



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

(Incorporated in Malaysia)

Interim Unaudited Financial Statements  
31 December 2023



**CONTENTS**

	<b>PAGE</b>
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 - 11
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B (RULE 9.22(2)) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)	12 - 17



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	Note	3 MONTHS ENDED			12 MONTHS ENDED		
		31 DEC	31 DEC	%	31 DEC	31 DEC	%
		2023	2022		2023	2022	
		RM'000	RM'000	+/(-)	RM'000	RM'000	+/(-)
<b>Revenue</b>	<b>9</b>	108,634	119,839	-9%	707,821	272,543	160%
<b>Cost of sales</b>		(88,655)	(90,781)	-2%	(590,460)	(220,806)	167%
- Depreciation		(10,619)	(12,000)	-12%	(43,507)	(47,683)	-9%
- Others		(78,036)	(78,781)	-1%	(546,953)	(173,123)	216%
<b>Gross profit</b>		19,979	29,058	-31%	117,361	51,737	127%
Other income		1,877	1,404	34%	11,812	2,837	316%
Administrative expenses		(47,610)	(11,957)	298%	(76,993)	(29,302)	163%
- Depreciation		(1,078)	(928)	16%	(3,838)	(3,606)	6%
- Others		(46,532)	(11,029)	322%	(73,155)	(25,696)	185%
Selling and marketing expenses		(1,577)	(4,279)	-63%	(5,796)	(6,040)	-4%
Other gain/(expenses), net		1,891	(1,641)	215%	(1,996)	(9,805)	-80%
<b>Operating (loss)/profit</b>		(25,440)	12,585	-302%	44,388	9,427	371%
Finance costs		(66)	(161)	-59%	(436)	(712)	-39%
<b>(Loss)/Profit before tax</b>		(25,506)	12,424	-305%	43,952	8,715	404%
Taxation	<b>20</b>	(4,964)	(3,721)	-33%	(11,651)	(4,893)	-138%
<b>(Loss)/Profit for the financial period</b>		(30,470)	8,703	-450%	32,301	3,822	745%
<b>Other comprehensive (loss)/income, net of tax:</b>							
Item that may be reclassified subsequently to profit or loss							
- Foreign currency translations, representing other comprehensive income for the financial period		(5,183)	(11,448)	-55%	11,093	11,871	-7%
<b>Total comprehensive (loss)/income for the financial period</b>		(35,653)	(2,745)	1199%	43,394	15,693	177%
<b>(Loss)/Profit attributable to:</b>							
Owners of the Company		(26,789)	9,356	-386%	36,488	4,661	683%
Non-controlling interests		(3,681)	(653)	464%	(4,187)	(839)	399%
		(30,470)	8,703	-450%	32,301	3,822	745%
<b>Total comprehensive (loss)/income attributable to:</b>							
Owners of the Company		(31,572)	(1,002)	3051%	46,622	15,280	205%
Non-controlling interests		(4,081)	(1,743)	134%	(3,228)	413	-882%
		(35,653)	(2,745)	1199%	43,394	15,693	177%
<b>(Loss)/Earnings per ordinary share attributable to owners of the Company (sen):</b>							
Basic	<b>25</b>	(1.74)	0.60	-390%	2.37	0.30	690%
Diluted	<b>25</b>	(1.74)	0.60	-390%	2.37	0.30	690%

