



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

(Incorporated in Malaysia)

Interim Unaudited Financial Statements
31 December 2022



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	Note	3 MONTHS ENDED			12 MONTHS ENDED		
		31 DEC	31 DEC	%	31 DEC	31 DEC	%
		2022	2021		2022	2021	
		RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	9	119,769	55,172	117%	272,473	214,893	27%
Cost of sales		(90,743)	(49,989)	82%	(220,768)	(197,463)	12%
- Depreciation		(12,000)	(12,040)	0%	(47,684)	(48,088)	-1%
- Others		(78,743)	(37,949)	107%	(173,084)	(149,375)	16%
Gross profit		29,026	5,183	460%	51,705	17,430	197%
Other income		1,604	604	166%	3,037	2,399	27%
Administrative expenses		(12,159)	(4,613)	164%	(29,504)	(20,733)	42%
- Depreciation		(928)	(844)	10%	(3,607)	(3,499)	3%
- Others		(11,231)	(3,769)	198%	(25,897)	(17,234)	50%
Selling and marketing expenses		(4,279)	(320)	1237%	(6,040)	(1,489)	306%
Other (expenses)/gain, net		(1,639)	161	-1118%	(9,803)	(4,078)	140%
Operating profit/(loss)		12,553	1,015	1137%	9,395	(6,471)	245%
Finance costs		(161)	(141)	14%	(712)	(1,002)	-29%
Profit/(Loss) before tax		12,392	874	1318%	8,683	(7,473)	216%
Taxation	20	(3,721)	(1,512)	-146%	(4,893)	(2,944)	-66%
Profit/(Loss) for the financial period		8,671	(638)	1459%	3,790	(10,417)	136%
Other comprehensive (loss)/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		(11,444)	(788)	1352%	11,873	7,598	56%
Total comprehensive (loss)/income for the financial period		(2,773)	(1,426)	94%	15,663	(2,819)	656%
Profit/(Loss) attributable to:							
Owners of the Company		9,325	(549)	1799%	4,629	(10,295)	145%
Non-controlling interests		(654)	(89)	635%	(839)	(122)	588%
		8,671	(638)	1459%	3,790	(10,417)	136%
Total comprehensive (loss)/income attributable to:							
Owners of the Company		(1,030)	(1,263)	-18%	15,250	(3,452)	542%
Non-controlling interests		(1,743)	(163)	969%	413	633	-35%
		(2,773)	(1,426)	94%	15,663	(2,819)	656%
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen):							
Basic	26	0.60	(0.04)	1611%	0.30	(0.67)	145%
Diluted	26	0.60	(0.04)	1611%	0.30	(0.67)	145%

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	AS AT 31 DEC 2022 RM'000	AS AT 31 DEC 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	77,262	113,836
Investment property		37,145	33,061
Investments in associates		176	167
Right-of-use assets		3,770	5,019
Intangible assets		-	1,914
Trade receivables		56,667	62,015
Other receivables		-	2,848
Due from associates		3,531	2,900
		<u>178,551</u>	<u>221,760</u>
Current assets			
Inventories		6,651	3,652
Trade receivables		100,936	106,727
Other receivables		99,349	12,992
Lease receivables		1,528	4,477
Deposits with licensed banks		33,894	5,431
Cash and bank balances		42,274	27,300
Other investments		2,000	-
		<u>286,632</u>	<u>160,579</u>
TOTAL ASSETS		<u>465,183</u>	<u>382,339</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		158,485	158,485
Treasury shares		(1,198)	(842)
Foreign currency translation reserve		30,275	19,654
Retained earnings		49,705	45,076
		<u>237,267</u>	<u>222,373</u>
Non-controlling interests		21,511	21,098
Total equity		<u>258,778</u>	<u>243,471</u>
Non-current liabilities			
Lease liabilities		1,528	1,196
Trade payables		982	8,034
Deferred tax liabilities		108	122
		<u>2,618</u>	<u>9,352</u>
Current liabilities			
Borrowings	22	-	13,596
Lease liabilities		1,016	823
Trade payables		73,196	83,281
Other payables		25,795	23,680
Contract liabilities		101,303	7,488
Due to associates		94	89
Current tax liabilities		2,383	559
		<u>203,787</u>	<u>129,516</u>
Total liabilities		<u>206,405</u>	<u>138,868</u>
TOTAL EQUITY AND LIABILITIES		<u>465,183</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 31 DECEMBER 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
Profit/(loss) for the financial period	-	-	-	4,629	4,629	(839)	3,790
Foreign currency translations	-	-	10,621	-	10,621	1,252	11,873
Total comprehensive income for the financial period	-	-	10,621	4,629	15,250	413	15,663
Transaction with owners:							
Buy-back of own shares	-	(356)	-	-	(356)	-	(356)
Total transactions with owners	-	(356)	-	-	(356)	-	(356)
At 31 December 2022	158,485	(1,198)	30,275	49,705	237,267	21,511	258,778



