



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

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
30 September 2022



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 (“MFRS”) 134	7 – 10
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B (RULE 9.22(2)) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)	11 – 17



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Note	3 MONTHS ENDED			9 MONTHS ENDED		
		30 SEP	30 SEP	%	30 SEP	30 SEP	%
		2022	2021		2022	2021	
		RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	9	70,335	70,079	0%	152,704	159,721	-4%
Cost of sales		(57,349)	(66,535)	-14%	(130,025)	(147,474)	-12%
- Depreciation		(11,874)	(12,084)	-2%	(35,683)	(36,049)	-1%
- Others		(45,475)	(54,451)	-16%	(94,342)	(111,425)	-15%
Gross profit		12,986	3,544	266%	22,679	12,247	85%
Other income		301	735	-59%	1,433	1,795	-20%
Administrative expenses		(6,657)	(6,028)	10%	(17,345)	(16,119)	8%
- Depreciation		(887)	(872)	2%	(2,678)	(2,654)	1%
- Others		(5,770)	(5,156)	12%	(14,667)	(13,465)	9%
Selling and marketing expenses		(763)	(366)	108%	(1,761)	(1,170)	51%
Other expenses, net		(4,087)	(2,747)	49%	(8,164)	(4,239)	93%
Operating profit/(loss)		1,780	(4,862)	137%	(3,158)	(7,486)	-58%
Finance costs		(183)	(252)	-27%	(551)	(861)	-36%
Profit/(Loss) before tax		1,597	(5,114)	131%	(3,709)	(8,347)	-56%
Taxation	20	(519)	(473)	-10%	(1,172)	(1,432)	18%
Profit/(Loss) for the financial period		1,078	(5,587)	119%	(4,881)	(9,779)	-50%
Other comprehensive income, net of tax:							
Item that may be reclassified subsequently to profit or loss							
- Foreign currency translations, representing other comprehensive income for the financial period		11,848	1,860	537%	23,319	8,386	178%
Total comprehensive income/(loss) for the financial period		12,926	(3,727)	447%	18,438	(1,393)	1424%
Profit/(Loss) attributable to:							
Owners of the Company		1,272	(5,566)	123%	(4,695)	(9,747)	-52%
Non-controlling interests		(194)	(21)	824%	(186)	(32)	481%
		1,078	(5,587)	119%	(4,881)	(9,779)	-50%
Total comprehensive income/(loss) attributable to:							
Owners of the Company		11,942	(3,884)	407%	16,282	(2,189)	844%
Non-controlling interests		984	157	527%	2,156	796	171%
		12,926	(3,727)	447%	18,438	(1,393)	1424%
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen):							
Basic	26	0.08	(0.36)	123%	(0.30)	(0.63)	-52%
Diluted	26	0.08	(0.36)	123%	(0.30)	(0.63)	-52%

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	AS AT 30 SEP 2022 RM'000	AS AT 31 DEC 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	94,749	113,836
Investment property		38,568	33,061
Investments in associates		185	167
Right-of-use assets		3,520	5,019
Intangible assets		2,030	1,914
Trade receivables		61,234	62,015
Other receivables		117	2,848
Due from associates		3,252	2,900
		<u>203,655</u>	<u>221,760</u>
Current assets			
Inventories		5,030	3,652
Trade receivables		79,097	106,727
Other receivables		26,151	12,992
Lease receivables		1,124	4,477
Tax recoverable		665	-
Deposits with licensed banks		98,242	5,431
Cash and bank balances		40,083	27,300
		<u>250,392</u>	<u>160,579</u>
TOTAL ASSETS		<u>454,047</u>	<u>382,339</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		40,631	19,654
Retained earnings		40,381	45,076
		<u>238,655</u>	<u>222,373</u>
Non-controlling interests		23,254	21,098
Total equity		<u>261,909</u>	<u>243,471</u>
Non-current liabilities			
Lease liabilities		1,384	1,196
Trade payables		8,928	8,034
Deferred tax liabilities		121	122
		<u>10,433</u>	<u>9,352</u>
Current liabilities			
Borrowings	22	510	13,596
Lease liabilities		890	823
Trade payables		57,539	83,281
Other payables		26,166	23,680
Contract liabilities		96,501	7,488
Due to associates		99	89
Current tax liabilities		-	559
		<u>181,705</u>	<u>129,516</u>
Total liabilities		<u>192,138</u>	<u>138,868</u>
TOTAL EQUITY AND LIABILITIES		<u>454,047</u>	<u>382,339</u>
Net assets per share (sen)		<u>15</u>	<u>14</u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

|----- 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 2022	158,485	(842)	19,654	45,076	222,373	21,098	243,471
Loss for the financial period	-	-	-	(4,695)	(4,695)	(186)	(4,881)
Foreign currency translations	-	-	20,977	-	20,977	2,342	23,319
Total comprehensive income/(loss) for the financial period	-	-	20,977	(4,695)	16,282	2,156	18,438
At 30 September 2022	158,485	(842)	40,631	40,381	238,655	23,254	261,909