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Note	AS AT 31 DEC 2023 RM'000	AS AT 31 DEC 2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	68,844	77,262
Investment property		33,357	37,145
Investments in associates		183	176
Right-of-use assets		4,788	3,820
Trade receivables		2,569	56,667
Due from associates		2,862	3,531
		<u>112,603</u>	<u>178,601</u>
<b>Current assets</b>			
Inventories		7,991	6,651
Trade receivables		114,877	100,936
Other receivables		44,416	99,349
Lease receivables		-	1,528
Deposits with licensed banks		92,110	33,894
Cash and bank balances		56,825	42,274
Other investments		19,007	2,000
		<u>335,226</u>	<u>286,632</u>
<b>TOTAL ASSETS</b>		<u>447,829</u>	<u>465,233</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		158,485	158,485
Treasury shares		(1,198)	(1,198)
Foreign currency translation reserve		40,407	30,273
Retained earnings		66,194	49,737
		<u>263,888</u>	<u>237,297</u>
Non-controlling interests		18,283	21,511
<b>Total equity</b>		<u>282,171</u>	<u>258,808</u>
<b>Non-current liabilities</b>			
Lease liabilities		1,931	1,541
Trade payables		755	982
Deferred tax liabilities		100	108
		<u>2,786</u>	<u>2,631</u>
<b>Current liabilities</b>			
Lease liabilities		1,551	1,053
Trade payables		70,647	73,227
Other payables		27,603	25,795
Contract liabilities		44,376	101,242
Due to associates		98	94
Current tax liabilities		9,352	2,383
Dividend payable		9,245	-
		<u>162,872</u>	<u>203,794</u>
<b>Total liabilities</b>		<u>165,658</u>	<u>206,425</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>447,829</u>	<u>465,233</u>
Net assets per share (sen)		<u>17</u>	<u>15</u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

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

	<b>Share capital RM'000</b>	<b>Treasury shares RM'000</b>	<b>Foreign currency translation reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling interests RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 2023</b>	158,485	(1,198)	30,273	49,737	237,297	21,511	258,808
Profit/(loss) for the financial period	-	-	-	36,488	36,488	(4,187)	32,301
Foreign currency translations	-	-	10,134	-	10,134	959	11,093
Total comprehensive income/(loss) for the financial period	-	-	10,134	36,488	46,622	(3,228)	43,394
<b>Transaction with owners:</b>							
Final single-tier dividend declared for the financial year ended 31 December 2022	-	-	-	(1,541)	(1,541)	-	(1,541)
Special single-tier interim dividend declared for the financial year ended 31 December 2023	-	-	-	(9,245)	(9,245)	-	(9,245)
First interim single-tier dividend declared for the financial year ended 31 December 2023	-	-	-	(9,245)	(9,245)	-	(9,245)
Total transactions with owners	-	-	-	(20,031)	(20,031)	-	(20,031)
<b>At 31 December 2023</b>	<b>158,485</b>	<b>(1,198)</b>	<b>40,407</b>	<b>66,194</b>	<b>263,888</b>	<b>18,283</b>	<b>282,171</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (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
<b>At 1 January 2022</b>	158,485	(842)	19,654	45,076	222,373	21,098	243,471
Profit/(Loss) for the financial period	-	-	-	4,661	4,661	(839)	3,822
Foreign currency translations	-	-	10,619	-	10,619	1,252	11,871
Total comprehensive income for the financial period	-	-	10,619	4,661	15,280	413	15,693
<b>Transaction with owners:</b>							
Buy-back of own shares	-	(356)	-	-	(356)	-	(356)
Total transactions with owners	-	(356)	-	-	(356)	-	(356)
<b>At 31 December 2022</b>	<b>158,485</b>	<b>(1,198)</b>	<b>30,273</b>	<b>49,737</b>	<b>237,297</b>	<b>21,511</b>	<b>258,808</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	12 MONTHS ENDED	
	31 DEC 2023	31 DEC 2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	43,952	8,715
Adjustments for:		
Interest income	(5,321)	(962)
Interest expense	947	362
Bad debts written off	593	-
Depreciation of investment property	1,089	1,035
Depreciation of property, plant and equipment	45,027	49,250
Depreciation of right-of-use assets	1,228	1,005
Impairment losses on:		
- amount owing by associates	829	-
- trade receivables	41,177	2,618
- other receivables	215	-
- goodwill	-	870
- investment property	4,288	-
Impairment losses written back on:		
- amount owing by associates	-	(426)
- trade receivables	(3,135)	(1,364)
- other receivables	-	(729)
Intangible assets written off	-	1,143
Gain on disposal of property, plant & equipment	-	(5)
Loss on lease modification of lease receivables	-	958
Gain on disposal of other investments	(46)	(27)
Inventories written (back)/down	(40)	36
Unrealised forex loss	2,473	1,275
Written off on property, plant and equipment	148	5,953
Operating profit before changes in working capital	<u>133,424</u>	<u>69,707</u>
Changes in working capital:		
Receivables, amount due from associates and inventories	56,604	(75,736)
Payables, contract liabilities and amount due to associates	(59,584)	83,797
Cash generated from operations	<u>130,444</u>	<u>77,768</u>
Interest paid	-	(281)
Taxes paid	(4,706)	(3,086)
Tax refunded	17	4
<b>Net cash from operating activities</b>	<u>125,755</u>	<u>74,405</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)**

