



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

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
31 December 2021



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	Note	3 MONTHS ENDED			12 MONTHS ENDED		
		31 DEC	31 DEC	%	31 DEC	31 DEC	%
		2021	2020		2021	2020	
		RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	9	56,605	59,234	-4%	216,326	191,067	13%
Cost of sales		(50,950)	(58,163)	-12%	(198,424)	(192,961)	3%
- Depreciation		(12,040)	(12,282)	-2%	(48,089)	(51,723)	-7%
- Others		(38,910)	(45,881)	-15%	(150,335)	(141,238)	6%
Gross income/ (loss)		5,655	1,071	428%	17,902	(1,894)	1045%
Other income		604	481	26%	2,399	2,499	-4%
Administrative expenses		(4,614)	(6,982)	-34%	(20,733)	(24,610)	-16%
- Depreciation		(845)	(892)	-5%	(3,499)	(3,626)	-4%
- Others		(3,769)	(6,090)	-38%	(17,234)	(20,984)	-18%
Selling and marketing expenses		(320)	(641)	-50%	(1,490)	(2,218)	-33%
Other gain/(expenses), net		162	753	-78%	(4,077)	438	-1031%
Finance costs		(141)	(379)	-63%	(1,002)	(1,733)	-42%
Profit/(Loss) before tax		1,346	(5,697)	124%	(7,001)	(27,958)	-75%
Taxation	20	(1,512)	(992)	-52%	(2,944)	(1,118)	-163%
Loss for the financial period		(166)	(6,689)	-98%	(9,945)	(29,076)	-66%
Other comprehensive (loss)/income, net of tax:							
Item that may be reclassified subsequently to profit or loss							
- Foreign currency translations, representing other comprehensive (loss)/income for the financial period		(817)	(6,449)	-87%	7,569	(2,722)	378%
Total comprehensive loss for the financial period		(983)	(13,138)	-93%	(2,376)	(31,798)	-93%
Loss attributable to:							
Owners of the Company		(76)	(6,407)	-99%	(9,823)	(28,737)	-66%
Non-controlling interests		(90)	(282)	-68%	(122)	(339)	-64%
		(166)	(6,689)	-98%	(9,945)	(29,076)	-66%
Total comprehensive loss attributable to:							
Owners of the Company		(820)	(12,219)	-93%	(3,009)	(31,093)	-90%
Non-controlling interests		(163)	(919)	-82%	633	(705)	190%
		(983)	(13,138)	-93%	(2,376)	(31,798)	-93%
Loss per ordinary share attributable to owners of the Company (sen):							
Basic	26	(0.00)	(0.42)	-99%	(0.64)	(1.86)	-66%
Diluted	26	(0.00)	(0.42)	-99%	(0.64)	(1.86)	-66%

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	AS AT 31 DEC 2021 RM'000	AS AT 31 DEC 2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	113,836	156,530
Investment property		33,061	32,794
Investments in associates		166	161
Right-of-use assets		5,019	6,193
Intangible assets		1,914	1,878
Trade receivables		61,114	41,450
Other receivables		2,848	2,786
Lease receivables		-	4,196
Due from associates		2,900	2,791
		<u>220,858</u>	<u>248,779</u>
Current assets			
Inventories		3,652	3,595
Trade receivables		107,628	97,271
Other receivables		13,435	11,094
Lease receivables		4,477	4,026
Tax recoverable		-	346
Deposits with licensed banks		5,431	13,431
Cash and bank balances		27,300	25,748
		<u>161,923</u>	<u>155,511</u>
TOTAL ASSETS		<u>382,781</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		19,625	12,811
Retained earnings		45,548	55,371
		<u>222,816</u>	<u>225,825</u>
Non-controlling interests		21,098	20,465
Total equity		<u>243,914</u>	<u>246,290</u>
Non-current liabilities			
Borrowings	22	-	17,350
Lease liabilities		1,196	2,007
Trade payables		8,035	17,517
Deferred tax liabilities		121	132
		<u>9,352</u>	<u>37,006</u>
Current liabilities			
Borrowings	22	13,596	14,300
Lease liabilities		823	1,166
Trade payables		83,281	69,317
Other payables		23,680	23,508
Contract liabilities		7,487	12,617
Due to associates		89	86
Current tax liabilities		559	-
		<u>129,515</u>	<u>120,994</u>
Total liabilities		<u>138,867</u>	<u>158,000</u>
TOTAL EQUITY AND LIABILITIES		<u>382,781</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 31 DECEMBER 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	-	-	-	(9,823)	(9,823)	(122)	(9,945)
Foreign currency translations	-	-	6,814	-	6,814	755	7,569
Total comprehensive income/(loss) for the financial period	-	-	6,814	(9,823)	(3,009)	633	(2,376)
At 31 December 2021	158,485	(842)	19,625	45,548	222,816	21,098	243,914



