisation of intangibles assets	-	46
Bad debts written off	-	38
Depreciation of investment property	663	679
Depreciation of property, plant and equipment	37,246	40,610
Depreciation of right-of-use assets	794	886
Impairment losses on:		
- trade receivables	1,023	345
Impairment losses written back on:		
- other receivables	-	(106)
Gain on lease modification	(4)	(2)
Inventories written down	231	1,070
Unrealised forex loss	3,655	592
Written off on property, plant and equipment	1	1
Operating profit before changes in working capital	<u>35,482</u>	<u>22,664</u>
Changes in working capital:		
Receivables, amount due from associates and inventories	(30,391)	47,871
Payables, contract liabilities and amount due to associates	<u>7,991</u>	<u>(49,196)</u>
Cash generated from operations	<u>13,082</u>	<u>21,339</u>
Interest paid	(613)	(1,085)
Taxes paid	(979)	(1,082)
Tax refunded	-	2
Net cash from operating activities	<u>11,490</u>	<u>19,174</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,256)	(27,820)
Proceeds from disposals of property, plant and equipment	10	-
Changes in deposits pledged to licensed banks	6,999	(245)
Interest received	<u>483</u>	<u>456</u>
Net cash from/(used in) investing activities	<u>5,236</u>	<u>(27,609)</u>



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

	9 MONTHS ENDED	
	30 SEP	30 SEP
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from onshore foreign currency loan	4,915	-
Net repayments of term loans	(19,371)	(2,291)
Net proceeds from revolving credits	193	7,112
Payments of lease liabilities	(774)	(835)
Dividends paid	-	(4,630)
Buy-back of own shares	-	(842)
Net cash used in financing activities	(15,037)	(1,486)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,689	(9,921)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(339)	(562)
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	27,098	30,167
Cash and cash equivalents at the end of the financial period comprise of the followings:		
Cash and bank balances	27,098	30,005
Deposits with licensed banks	6,432	13,805
	33,530	43,810
Less: Deposits pledged to licensed banks	(6,432)	(13,643)
	27,098	30,167



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
Amendments to MFRS 141 Agriculture – <i>Annual Improvements to MFRS Standards 2018 – 2020</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 Estimates</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		9 MONTHS ENDED	
	30 SEP 2021 RM'000	30 SEP 2020 RM'000	30 SEP 2021 RM'000	30 SEP 2020 RM'000
Segment Revenue				
Sales and Marketing	56,791	30,041	111,998	86,915
Technical Support and Management	13,096	9,575	47,024	43,743
Engineering Services	77	348	303	1,135
Others (1)	187	99	612	310
	<u>70,151</u>	<u>40,063</u>	<u>159,937</u>	<u>132,103</u>
Eliminations	(72)	(90)	(216)	(270)
Revenue	<u>70,079</u>	<u>39,973</u>	<u>159,721</u>	<u>131,833</u>
EBITDA*				
Sales and Marketing	6,507	3,863	21,280	14,674
Technical Support and Management	5,282	(561)	16,592	8,975
Engineering Services	96	264	304	779
Others	62	(85)	275	102
Unallocated	(3,911)	(1,517)	(7,391)	(3,348)
Total	<u>8,036</u>	<u>1,964</u>	<u>31,060</u>	<u>21,182</u>
Profit/(Loss) before tax				
Sales and Marketing	6,338	3,693	20,892	14,263
Technical Support and Management	(7,186)	(14,362)	(20,932)	(32,492)
Engineering Services	96	263	303	778
Others	(301)	(449)	(813)	(1,050)
	<u>(1,053)</u>	<u>(10,855)</u>	<u>(550)</u>	<u>(18,501)</u>
Unallocated expenses	(4,061)	(1,579)	(7,797)	(3,760)
- Finance cost	(75)	38	(188)	(171)
- Interest income	161	166	219	375
- Legal and professional fee	(56)	(94)	(202)	(215)
- Realised foreign exchange (loss)/gain	(518)	349	(590)	276
- Sundry income	66	27	114	119
- Unrealised foreign exchange (loss)/gain (trade)	(1,265)	1,590	(1,836)	1,850
- Unrealised foreign exchange loss (non-trade)	(969)	(2,531)	(1,819)	(2,442)
- Other expenses	(1,405)	(1,124)	(3,495)	(3,552)
Loss before tax	<u>(5,114)</u>	<u>(12,434)</u>	<u>(8,347)</u>	<u>(22,261)</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 September 2021 is as follows:

	AS AT 30 SEP 2021 RM'000
Capital expenditure	
Approved but not contracted for:	
Property, plant and equipment	<u>4,900</u>

15. Significant Related Party Transactions

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

	01.07.2021 to 30.09.2021 RM'000	01.01.2021 to 30.09.2021 RM'000
Sales of products/maintenance charges/technical service/rental charged to:		
- Channel Paradise Sdn. Bhd.	241	1,702
Technical support and management fee from:		
- Timor Holding, S.A.	1,290	3,243
Purchase of products from:		
- Channel Paradise Sdn. Bhd.	522	1,051
- Channel Paradise Pte. Ltd.	-	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			9 MONTHS ENDED		
	30 SEP 2021 RM'000	30 SEP 2020 RM'000	% +/(-)	30 SEP 2021 RM'000	30 SEP 2020 RM'000	% +/(-)
Revenue						
Sales and Marketing	56,791	30,041	+89%	111,998	86,915	+29%
Technical Support and Management	13,096	9,575	+37%	47,024	43,743	+8%
Engineering Services	77	348	-78%	303	1,135	-73%
Others (1)	115	9	+1178%	396	40	+890%
Total	70,079	39,973	+75%	159,721	131,833	+21%
Profit/(Loss) before tax						
Sales and Marketing	6,338	3,693	+72%	20,892	14,263	+46%
Technical Support and Management	(7,186)	(14,362)	-50%	(20,932)	(32,492)	-36%
Engineering Services	96	263	-63%	303	778	-61%
Others	(301)	(449)	-33%	(813)	(1,050)	-23%
	(1,053)	(10,855)	-90%	(550)	(18,501)	-97%
Unallocated expenses	(4,061)	(1,579)	+157%	(7,797)	(3,760)	+107%
- Finance cost	(75)	38	-297%	(188)	(171)	+10%
- Interest income	161	166	-3%	219	375	-42%
- Legal and professional fee	(56)	(94)	-40%	(202)	(215)	-6%
- Realised foreign exchange (loss)/gain	(518)	349	-248%	(590)	276	-314%
- Sundry income	66	27	+144%	114	119	-4%
- Unrealised foreign exchange (loss)/gain (trade)	(1,265)	1,590	-180%	(1,836)	1,850	-199%
- Unrealised foreign exchange loss (non-trade)	(969)	(2,531)	-62%	(1,819)	(2,442)	-26%
- Other expenses	(1,405)	(1,124)	+25%	(3,495)	(3,552)	-2%
Loss before tax	(5,114)	(12,434)	-59%	(8,347)	(22,261)	-63%

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 89% and 72% respectively for the quarter ended 30 September 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 37% and 50% respectively for the quarter ended 30 September 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 and profit before tax for SSM division increased by 29% and 46% respectively for the nine months period ended 30 September 2021 as compared to preceding year's corresponding period mainly due to increase in number of products sold and variation in product mix.

The revenue and loss before tax for TSM division improved by 8% and 36% respectively for the nine months period ended 30 September 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 SEP 2021 RM'000	30 JUN 2021 RM'000	
Revenue			
Sales and Marketing	56,791	38,169	+49%
Technical Support and Management	13,096	16,967	-23%
Engineering Services	77	118	-35%
Others (1)	115	217	-47%
Revenue	70,079	55,471	+26%
Profit/(Loss) before tax			
Sales and Marketing	6,338	12,169	-48%
Technical Support and Management	(7,186)	(9,016)	-20%
Engineering Services	96	100	-4%
Others	(301)	(214)	+41%
	(1,053)	3,039	-135%
Unallocated expenses	(4,061)	(1,841)	+121%
- Finance cost	(75)	(65)	+15%
- Interest income	161	30	+437%
- Legal and professional fee	(56)	(94)	-40%
- Realised foreign exchange loss	(518)	(74)	+600%
- Sundry income	66	46	+43%
- Unrealised foreign exchange loss (trade)	(1,265)	(124)	+920%
- Unrealised foreign exchange loss (non-trade)	(969)	(482)	+101%
- Other expenses	(1,405)	(1,078)	+30%
(Loss)/Profit before tax	(5,114)	1,198	-527%

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.