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (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 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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	9 MONTHS ENDED	
	30 SEP	30 SEP
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,709)	(8,347)
Adjustments for:		
Interest income	(466)	(483)
Interest expense	2,313	703
Depreciation of investment property	738	663
Depreciation of property, plant and equipment	36,876	37,246
Depreciation of right-of-use assets	747	794
Impairment losses on:		
- trade receivables	337	1,023
Impairment losses written back on:		
- trade receivables	(340)	-
- other receivables	(689)	-
Gain on disposal of property, plant & equipment	(5)	-
Gain on lease modification	-	(4)
Inventories written down	236	231
Unrealised forex loss	6,814	3,655
Written off on property, plant and equipment	-	1
Operating profit before changes in working capital	<u>42,852</u>	<u>35,482</u>
Changes in working capital:		
Receivables, amount due from associates and inventories	14,186	(30,391)
Payables, contract liabilities and amount due to associates	65,867	7,991
Cash generated from operations	<u>122,905</u>	<u>13,082</u>
Interest paid	(308)	(613)
Taxes paid	(2,422)	(979)
Tax refunded	26	-
Net cash from operating activities	<u>120,201</u>	<u>11,490</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,559)	(2,256)
Purchase of investment property	(471)	-
Proceeds from disposals of property, plant and equipment	6	10
Changes in deposits pledged to licensed banks	(85)	6,999
Interest received	466	483
Net cash (used in)/from investing activities	<u>(8,643)</u>	<u>5,236</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	9 MONTHS ENDED	
	30 SEP	30 SEP
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayments of)/proceeds from onshore foreign currency loan	(2,801)	4,915
Net repayments of term loans	(1,325)	(19,371)
Net (repayments of)/proceeds from revolving credits	(8,961)	193
Payments of lease liabilities	(878)	(774)
Net cash used in financing activities	(13,965)	(15,037)
NET INCREASE IN CASH AND CASH EQUIVALENTS	97,593	1,689
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	7,916	(339)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	27,300	25,748
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	132,809	27,098
Cash and cash equivalents at the end of the financial period comprise of the followings:		
Cash and bank balances	40,083	27,098
Deposits with licensed banks	98,242	6,432
	138,325	33,530
Less: Deposits pledged to licensed banks	(5,516)	(6,432)
	132,809	27,098



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 2021. 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 2021.

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:

Annual Improvements to MFRS Standards 2018–2020
Amendments to MFRS 3 Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract

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
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
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16 Leases – <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
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

Saved as disclosed below, 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.

On 21 September 2022, the Group announced that it had secured new bulk orders worth approximately RM270 million and the deposit of approximately RM85 million was received during the period ended 30 September 2022. This has caused the significant increase in deposits with licensed banks and contract liabilities balances.

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. Dividend Paid

No dividend has been recommended by the Directors for the financial year ended 31 December 2021.



9. Segmental Information

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

	3 MONTHS ENDED		9 MONTHS ENDED	
	30 SEP 2022	30 SEP 2021	30 SEP 2022	30 SEP 2021
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Sales and Marketing	44,054	56,791	87,046	111,998
Technical Support and Management	25,731	13,096	63,998	47,024
Engineering Services	313	77	950	303
Others (1)	309	187	926	612
	<u>70,407</u>	<u>70,151</u>	<u>152,920</u>	<u>159,937</u>
Eliminations	(72)	(72)	(216)	(216)
Revenue	<u>70,335</u>	<u>70,079</u>	<u>152,704</u>	<u>159,721</u>
EBITDA*				
Sales and Marketing	6,389	6,507	12,221	21,280
Technical Support and Management	12,833	5,282	32,553	16,592
Engineering Services	204	96	665	304
Others	(323)	62	(412)	275
Unallocated	(4,661)	(3,911)	(10,073)	(7,391)
Total	<u>14,442</u>	<u>8,036</u>	<u>34,954</u>	<u>31,060</u>
Profit/(Loss) before tax				
Sales and Marketing	6,171	6,338	11,632	20,892
Technical Support and Management	592	(7,186)	(4,468)	(20,932)
Engineering Services	204	96	665	303
Others	(607)	(301)	(1,241)	(813)
	<u>6,360</u>	<u>(1,053)</u>	<u>6,588</u>	<u>(550)</u>
Unallocated expenses	(4,763)	(4,061)	(10,297)	(7,797)
- Finance cost	(86)	(75)	(189)	(188)
- Interest income	183	161	271	219
- Legal and professional fee	(62)	(56)	(165)	(202)
- Realised foreign exchange loss	(689)	(518)	(1,364)	(590)
- Sundry income	1	66	165	114
- Unrealised foreign exchange loss (trade)	(2,138)	(1,265)	(4,400)	(1,836)
- Unrealised foreign exchange loss (non-trade)	(1,266)	(969)	(2,433)	(1,819)
- Other expenses	(706)	(1,405)	(2,182)	(3,495)
	<u>1,597</u>	<u>(5,114)</u>	<u>(3,709)</u>	<u>(8,347)</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) During October and November 2022, the Company acquired 2,608,200 ordinary shares from the open market for a cash consideration of RM 357,696. The repurchased shares are held as treasury shares in accordance with requirements of Section 127 of the Companies Act 2016.