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	-	-	-	(28,737)	(28,737)	(339)	(29,076)
Foreign currency translations	-	-	(2,356)	-	(2,356)	(366)	(2,722)
Total comprehensive income/(loss) for the financial period	-	-	(2,356)	(28,737)	(31,093)	(705)	(31,798)
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 December 2020	158,485	(842)	12,811	55,371	225,825	20,465	246,290



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	12 MONTHS ENDED	
	31 DEC 2021 RM'000	31 DEC 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(7,001)	(27,958)
Adjustments for:		
Interest income	(459)	(1,795)
Interest expense	800	1,532
Amortisation of intangibles assets	-	46
Depreciation of investment property	887	899
Depreciation of property, plant and equipment	49,658	53,251
Depreciation of right-of-use assets	1,043	1,199
Impairment losses on:		
- trade receivables	727	1,932
- other receivables	-	11
Impairment losses written back on:		
- trade receivables	-	(483)
- other receivables	-	(106)
(Gain)/Loss on lease modification to:		
- Right-of-use assets and lease liabilities	(4)	(2)
- Lease receivables	-	2,318
Inventories written down	53	973
Unrealised forex loss/(gain)	3,454	(72)
Written off on property, plant and equipment	1	1
Operating profit before changes in working capital	<u>49,159</u>	<u>31,746</u>
Changes in working capital:		
Receivables, amount due from associates and inventories	(24,388)	50,555
Payables, contract liabilities and amount due to associates	(7,176)	(58,698)
Cash generated from operations	<u>17,595</u>	<u>23,603</u>
Interest paid	(688)	(1,355)
Taxes paid	(2,050)	(2,565)
Net cash from operating activities	<u>14,857</u>	<u>19,683</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,097)	(27,475)
Proceeds from disposals of property, plant and equipment	10	-
Purchase of right-of-use assets	-	(2,071)
Changes in deposits pledged to licensed banks	8,000	(33)
Interest received	459	592
Net cash from/(used in) investing activities	<u>6,372</u>	<u>(28,987)</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (CONTINUED)**

	12 MONTHS ENDED	
	30 DEC 2021 RM'000	30 DEC 2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from onshore foreign currency loan	2,801	-
Net repayments of term loans	(19,838)	(3,972)
Net (repayments of)/proceeds from revolving credits	(1,018)	5,876
Payments of lease liabilities	(1,024)	(1,099)
Dividends paid	-	(4,630)
Buy-back of own shares	-	(842)
Net cash used in financing activities	(19,079)	(4,667)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,150	(13,971)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(598)	(931)
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	27,300	25,748
Cash and cash equivalents at the end of the financial period comprise of the followings:		
Cash and bank balances	27,300	25,748
Deposits with licensed banks	5,431	13,431
	32,731	39,179
Less: Deposits pledged to licensed banks	(5,431)	(13,431)
	27,300	25,748



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:

Initial Application of MFRS 17 and MFRS 9—*Comparative Information* (Amendment to MFRS 17 Insurance Contracts)