	<b>12 MONTHS ENDED</b>	
	<b>31 DEC 2023 RM'000</b>	<b>31 DEC 2022 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(34,087)	(13,472)
Purchase of investment property	-	(471)
Proceeds from disposals of property, plant and equipment	-	6
Purchase of right-of-use assets	(49)	(107)
Changes in deposits pledged to licensed banks	(107)	91
Purchase of other investments	(16,990)	(1,973)
Interest received	5,279	846
<b>Net cash used in investing activities</b>	<b>(45,954)</b>	<b>(15,080)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments of onshore foreign currency loan	-	(2,801)
Net repayments of term loans	-	(1,835)
Net repayments of revolving credits	-	(8,960)
Payments of lease liabilities	(1,335)	(1,074)
Dividends paid	(10,786)	-
Buy-back of own shares	-	(356)
<b>Net cash used in financing activities</b>	<b>(12,121)</b>	<b>(15,026)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>67,680</b>	<b>44,298</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>4,980</b>	<b>(752)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>70,846</b>	<b>27,300</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>143,506</b>	<b>70,846</b>
Cash and cash equivalents at the end of the financial period comprise of the followings:		
Cash and bank balances	56,825	42,274
Deposits with licensed banks	92,110	33,894
	148,935	76,168
Less: Deposits pledged to licensed banks	(5,429)	(5,322)
	143,506	70,846





**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 2022. 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 2022.

**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:

MFRS 17 Insurance Contracts

Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Disclosure of Accounting Policies

Amendments to MFRS 108 Definition of Accounting Estimates

Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules

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:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121 Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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. Dividend Paid**

The Special Single Tier Interim Dividend of RM0.006 per ordinary share for the financial year ended 31 December 2023 was paid on 18 October 2023.



## 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
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Sales and Marketing	79,572	85,543	589,763	172,589
Technical Support and Management	27,455	32,746	114,167	96,744
Engineering Services	640	1,098	2,374	2,048
Others (1)	1,065	524	1,857	1,450
	<u>108,732</u>	<u>119,911</u>	<u>708,161</u>	<u>272,831</u>
Eliminations	(98)	(72)	(340)	(288)
Revenue	<u>108,634</u>	<u>119,839</u>	<u>707,821</u>	<u>272,543</u>
<b>EBITDA*</b>				
Sales and Marketing	(4,589)	10,937	60,056	23,158
Technical Support and Management	(7,124)	10,588	37,877	43,141
Engineering Services	567	964	1,843	1,629
Others	(4,220)	(1,486)	(6,090)	(1,898)
Unallocated	1,532	4,349	(2,374)	(5,724)
Total	<u>(13,834)</u>	<u>25,352</u>	<u>91,312</u>	<u>60,306</u>
<b>(Loss)/Profit before tax</b>				
Sales and Marketing	(4,773)	10,775	59,427	22,407
Technical Support and Management	(18,213)	(1,893)	(7,277)	(6,361)
Engineering Services	567	964	1,842	1,629
Others	(4,593)	(1,776)	(7,548)	(3,017)
	<u>(27,012)</u>	<u>8,070</u>	<u>46,444</u>	<u>14,658</u>
Unallocated income/(expenses)	1,506	4,354	(2,492)	(5,943)
- Finance cost	(110)	(146)	(494)	(335)
- Interest income	1,533	379	5,161	650
- Legal and professional fee	(378)	(125)	(732)	(290)
- Realised foreign exchange (loss)/gain	(695)	(383)	578	(1,747)
- Sundry income	8	8	77	173
- Unrealised foreign exchange gain/(loss) (trade)	1,406	4,749	(1,009)	349
- Unrealised foreign exchange gain/(loss) (non-trade)	1,209	809	(1,495)	(1,624)
- Impairment loss on goodwill	-	(870)	-	(870)
- Other expenses	(1,467)	(67)	(4,578)	(2,249)
	<u>(25,506)</u>	<u>12,424</u>	<u>43,952</u>	<u>8,715</u>

### Note

(1) "Others" consist of manufacturing activities, research & development activities and inter-segment transactions.