The SSM division recorded higher revenue in current quarter due to increase in number of products sold. However, the decrease in profit before tax for SSM division as compared to prior quarter is mainly due to the bulk discount given and the variation in product mix.

The intermittent lockdowns in the countries where the Group operates during the current quarter have affected the TSM revenue. However, the TSM division recorded a better margin in current quarter due to the cost cutting measures implemented during the intermittent lockdowns.

The increase in unallocated expenses in current quarter as compared to prior quarter is mainly due to the increase in realised and unrealised foreign exchange losses (trade and non-trade).



18. Commentary on Prospects

Global economic conditions are expected to continue recovering, aided by the progressive roll-out of mass vaccination programs and reopening of border restrictions. However, we expect market conditions to remain volatile for the remainder of 2021 due to the uncertainties amid the fluidity of the COVID-19 situation especially in the countries where the Group operates. Amidst all these challenges, the Group foresees some recovery in the gaming market and therefore a better performance for year 2021.

The Group is optimising its existing resources to increase the revenue during this unprecedented period and at the same time embarking on new avenues by implementing remote gaming solutions for land-based casinos in regulated markets. 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		9 MONTHS ENDED	
	30 SEP 2021 RM'000	30 SEP 2020 RM'000	30 SEP 2021 RM'000	30 SEP 2020 RM'000
Income Tax				
- Current period	172	434	1,130	1,056
- Under/(Over)provision in prior year	301	(876)	302	(930)
	<u>473</u>	<u>(442)</u>	<u>1,432</u>	<u>126</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 SEP 2021 RM'000	AS AT 31 DEC 2020 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Onshore foreign currency loan	4,870	-
Revolving credits	10,171	9,977
Term loans	1,841	4,323
	<u>16,882</u>	<u>14,300</u>
Long Term Borrowings:		
<u>Secured</u>		
Term loans	460	17,350
	<u>460</u>	<u>17,350</u>
Total borrowings	<u>17,342</u>	<u>31,650</u>

Borrowings denominated in foreign currency as at 30 September 2021:

	Foreign currency '000	RM equivalent '000
<u>Onshore foreign currency loan</u>		
United States Dollar	1,163	4,870
<u>Revolving credits</u>		
United States Dollar	2,430	10,171
<u>Term loans</u>		
United States Dollar	550	2,301
		<u>17,342</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 September 2021.



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

The loss before taxation is after accounting for the following:

	3 MONTHS ENDED		9 MONTHS ENDED	
	30 SEP 2021	30 SEP 2020	30 SEP 2021	30 SEP 2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(253)	(225)	(483)	(456)
Rental income	(310)	(95)	(642)	(853)
Sundry income	(171)	(128)	(670)	(709)
Interest expenses	193	409	703	1,222
Amortisation of intangibles assets	-	-	-	46
Bad debts written off	-	-	-	38
Depreciation of investment property	224	225	663	679
Depreciation of property, plant and equipment	12,483	13,410	37,246	40,610
Depreciation of right-of-use assets	249	355	794	886
Impairment losses on:				
- trade receivables	792	349	1,023	345
Gain on lease modification	(4)	-	(4)	(2)
Inventories written down	50	946	231	1,070
Realised foreign exchange loss/(gain)	518	(349)	590	(276)
Unrealised foreign exchange loss	2,234	941	3,655	592
Written off on property, plant and equipment	-	-	1	1

26. Loss Per Ordinary Share

(a) Basic

Basic 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		9 MONTHS ENDED	
	30 SEP 2021	30 SEP 2020	30 SEP 2021	30 SEP 2020
Loss attributable to owners of the Company (RM'000)	<u>(5,566)</u>	<u>(11,901)</u>	<u>(9,747)</u>	<u>(22,330)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,543,461</u>	<u>1,543,461</u>	<u>1,543,461</u>	<u>1,543,865</u>
Basic loss per ordinary share (sen)	<u>(0.36)</u>	<u>(0.77)</u>	<u>(0.63)</u>	<u>(1.45)</u>



26. Loss Per Ordinary Share (Continued)

(b) Diluted

Diluted loss per ordinary share have not been presented as the Group did not have any outstanding share options as at 30 September 2021.

Diluted loss per ordinary share for the quarter ended 30 September 2021 equal basic loss per ordinary share because there are no potentially dilutive instruments in existence as at 30 September 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 29 November 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
29 November 2021