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	-	-	-	(10,295)	(10,295)	(122)	(10,417)
Foreign currency translations	-	-	6,843	-	6,843	755	7,598
Total comprehensive income/(loss) for the financial period	-	-	6,843	(10,295)	(3,452)	633	(2,819)
At 31 December 2021	158,485	(842)	19,654	45,076	222,373	21,098	243,471



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2022**

	12 MONTHS ENDED	
	31 DEC 2022 RM'000	31 DEC 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	8,683	(7,473)
Adjustments for:		
Interest income	(2,920)	(610)
Interest expense	2,334	801
Depreciation of investment property	1,035	887
Depreciation of property, plant and equipment	49,248	49,657
Depreciation of right-of-use assets	1,006	1,043
Impairment losses on:		
- trade receivables	2,006	1,374
- goodwill	870	-
Impairment losses written back on:		
- trade receivables	(340)	(647)
- other receivables	(730)	-
Intangible assets written off	1,143	-
Gain on disposal of property, plant & equipment	(5)	-
Loss on lease modification	-	2,353
Gain on disposal of investment	(27)	-
Provision for slow moving stock	36	127
Unrealised forex loss	1,275	3,452
Written off on property, plant and equipment	5,953	1
Operating profit before changes in working capital	<u>69,567</u>	<u>50,965</u>
Changes in working capital:		
Receivables, amount due from associates and inventories	(75,612)	(32,804)
Payables, contract liabilities and amount due to associates	83,828	(592)
Cash generated from operations	<u>77,783</u>	<u>17,569</u>
Interest paid	(314)	(688)
Taxes paid	(3,108)	(2,050)
Tax refunded	26	-
Net cash from operating activities	<u>74,387</u>	<u>14,831</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,547)	(2,096)
Purchase of investment property	(471)	-
Proceeds from disposals of property, plant and equipment	6	10
Purchase of right-of-use assets	(108)	-
Changes in deposits pledged to licensed banks	109	8,000
Proceeds from disposal of other investments	(1,973)	-
Interest received	866	458
Net cash (used in)/from investing activities	<u>(15,118)</u>	<u>6,372</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)**

	12 MONTHS ENDED	
	31 DEC	31 DEC
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayments of)/proceeds from onshore foreign currency loan	(2,801)	2,801
Net repayments of term loans	(1,835)	(19,838)
Net repayments of revolving credits	(8,961)	(1,017)
Payments of lease liabilities	(1,073)	(1,024)
Buy-back of own shares	(356)	-
Net cash used in financing activities	(15,026)	(19,078)
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,243	2,125
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(697)	(573)
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	70,846	27,300
Cash and cash equivalents at the end of the financial period comprise of the followings:		
Cash and bank balances	42,274	27,300
Deposits with licensed banks	33,894	5,431
	76,168	32,731
Less: Deposits pledged to licensed banks	(5,322)	(5,431)
	70,846	27,300



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 101 Presentation of Financial Statements – <i>Non-current Liabilities with Covenants</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.

As disclosed in Q3 2022 quarterly report, deposits of approximately RM85 million were recorded during the period ended 30 September 2022 and this caused the significant increase in contract liabilities balance. During the quarter ended 31 December 2022, the Group has paid the corresponding deposit to the respective suppliers to secure the orders for the customer.

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 except for the following:

During the financial year ended 31 December 2022, the Company repurchased a total of 2,608,200 ordinary shares from the open market for a total consideration of RM357,696 at an average cost of RM0.14 per share. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016.