\* 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 2023 is as follows:

	<b>AS AT 31 DEC 2023 RM'000</b>
Capital expenditure	
Approved but not contracted for:	
Property, plant and equipment	<u>17,240</u>



## 15. Significant Related Party Transactions

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

	<b>01.10.2023 to 31.12.2023 RM'000</b>	<b>01.01.2023 to 31.12.2023 RM'000</b>
Sales of products/maintenance charges/technical service/rental charged to:		
- Channel Paradise Sdn. Bhd.	449	1,028
Technical support and management fee from:		
- Timor Holding, S.A.	1,138	5,662
Purchase of products from:		
- Channel Paradise Sdn. Bhd.	-	57
- Channel Paradise Pte. Ltd.	(13)	6,088

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 arm's length basis and normal commercial terms that were not more favourable to the related parties than those generally accorded to the public and were in the best interest of the Group. These transactions were also not detrimental to the minority shareholders of the Company.



**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	31 DEC	%	31 DEC	31 DEC	%
	2023	2022		2023	2022	
	RM'000	RM'000	+/(-) %	RM'000	RM'000	+/(-) %
<b>Revenue</b>						
Sales and Marketing	79,572	85,543	-7%	589,763	172,589	+242%
Technical Support and Management	27,455	32,746	-16%	114,167	96,744	+18%
Engineering Services	640	1,098	-42%	2,374	2,048	+16%
Others (1)	967	452	+114%	1,517	1,162	+31%
<b>Total</b>	<b>108,634</b>	<b>119,839</b>	<b>-9%</b>	<b>707,821</b>	<b>272,543</b>	<b>+160%</b>
<b>(Loss)/Profit before tax</b>						
Sales and Marketing	(4,773)	10,775	-144%	59,427	22,407	+165%
Technical Support and Management	(18,213)	(1,893)	+862%	(7,277)	(6,361)	+14%
Engineering Services	567	964	-41%	1,842	1,629	+13%
Others	(4,593)	(1,776)	+159%	(7,548)	(3,017)	+150%
Unallocated income/(expenses)	1,506	4,354	-65%	(2,492)	(5,943)	-58%
<b>(Loss)/Profit before tax</b>	<b>(25,506)</b>	<b>12,424</b>	<b>-305%</b>	<b>43,952</b>	<b>8,715</b>	<b>+404%</b>
<b>Impairment (loss)/written back on trade receivables</b>						
Sales and Marketing	(13,869)	(1,251)	+1009%	(13,226)	(1,444)	+816%
Technical Support and Management	(21,234)	(7)	+303243%	(24,816)	190	-13161%
<b>Total impairment loss on trade receivables</b>	<b>(35,103)</b>	<b>(1,258)</b>	<b>+2690%</b>	<b>(38,042)</b>	<b>(1,254)</b>	<b>+2934%</b>
<b>Profit/(Loss) before tax excluding impairment loss</b>						
Sales and Marketing	9,096	12,026	-24%	72,653	23,851	+205%
Technical Support and Management	3,021	(1,886)	+260%	17,539	(6,551)	+368%
Engineering Services	567	964	-41%	1,842	1,629	+13%
Others	(4,593)	(1,776)	+159%	(7,548)	(3,017)	+150%
Unallocated income/(expenses)	1,506	4,354	-65%	(2,492)	(5,943)	-58%
<b>Profit before tax excluding impairment loss</b>	<b>9,597</b>	<b>13,682</b>	<b>-30%</b>	<b>81,994</b>	<b>9,969</b>	<b>+722%</b>

**Note**

(1) “Others” consist of manufacturing activities, research & development activities and inter-segment transactions.