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
Amendments to MFRS 1 Adoption of Malaysian Financial Reporting Standards – 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 9 Financial Instruments – Annual Improvements to MFRS Standards 2018 – 2020	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
Amendment to MFRS 17 Insurance Contracts – <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	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



2. Changes in Accounting Policies (Continued)

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

Title	Effective Date
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

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		12 MONTHS ENDED	
	31 DEC	31 DEC	31 DEC	31 DEC
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Sales and Marketing	38,321	37,154	150,319	124,069
Technical Support and Management	17,777	21,921	64,801	65,664
Engineering Services	172	78	475	1,213
Others (1)	400	119	1,012	429
	<u>56,670</u>	<u>59,272</u>	<u>216,607</u>	<u>191,375</u>
Eliminations	(65)	(38)	(281)	(308)
Revenue	<u>56,605</u>	<u>59,234</u>	<u>216,326</u>	<u>191,067</u>
EBITDA*				
Sales and Marketing	5,775	4,103	27,055	18,777
Technical Support and Management	8,706	4,182	25,298	13,157
Engineering Services	167	147	471	926
Others	(37)	(220)	238	(118)
Unallocated	<u>(284)</u>	<u>(425)</u>	<u>(7,675)</u>	<u>(3,773)</u>
Total	<u>14,327</u>	<u>7,787</u>	<u>45,387</u>	<u>28,969</u>
Profit/(Loss) before tax				
Sales and Marketing	5,601	4,011	26,493	18,274
Technical Support and Management	(3,741)	(8,717)	(24,673)	(41,209)
Engineering Services	166	146	469	924
Others	<u>(369)</u>	<u>(908)</u>	<u>(1,182)</u>	<u>(1,958)</u>
	1,657	(5,468)	1,107	(23,969)
Unallocated expenses	<u>(311)</u>	<u>(229)</u>	<u>(8,108)</u>	<u>(3,989)</u>
- Finance cost	(68)	(74)	(256)	(245)
- Interest income	(75)	78	144	453
- Legal and professional fee	(104)	(117)	(306)	(332)
- Realised foreign exchange (loss)/gain	(40)	88	(630)	364
- Sundry income	312	2	426	120
- Unrealised foreign exchange gain/(loss) (trade)	275	273	(1,561)	240
- Unrealised foreign exchange (loss)/gain (non-trade)	(73)	391	(1,892)	(168)
- Other expenses	<u>(538)</u>	<u>(870)</u>	<u>(4,033)</u>	<u>(4,421)</u>
Profit/(Loss) before tax	<u>1,346</u>	<u>(5,697)</u>	<u>(7,001)</u>	<u>(27,958)</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 except for:

- (a) On 6 January 2022, the Company had incorporated a wholly owned subsidiary known as Retro Solutions Sdn Bhd (“RTSSB”) with an initial issued and paid-up capital of RM50,000. The principal activities of RTSSB are trading, development and support of system software and hardware.
- (b) On 4 February 2022, RTSSB (a wholly owned subsidiary of the Company) had incorporated a wholly owned subsidiary known as Retro Solutions Pte Ltd (“RTSPL”) with an initial issued and paid-up capital of SGD1 (equivalent to approximately RM3.10). The principal activities of RTSPL are trading, development and support of system software and hardware.

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 31 December 2021 is as follows:

	AS AT 31 DEC 2021 RM'000
Capital expenditure	
Approved but not contracted for:	
Property, plant and equipment	<u>5,100</u>