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		12 MONTHS ENDED	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Sales and Marketing	85,472	37,849	172,519	149,846
Technical Support and Management	32,747	16,815	96,744	63,839
Engineering Services	1,098	173	2,048	476
Others (1)	524	400	1,450	1,013
	<u>119,841</u>	<u>55,237</u>	<u>272,761</u>	<u>215,174</u>
Eliminations	(72)	(65)	(288)	(281)
Revenue	<u>119,769</u>	<u>55,172</u>	<u>272,473</u>	<u>214,893</u>
EBITDA*				
Sales and Marketing	10,996	5,303	23,217	26,583
Technical Support and Management	11,016	8,706	43,568	25,298
Engineering Services	963	166	1,629	471
Others	(1,518)	(36)	(1,931)	238
Unallocated	3,865	(284)	(6,209)	(7,675)
Total	<u>25,322</u>	<u>13,855</u>	<u>60,274</u>	<u>44,915</u>
Profit/(Loss) before tax				
Sales and Marketing	10,834	5,129	22,466	26,022
Technical Support and Management	(1,465)	(3,741)	(5,934)	(24,673)
Engineering Services	963	166	1,629	470
Others	(1,808)	(369)	(3,049)	(1,188)
	<u>8,524</u>	<u>1,185</u>	<u>15,112</u>	<u>631</u>
Unallocated income/(expenses)	3,868	(311)	(6,429)	(8,104)
- Finance cost	(145)	(68)	(335)	(250)
- Interest income/(expense)	378	(75)	650	144
- Legal and professional fee	(125)	(104)	(290)	(306)
- Realised foreign exchange loss	(383)	(40)	(1,747)	(629)
- Sundry income	208	312	373	426
- Unrealised foreign exchange gain/(loss) (trade)	4,800	275	451	(1,561)
- Unrealised foreign exchange gain/(loss) (non-trade)	739	(73)	(1,745)	(1,891)
- Impairment loss on goodwill	(870)	-	(870)	-
- Other expenses	(1,604)	(538)	(2,916)	(4,037)
	<u>12,392</u>	<u>874</u>	<u>8,683</u>	<u>(7,473)</u>
Profit/(Loss) before tax	<u>12,392</u>	<u>874</u>	<u>8,683</u>	<u>(7,473)</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 31 December 2022 is as follows:

	AS AT 31 DEC 2022 RM'000
Capital expenditure	
Approved but not contracted for:	
Property, plant and equipment	28,200

15. Significant Related Party Transactions

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

	01.10.2022 to 31.12.2022 RM'000	01.01.2022 to 31.12.2022 RM'000
Sales of products/maintenance charges/technical service/rental charged to:		
- Channel Paradise Sdn. Bhd.	5,296	6,075
Technical support and management fee from:		
- Timor Holding, S.A.	1,898	7,436
Purchase of products from:		
- Channel Paradise Sdn. Bhd.	29	338
- Channel Paradise Pte. Ltd.	46	1,041

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 2022	31 DEC 2021	%	31 DEC 2022	31 DEC 2021	%
	RM'000	RM'000	+ /(-)	RM'000	RM'000	+ /(-)
Revenue						
Sales and Marketing	85,472	37,849	+126%	172,519	149,846	+15%
Technical Support and Management	32,747	16,815	+95%	96,744	63,839	+52%
Engineering Services	1,098	173	+535%	2,048	476	+330%
Others (1)	452	335	+35%	1,162	732	+59%
Total	119,769	55,172	+117%	272,473	214,893	+27%
Profit/(Loss) before tax						
Sales and Marketing	10,834	5,129	+111%	22,466	26,022	-14%
Technical Support and Management	(1,465)	(3,741)	-61%	(5,934)	(24,673)	-76%
Engineering Services	963	166	+480%	1,629	470	+247%
Others	(1,808)	(369)	+390%	(3,049)	(1,188)	+157%
	8,524	1,185	+619%	15,112	631	+2295%
Unallocated income/(expenses)	3,868	(311)	+1344%	(6,429)	(8,104)	-21%
- Finance cost	(145)	(68)	+113%	(335)	(250)	+34%
- Interest income/(expense)	378	(75)	+604%	650	144	+351%
- Legal and professional fee	(125)	(104)	+20%	(290)	(306)	-5%
- Realised foreign exchange loss	(383)	(40)	+858%	(1,747)	(629)	+178%
- Sundry income	208	312	-33%	373	426	-12%
- Unrealised foreign exchange gain/(loss) (trade)	4,800	275	+1645%	451	(1,561)	+129%
- Unrealised foreign exchange gain/(loss) (non-trade)	739	(73)	+1112%	(1,745)	(1,891)	-8%
- Impairment loss on goodwill	(870)	-	+100%	(870)	-	+100%
- Other expenses	(1,604)	(538)	+198%	(3,786)	(4,037)	-6%
Profit/(Loss) before tax	12,392	874	+1318%	8,683	(7,473)	+216%

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 126% and 111% respectively for the quarter ended 31 December 2022 as compared to previous year's corresponding quarter mainly due to increase in number of products sold.

The revenue and profit before tax for Technical Support and Management ("TSM") division increased by 95% for the quarter ended 31 December 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 loss before tax for the period is mainly due to the write off of the property, plant and equipment approximately RM5.9 million as a result of a fire incident happened in two of the TSM outlets in Cambodia on 28 December 2022. These property, plant and equipment are fully insured and the Group expects a full recovery from the insurance compensation in the near future. This incident has no other material impact on the financial statements of the Group.