**16. Performance Review (Continued)**

(i) Comparison with previous year's corresponding quarter

The Group has adopted a more cautious and prudent decision in determining the impairment loss for trade receivables, albeit the ongoing monitoring and close following up with the respective debtors. Given the aging receivables, the Group has thus decided to kitchen sink these costs even though some of the debtors have agreed to a repayment schedule. Consequently, the Group has made an exceptional provision for impairment loss on trade receivables amounting to RM13.9 million and RM21.2 million for Sales and Marketing ("SSM") and Technical Support and Management ("TSM") divisions respectively for the quarter ended 31 December 2023.

The Group registered a revenue and profit before tax excluding impairment loss for SSM division of RM79.6 million and RM9.1 million respectively for the quarter ended 31 December 2023, representing a decrease of 7% and 24% respectively as compared to previous year's corresponding quarter mainly due to delay in shipments.

The revenue for TSM division decreased by RM5.3 million or 16% for the quarter ended 31 December 2023 as compared to previous year's corresponding quarter mainly due to lower hold factor in some of the TSM outlets. The loss before tax in last year's corresponding quarter was mainly due to the write off of the property, plant and equipment amounted to RM5.9 million as a result of a fire incident happened on 28 December 2022.

The decrease in unallocated income is mainly due to the decrease in unrealised foreign exchange gains during the current quarter.

(ii) Comparison with previous year

The Group registered a revenue and profit before tax excluding impairment loss for SSM division of RM589.8 million and RM72.7 million respectively for the year ended 31 December 2023, representing an increase of 242% and 205% respectively as compared to previous year due to significant increase in number of products sold and the lower margin is mainly due to special discount given for bulk orders.

The Group registered a revenue and profit before tax excluding impairment loss for TSM division of RM114.2 million and RM17.5 million respectively for the year ended 31 December 2023, representing an increase of 18% and 368% respectively as compared to previous year mainly due to the better performance and increase in operating capacity in most of the outlets during the year.



**17. Comparison with Previous Quarter's Results**

	<b>3 MONTHS ENDED</b>		<b>%</b>
	<b>31 DEC</b>	<b>30 SEP</b>	
	<b>2023</b>	<b>2023</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>+ / (-)</b>
<b>Revenue</b>			
Sales and Marketing	79,572	137,433	-42%
Technical Support and Management	27,455	31,968	-14%
Engineering Services	640	507	+26%
Others (1)	967	458	+111%
<b>Revenue</b>	<b>108,634</b>	<b>170,366</b>	<b>-36%</b>
<b>(Loss)/Profit before tax</b>			
Sales and Marketing	(4,773)	23,356	-120%
Technical Support and Management	(18,213)	7,171	-354%
Engineering Services	567	309	+83%
Others	(4,593)	(832)	+452%
Unallocated income/(expenses)	1,506	(1,880)	+180%
<b>(Loss)/Profit before tax</b>	<b>(25,506)</b>	<b>28,124</b>	<b>-191%</b>
<b>Impairment (loss)/written back on trade receivables</b>			
Sales and Marketing	(13,869)	626	-2315%
Technical Support and Management	(21,234)	(2,681)	+692%
<b>Total impairment loss on trade receivables</b>	<b>(35,103)</b>	<b>(2,055)</b>	<b>+1608%</b>
<b>Profit/(Loss) before tax excluding impairment loss</b>			
Sales and Marketing	9,096	22,730	-60%
Technical Support and Management	3,021	9,852	-69%
Engineering Services	567	309	+83%
Others	(4,593)	(832)	+452%
Unallocated income/(expenses)	1,506	(1,880)	+180%
<b>Profit before tax excluding impairment loss</b>	<b>9,597</b>	<b>30,179</b>	<b>-68%</b>

**Note**

(1) "Others" consist of revenue from manufacturing activities, research & development activities and inter-segment transactions.

The SSM division recorded lower revenue and profit before tax excluding impairment loss of 42% and 60% respectively in current quarter due to the decrease in number of products sold and some delays in shipments.

The decrease in revenue and profit before tax excluding impairment loss of 14% and 69% respectively for TSM division during the quarter is mainly due to lower hold factor in some of the TSM outlets.

The increase in loss before tax for others division is mainly due to impairment loss of RM4.3 million recorded for the investment property in Cambodia.