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 2022 is as follows:

	AS AT 30 SEP 2022 RM'000
Capital expenditure	
Approved but not contracted for:	
Property, plant and equipment	1,700



15. Significant Related Party Transactions

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

	01.07.2022 to 30.9.2022 RM'000	01.01.2022 to 30.9.2022 RM'000
Sales of products/maintenance charges/technical service/rental charged to:		
- Channel Paradise Sdn. Bhd.	433	779
Technical support and management fee from:		
- Timor Holding, S.A.	1,801	5,538
Purchase of products from:		
- Channel Paradise Sdn. Bhd.	52	309
- Channel Paradise Pte. Ltd.	744	995

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 2022	30 SEP 2021	%	30 SEP 2022	30 SEP 2021	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue						
Sales and Marketing	44,054	56,791	-22%	87,046	111,998	-22%
Technical Support and Management	25,731	13,096	+96%	63,998	47,024	+36%
Engineering Services	313	77	+306%	950	303	+214%
Others (1)	237	115	+106%	710	396	+79%
Total	70,335	70,079	+0%	152,704	159,721	-4%
Profit/(Loss) before tax						
Sales and Marketing	6,171	6,338	-3%	11,632	20,892	-44%
Technical Support and Management	592	(7,186)	+108%	(4,468)	(20,932)	-79%
Engineering Services	204	96	+113%	665	303	+119%
Others	(607)	(301)	+102%	(1,241)	(813)	+53%
	6,360	(1,053)	+704%	6,588	(550)	+1298%
Unallocated expenses	(4,763)	(4,061)	+17%	(10,297)	(7,797)	+32%
- Finance cost	(86)	(75)	+15%	(189)	(188)	+1%
- Interest income	183	161	+14%	271	219	+24%
- Legal and professional fee	(62)	(56)	+11%	(165)	(202)	-18%
- Realised foreign exchange loss	(689)	(518)	+33%	(1,364)	(590)	+131%
- Sundry income	1	66	-98%	165	114	+45%
- Unrealised foreign exchange loss (trade)	(2,138)	(1,265)	+69%	(4,400)	(1,836)	+140%
- Unrealised foreign exchange loss (non-trade)	(1,266)	(969)	+31%	(2,433)	(1,819)	+34%
- Other expenses	(706)	(1,405)	-50%	(2,182)	(3,495)	-38%
Profit/(Loss) before tax	1,597	(5,114)	+131%	(3,709)	(8,347)	-56%

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 decreased by 22% and 3% respectively for the quarter ended 30 September 2022 as compared to previous year's corresponding quarter mainly due to decrease in number of products sold and variation in product mix.

The revenue and profit before tax for Technical Support and Management ("TSM") division increased by 96% and 108% respectively for the quarter ended 30 September 2022 as compared to previous year's corresponding quarter mainly due to the better performance and increase in operating capacity in most of the outlets.

The increase in unallocated expenses is mainly due to the increase in unrealised foreign exchange losses during the quarter. The US Dollars ("USD") has strengthened by approximately 7.1% and 6.1%, respectively, against Thailand Baht ("THB") and Philippine Peso ("PHP") during the quarter. This has resulted in unrealised foreign exchange losses in the Group's subsidiaries with USD as presentation currency where some of their trade receivables and other monetary items are denominated in THB and PHP.

(ii) Comparison with previous year's corresponding period

The revenue and profit before tax for SSM division decreased by 22% and 44% respectively for the nine months period ended 30 September 2022 as compared to previous year's corresponding period mainly due to decrease in number of products sold and variation in product mix.