15. Significant Related Party Transactions

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

	01.10.2021 to 31.12.2021 RM'000	01.01.2021 to 31.12.2021 RM'000
Sales of products/maintenance charges/technical service/rental charged to:		
- Channel Paradise Sdn. Bhd.	297	1,999
Technical support and management fee from:		
- Timor Holding, S.A.	1,826	5,068
Purchase of products from:		
- Channel Paradise Sdn. Bhd.	128	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			12 MONTHS ENDED		
	31 DEC 2021	31 DEC 2020	%	31 DEC 2021	31 DEC 2020	%
	RM'000	RM'000	+/(-)	RM'000	RM'000	+/(-)
Revenue						
Sales and Marketing	38,321	37,154	+3%	150,319	124,069	+21%
Technical Support and Management	17,777	21,921	-19%	64,801	65,664	-1%
Engineering Services	172	78	+121%	475	1,213	-61%
Others (1)	335	81	+314%	731	121	+504%
Total	56,605	59,234	-4%	216,326	191,067	+13%
Profit/(Loss) before tax						
Sales and Marketing	5,601	4,011	+40%	26,493	18,274	+45%
Technical Support and Management	(3,741)	(8,717)	-57%	(24,673)	(41,209)	-40%
Engineering Services	166	146	+14%	469	924	-49%
Others	(369)	(908)	-59%	(1,182)	(1,958)	-40%
	1,657	(5,468)	+130%	1,107	(23,969)	+105%
Unallocated expenses	(311)	(229)	+36%	(8,108)	(3,989)	+103%
- Finance cost	(68)	(74)	-8%	(256)	(245)	+4%
- Interest income	(75)	78	-196%	144	453	-68%
- Legal and professional fee	(104)	(117)	-11%	(306)	(332)	-8%
- Realised foreign exchange (loss)/gain	(40)	88	-145%	(630)	364	-273%
- Sundry income	312	2	+15500%	426	120	+255%
- Unrealised foreign exchange gain/(loss) (trade)	275	273	+1%	(1,561)	240	-750%
- Unrealised foreign exchange (loss)/gain (non-trade)	(73)	391	-119%	(1,892)	(168)	+1026%
- Other expenses	(538)	(870)	-38%	(4,033)	(4,421)	-9%
Profit/(Loss) before tax	1,346	(5,697)	+124%	(7,001)	(27,958)	-75%

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 period

The revenue and profit before tax for Sales and Marketing ("SSM") division increased by 3% and 40% respectively for the quarter ended 31 December 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 of Technical Support and Management ("TSM") division decreased by 19% for the quarter ended 31 December 2021 as compared to previous year's corresponding quarter mainly due to resurgence of Covid-19 cases which resulted in more intermittent lockdowns during the current quarter. However, the loss before tax for the quarter ended 31 December 2021 reduced by 57% as compared to previous year's corresponding quarter as we achieved better operational efficiency in the TSM division.

(ii) Comparison with previous year

The revenue and profit before tax for SSM division increased by 21% and 45% respectively for the year ended 31 December 2021 as compared to previous year mainly due to increase in number of products sold and variation in product mix.

The loss before tax for the year ended 31 December 2021 reduced by 40% as compared to previous year mainly due to better operational efficiency in the TSM division.



17. Comparison with Previous Quarter's Results

	3 MONTHS ENDED		
	31 DEC	30 SEP	%
	2021	2021	+ / (-)
	RM'000	RM'000	+ / (-)
Revenue			
Sales and Marketing	38,321	56,791	-33%
Technical Support and Management	17,777	13,096	+36%
Engineering Services	172	77	+123%
Others (1)	335	115	+191%
Revenue	56,605	70,079	-19%
Profit/(Loss) before tax			
Sales and Marketing	5,601	6,338	-12%
Technical Support and Management	(3,741)	(7,186)	-48%
Engineering Services	166	96	+73%
Others	(369)	(301)	+23%
	1,657	(1,053)	+257%
Unallocated expenses	(311)	(4,061)	-92%
- Finance cost	(68)	(75)	-9%
- Interest income	(75)	161	-147%
- Legal and professional fee	(104)	(56)	+86%
- Realised foreign exchange loss	(40)	(518)	-92%
- Sundry income	312	66	+373%
- Unrealised foreign exchange gain/(loss) (trade)	275	(1,265)	+122%
- Unrealised foreign exchange loss (non-trade)	(73)	(969)	-92%
- Other expenses	(538)	(1,405)	-62%
Profit/(Loss) before tax	1,346	(5,114)	+126%

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 lower revenue and profit before tax in current quarter due to decrease in number of products sold and variation in product mix as compared to previous quarter.