The increase in unallocated income is mainly due to the unrealised foreign exchange gains during the current quarter.





## 18. Commentary on Prospects

Looking ahead, the Group's prospects remain robust, bolstered by the promising market conditions, especially in key areas like the Philippines. The Philippine Amusement and Gaming Corporation (“PAGCOR”) announced that the country’s Gross Gaming Revenue (“GGR”) in 2023 reached a record PHP 285 billion and is projected to achieve PHP 336 billion in 2024. As a pivotal slot machine distributor and major player in the machine concession business in the country, the Group is well positioned to capitalise on this industry growth.

The Group remains vigilant for emerging opportunities within the regional gaming industry and aligning its strategy with the evolving industry landscape. Barring unforeseen circumstances, the Group expects to achieve a better performance in 2024.

## 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 2023 RM'000	31 DEC 2022 RM'000	31 DEC 2023 RM'000	31 DEC 2022 RM'000
Income Tax				
- Current period	3,959	3,753	10,695	4,928
- Under/(Over)provision in prior year	1,013	(19)	964	(22)
Deferred Tax				
- Current period	(10)	(13)	(10)	(13)
- Underprovision in prior year	2	-	2	-
	<u>4,964</u>	<u>3,721</u>	<u>11,651</u>	<u>4,893</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2022: 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. 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.



## 23. Dividend

### (i) Second Interim Dividend

The Board of Directors has approved Second Interim Single Tier Dividend of RM0.008 per ordinary share in respect of the financial year ended 31 December 2023. The entitlement date is fixed on 1 April 2024 and payment will be made on 18 April 2024.

### (ii) Total Dividend

Total dividend for the financial year ended 31 December 2023 are as follows:

- A Special Single Tier Interim Dividend of RM0.006 per ordinary share declared on 24 August 2023 and paid on 18 October 2023 as disclosed in Note A8;
- A First Interim Single Tier Dividend of RM0.006 per ordinary share declared on 29 November 2023 and paid on 16 January 2024;
- A Second Interim Single Tier Dividend of RM0.008 per ordinary share declared on 29 February 2024.

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

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

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,714)	(496)	(5,321)	(962)
Rental income	(64)	(77)	(272)	(726)
Sundry income	(34)	(928)	(5,975)	(1,266)
Interest expenses	(25)	(1,951)	947	362
Depreciation of investment property	280	297	1,089	1,035
Depreciation of property, plant and equipment	10,947	12,374	45,027	49,250
Depreciation of right-of-use assets	470	258	1,228	1,005
Impairment losses on:				
- amount owing by associates	829	-	829	-
- trade receivables	36,754	2,281	41,177	2,618
- other receivables	215	-	215	-
- goodwill	-	870	-	870
- investment property	4,288	-	4,288	-
Impairment losses written back on:				
- amount owing by associates	-	(426)	-	(426)
- trade receivables	(1,651)	(1,024)	(3,135)	(1,364)
- other receivables	-	(40)	-	(729)
Intangible assets written off	-	1,143	-	1,143
Inventories written down/(back)	357	(200)	(40)	36
Realised foreign exchange loss/(gain)	695	383	(578)	1,740
Unrealised foreign exchange (gain)/loss	(2,646)	(5,539)	2,473	1,275
Written off on property, plant and equipment	60	5,953	148	5,953



## 25. (Loss)/Profit Per Ordinary Share

### (a) Basic

Basic (loss)/profit per ordinary share is calculated by dividing the (loss)/profit 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	31 DEC	31 DEC	31 DEC
	2023	2022	2023	2022
(Loss)/Profit attributable to owners of the Company (RM'000)	(26,789)	9,356	36,488	4,661
Weighted average number of ordinary shares in issue ('000)	1,540,853	1,543,039	1,540,853	1,543,039
<b>Basic (loss)/earnings per ordinary share (sen)</b>	<b>(1.74)</b>	<b>0.60</b>	<b>2.37</b>	<b>0.30</b>

### (b) Diluted

Diluted (loss)/profit per ordinary share have not been presented as the Group did not have any outstanding share options as at 31 December 2023.

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

## 26. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not qualified.

## 27. Authorisation for Issue

On 29 February 2024, 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 February 2024