The revenue for TSM division increased by 36% for the nine months period ended 30 September 2022 as compared to previous year's corresponding period mainly due to better revenue from the Philippines and resumption of most of the TSM outlets in Cambodia after reopening of borders. Consequently, the loss before tax for the period has reduced by 79%.



17. Comparison with Previous Quarter's Results

	3 MONTHS ENDED		
	30 SEP	30 JUN	%
	2022	2022	
	RM'000	RM'000	+ / (-)
Revenue			
Sales and Marketing	44,054	28,239	+56%
Technical Support and Management	25,731	21,450	+20%
Engineering Services	313	546	-43%
Others (1)	237	93	+155%
Revenue	70,335	50,328	+40%
Profit/(Loss) before tax			
Sales and Marketing	6,171	3,131	+97%
Technical Support and Management	592	(1,127)	+153%
Engineering Services	204	439	-54%
Others	(607)	(359)	+69%
	6,360	2,084	+205%
Unallocated expenses	(4,763)	(4,330)	+10%
- Finance cost	(86)	(35)	+146%
- Interest income	183	28	+554%
- Legal and professional fee	(62)	(68)	-9%
- Realised foreign exchange loss	(689)	(521)	+32%
- Sundry income	1	131	-99%
- Unrealised foreign exchange loss (trade)	(2,138)	(1,982)	+8%
- Unrealised foreign exchange loss (non-trade)	(1,266)	(1,021)	+24%
- Other expenses	(706)	(862)	-18%
Profit/(Loss) before tax	1,597	(2,246)	+171%

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

The increase in revenue and profit before tax for TSM division is mainly due to the better performance in most of the outlets during the quarter.

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



18. Commentary on Prospects

The tourism and hospitality industries are expected to continue recovering, aided by gradual easing of cross-border travel restrictions especially in ASEAN countries. 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 continues to 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	30 SEP	30 SEP	30 SEP
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Current period	223	172	876	1,130
- (Over)/Underprovision in prior year	(4)	301	(4)	302
	<u>219</u>	<u>473</u>	<u>872</u>	<u>1,432</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2021: 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 2022 RM'000	AS AT 31 DEC 2021 RM'000
Short Term Borrowings:		
<u>Secured</u>		
Trade facilities	-	2,801
Revolving credits	-	8,960
Term loans	510	1,835
Total borrowings	<u>510</u>	<u>13,596</u>

Borrowings denominated in foreign currency as at 30 September 2022:

	Foreign currency '000	RM equivalent '000
<u>Term loans</u>		
United States Dollar	110	<u>510</u>
		<u>510</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. Dividend

No dividend has been recommended by the Directors for the financial period ended 30 September 2022.



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		9 MONTHS ENDED	
	30 SEP 2022 RM'000	30 SEP 2021 RM'000	30 SEP 2022 RM'000	30 SEP 2021 RM'000
Interest income	(249)	(253)	(466)	(483)
Rental income	(41)	(310)	(649)	(642)
Sundry income	(11)	(171)	(338)	(670)
Interest expenses	750	193	2,313	703
Depreciation of investment property	255	224	738	663
Depreciation of property, plant and equipment	12,284	12,483	36,876	37,246
Depreciation of right-of-use assets	222	249	747	794
Impairment losses on:				
- trade receivables	119	792	337	1,023
Impairment losses written back on:				
- trade receivables	(161)	-	(340)	-
- other receivables	-	-	(689)	-
Gain on lease modification	-	(4)	-	(4)
Inventories written (back)/down	(109)	50	236	231
Realised foreign exchange loss	689	518	1,357	590
Unrealised foreign exchange loss	3,404	2,234	6,814	3,655
Written off on property, plant and equipment	-	-	-	1

26. Profit/(Loss) Per Ordinary Share

(a) Basic

Basic profit/(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 2022	30 SEP 2021	30 SEP 2022	30 SEP 2021
Profit/(Loss) attributable to owners of the Company (RM'000)	1,272	(5,566)	(4,695)	(9,747)
Weighted average number of ordinary shares in issue ('000)	1,543,461	1,543,461	1,543,461	1,543,461
Basic earnings/(loss) per ordinary share (sen)	0.08	(0.36)	(0.30)	(0.63)



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

(b) Diluted

Diluted profit/(loss) per ordinary share have not been presented as the Group did not have any outstanding share options as at 30 September 2022.

Diluted profit/(loss) per ordinary share for the quarter ended 30 September 2022 equal basic loss per ordinary share because there are no potentially dilutive instruments in existence as at 30 September 2022.

27. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not qualified.

28. Authorisation for Issue

On 30 November 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
30 November 2022