



**RGB International Bhd.**  
Registration No. 200301001411 (603831-K)



Annual Report **2023**

# WHAT'S

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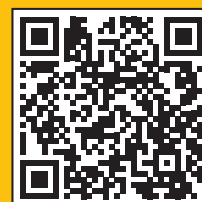


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The softcopy version of RGB's Annual Report 2023 is available on our website. Go to <http://www.rbggames.com/home/annual-report.html> or scan the code on the top with your smartphone.



## OUR VISION

To be a leading manufacturer, distributor, concession and technical support services provider in the gaming supply industry.

## OUR MISSION

To be the premier integrated Gaming Solutions Specialist focusing on the manufacturing, distribution, concession and management of, and technical support for electronic gaming machines ("EGM") that provide ultimate recreational experience.

## OUR CORE VALUES

Our commitment to excellence springs forth from a strong foundation of CORE VALUES:



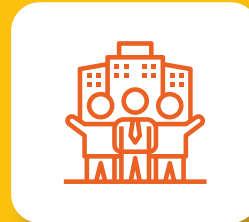
### OUR PEOPLE, OUR KEY ASSETS

Continuously identifying new talents and developing our team in upholding high standards of ethics and integrity at all times.



### QUALITY

Striving and delivering the best quality of services and products.



### CORPORATE LEADERSHIP

Increasing shareholders value while simultaneously focusing on growth guided by good corporate governance and financial discipline.



### CORPORATE SOCIAL RESPONSIBILITY

Participating in projects that benefit the community and environment.

## CORPORATE PROFILE

RGB International Bhd. ("RGB" or "the Company") was incorporated in Malaysia on 16 January 2003.

RGB is an investment holding company with its subsidiaries ("RGB Group" or "the Group") primarily involved in:

- sales and marketing, and manufacturing of EGM and equipment ("SSM")
- machine concession, technical support and management ("TSM")
- on-site technical solution, preventive maintenance and repair services for EGM and equipment ("Engineering Services")

The history of RGB's involvement in the supply and services in the gaming industry began way back in 1986 through its wholly owned subsidiary, RGB Sdn. Bhd. ("RGBSB"). The Group is now acknowledged as a leading supplier of EGM and casino equipment as well as a major machine concession provider.

RGB has marked its presence in Malaysia and also operates in the Philippines, Cambodia, Laos, Vietnam, Singapore, Macau, Timor-Leste and Nepal.

# CORPORATE INFORMATION



## BOARD OF DIRECTORS

### Dato' Seri Chuah Kim Seah

Managing Director

### Datuk Steven Lim Tow Boon

Chief Operating Officer

### Ms. Lam Voon Kean

Independent Non-Executive Director

### Tan Sri Norazman Hamidun

Independent Non-Executive Director

### Ms. Lung Sai Mei

Independent Non-Executive Director

### Ms. Chuah Hui Jing

Non-Independent Non-Executive Director

### Audit Committee

Ms. Lam Voon Kean, *Chairman*  
Tan Sri Norazman Hamidun  
Ms. Lung Sai Mei  
Ms. Chuah Hui Jing

### Nomination & Remuneration Committee

Ms. Lam Voon Kean, *Chairman*  
Tan Sri Norazman Hamidun  
Ms. Lung Sai Mei  
Ms. Chuah Hui Jing

### Credit Review & Risk Assessment ("CRRA") Committee

Mr. Ganaser Kaliappen, *Chairman*  
Dato' Seri Chuah Kim Seah  
Mr. Chuah Eng Hwa  
Mr. Liew Yung Kuan

### Executive Committee

Dato' Seri Chuah Kim Seah, *Chairman*  
Datuk Steven Lim Tow Boon  
Mr. Mazlan Ismail  
Dato' Chuah Kim Chiew  
Mr. Chuah Eng Hwa  
Mr. Ganaser Kaliappen  
Mr. Liew Yung Kuan

### Company Secretaries

Ms. Yeow Sze Min  
(SSM PC No. 201908003120, MAICSA 7065735)  
Ms. Low Seow Wei  
(SSM PC No. 202008000437, MAICSA 7053500)