The increase in unallocated income is mainly due to the unrealised foreign exchange gains during the current quarter. The Thailand Baht ("THB") and Philippine Peso ("PHP") has strengthened by approximately 9.7% and 5.0%, respectively, against US Dollars ("USD") during the quarter. This has resulted in unrealised foreign exchange gains 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

The revenue for SSM division increased by 15% for the year ended 31 December 2022 as compared to previous year mainly due to increase in number of products sold. However, the profit before tax decreased by 14% mainly due to higher travelling and marketing expenses in current year to reconnect with the customers after the long covid break.

The revenue for TSM division increased by 52% for the year ended 31 December 2022 as compared to previous year mainly due to better performance and increase in operating capacity in most of the outlets. Consequently, the loss before tax for the year has reduced by 76%.



17. Comparison with Previous Quarter's Results

	3 MONTHS ENDED		
	31 DEC	30 SEP	%
	2022	2022	
	RM'000	RM'000	+ / (-)
Revenue			
Sales and Marketing	85,472	44,054	+94%
Technical Support and Management	32,747	25,731	+27%
Engineering Services	1,098	313	+251%
Others (1)	452	237	+91%
Revenue	119,769	70,335	+70%
Profit/(Loss) before tax			
Sales and Marketing	10,834	6,171	+76%
Technical Support and Management	(1,465)	592	-347%
Engineering Services	963	204	+372%
Others	(1,808)	(607)	+198%
	8,524	6,360	+34%
Unallocated income/(expenses)	3,868	(4,763)	+181%
- Finance cost	(145)	(86)	+69%
- Interest income	378	183	+107%
- Legal and professional fee	(125)	(62)	+102%
- Realised foreign exchange loss	(383)	(689)	-44%
- Sundry income	208	1	+20700%
- Unrealised foreign exchange gain/(loss) (trade)	4,800	(2,138)	+325%
- Unrealised foreign exchange gain/(loss) (non-trade)	739	(1,266)	+158%
- Impairment loss on goodwill	(870)	-	+100%
- Other expenses	(734)	(706)	+4%
Profit before tax	12,392	1,597	+676%

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 for TSM division is mainly due to the better performance in most of the outlets during the quarter. However, there is a loss before tax due to the write off of property, plant and equipment as explained in Note 16.

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



18. Commentary on Prospects

The tourism and hospitality industries are expected to continue recovering, aided by the reopening of border restrictions and increase in international travels especially in the regions where the Group operates. Based on the favourable market outlook, the Group expects to perform significantly better in financial year ending 31 December 2023, backup by the strong orders secured to date, despite facing inflationary pressure on its operating costs.

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 2022 RM'000	31 DEC 2021 RM'000	31 DEC 2022 RM'000	31 DEC 2021 RM'000
Income Tax				
- Current period	3,753	1,435	4,928	2,565
- (Over)/Underprovision in prior year	(19)	88	(22)	390
Deferred Tax				
- Current period	(13)	(11)	(13)	(11)
	<u>3,721</u>	<u>1,512</u>	<u>4,893</u>	<u>2,944</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 higher than the statutory income tax rate mainly due to expenses not deductible for tax purposes, partially offset by income subjected to different tax jurisdictions and income not subjected to tax.

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 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	-	1,835
Total borrowings	<u>-</u>	<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. Dividend

No dividend has been recommended by the Directors for the financial period ended 31 December 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		12 MONTHS ENDED	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(2,454)	(127)	(2,920)	(610)
Rental income	(41)	(299)	(726)	(1,219)
Sundry income	(1,127)	(329)	(1,465)	(721)
Interest expenses	21	98	2,334	801
Depreciation of investment property	297	224	1,035	887
Depreciation of property, plant and equipment	12,372	12,411	49,248	49,657
Depreciation of right-of-use assets	259	249	1,006	1,043
Impairment losses on:				
- trade receivables	1,669	351	2,006	1,374
- goodwill	870	-	870	-
Impairment losses written back on:				
- trade receivables	-	(647)	(340)	(647)
- other receivables	(41)	-	(730)	-
Intangible assets written off	1,143	-	1,143	-
Loss on lease modification	-	2,357	-	2,353
Inventories written (back)/down	(200)	(104)	36	127
Realised foreign exchange loss	383	40	1,740	629
Unrealised foreign exchange (gain)/loss	(5,539)	(203)	1,275	3,452
Written off on property, plant and equipment	5,953	-	5,953	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		12 MONTHS ENDED	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Profit/(Loss) attributable to owners of the Company (RM'000)	9,325	(549)	4,629	(10,295)
Weighted average number of ordinary shares in issue ('000)	1,543,039	1,543,461	1,543,039	1,543,461
Basic earnings/(loss) per ordinary share (sen)	0.60	(0.04)	0.30	(0.67)



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 31 December 2022.

Diluted profit/(loss) per ordinary share for the quarter ended 31 December 2022 equal basic loss per ordinary share because there are no potentially dilutive instruments in existence as at 31 December 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 27 February 2023, 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 February 2023