The revenue and loss before tax for TSM division improved by 36% and 48% respectively for the quarter ended 31 December 2021 as compared to previous quarter due to lesser lockdowns and we achieved better operational efficiency in the TSM division.

The decrease in unallocated expenses in current quarter as compared to prior quarter is mainly due to the decrease 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 2022 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 a relatively stronger recovery in the gaming market than the previous year and therefore a better performance for year 2022.

The Group is continuing to embark on new avenues by optimising its existing resources to increase the revenue during this unprecedented period and at the same time, to further expand the market on the remote gaming solutions for land-based casinos. 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		12 MONTHS ENDED	
	31 DEC 2021 RM'000	31 DEC 2020 RM'000	31 DEC 2021 RM'000	31 DEC 2020 RM'000
Income Tax				
- Current period	1,436	954	2,566	2,010
- Under/(Over)provision in prior year	87	34	389	(896)
Deferred Tax				
- Current period	(11)	(10)	(11)	(10)
- Underprovision in prior year	-	14	-	14
	<u>1,512</u>	<u>992</u>	<u>2,944</u>	<u>1,118</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 31 DEC 2021 RM'000	AS AT 31 DEC 2020 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Trade facilities	2,801	-
Revolving credits	8,960	9,977
Term loans	1,835	4,323
	<u>13,596</u>	<u>14,300</u>
Long Term Borrowings:		
<u>Secured</u>		
Term loans	-	17,350
	<u>-</u>	<u>17,350</u>
Total borrowings	<u>13,596</u>	<u>31,650</u>

Borrowings denominated in foreign currency as at 31 December 2021:

	Foreign currency '000	RM equivalent '000
<u>Trade facilities</u>		
United States Dollar	672	2,801
<u>Revolving credits</u>		
United States Dollar	2,148	8,960
<u>Term loans</u>		
United States Dollar	440	1,835
		<u>13,596</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 year ended 31 December 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		12 MONTHS ENDED	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
	RM'000	RM'000	RM'000	RM'000
Interest income	24	(136)	(459)	(1,795)
Rental income	(299)	(236)	(941)	(1,089)
Sundry income	(329)	(109)	(999)	(818)
Interest expenses	97	307	800	1,532
Amortisation of intangibles assets	-	-	-	46
Depreciation of investment property	224	221	887	899
Depreciation of property, plant and equipment	12,412	12,648	49,658	53,251
Depreciation of right-of-use assets	249	305	1,043	1,199
Impairment losses on:				
- trade receivables	(296)	1,510	727	1,932
- other receivables	-	11	-	11
Impairment losses written back on:				
- trade receivables	-	(483)	-	(483)
- other receivables	-	(106)	-	(106)
Gain on lease modification	-	-	(4)	(2)
Inventories written (back)/down	(178)	(97)	53	973
Realised foreign exchange loss/(gain)	40	(88)	630	(15)
Unrealised foreign exchange (gain)/loss	(201)	(664)	3,454	(72)
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 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		12 MONTHS ENDED	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Loss attributable to owners of the Company (RM'000)	(76)	(6,407)	(9,823)	(28,737)
Weighted average number of ordinary shares in issue ('000)	1,543,461	1,543,461	1,543,461	1,543,764
Basic loss per ordinary share (sen)	(0.00)	(0.42)	(0.64)	(1.86)



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 31 December 2021.

Diluted loss per ordinary share for the quarter ended 31 December 2021 equal basic loss per ordinary share because there are no potentially dilutive instruments in existence as at 31 December 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 25 February 2022, 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
25 February 2022