### Registered Office

Suite 18.05, MWE Plaza  
8 Lebuhr Farquhar, 10200 George Town  
Penang, Malaysia  
Tel : +(60)4 263 1966  
Fax : +(60)4 262 8544  
Email : info@sshbsb.com.my

### Principal Place of Business

8 Green Hall, 10200 George Town  
Penang, Malaysia  
Tel : +(60)4 263 1111  
Fax : +(60)4 263 1188  
E-mail : ir@rgbgames.com  
Website : www.rgbgames.com

### Share Registrars

Securities Services (Holdings) Sdn. Bhd.  
Suite 18.05, MWE Plaza  
8 Lebuhr Farquhar, 10200 George Town  
Penang, Malaysia  
Tel : +(60)4 263 1966  
Fax : +(60)4 262 8544  
Email : info@sshbsb.com.my

### Legal Form and Domicile

Public Limited Liability Company  
Incorporated and Domiciled in Malaysia

### Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad  
Stock code : 0037  
Stock name : RGB

### Auditors

BDO PLT [201906000013 (LLP0018825-LCA) & AF 0206]  
Chartered Accountants  
51-21-F Menara BHL  
Jalan Sultan Ahmad Shah  
10050 George Town, Penang, Malaysia

### Principal Bankers

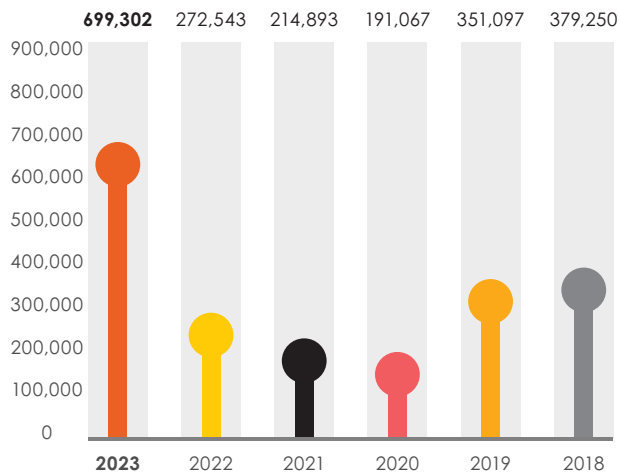
United Overseas Bank (Malaysia) Bhd.  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
Maybank International Labuan Branch  
Industrial and Commercial Bank of China (Macau) Limited

# GROUP FINANCIAL HIGHLIGHTS

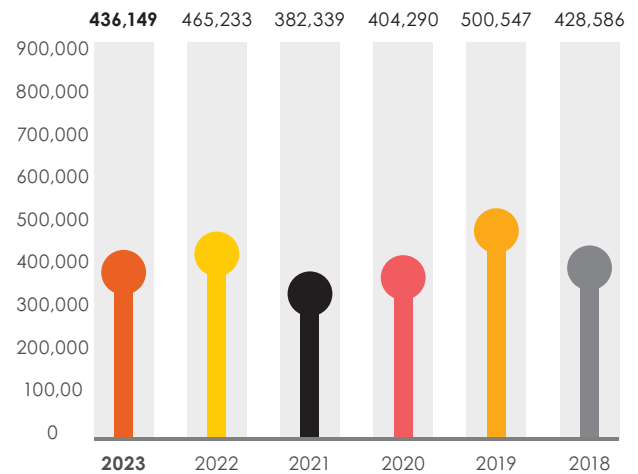
	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000
Revenue	699,302	272,543	214,893	191,067	351,097	379,250
Profit/(Loss) Before Tax	32,790	8,715	(7,473)	(27,958)	44,196	35,166
EBITDA*	85,936	61,238	44,915	28,969	84,207	65,743
Net Profit/(Loss)	21,211	3,822	(10,417)	(29,076)	40,176	35,439
Cash and Bank Balances	56,825	42,274	27,300	25,748	40,074	56,412
Property, Plant and Equipment	62,803	77,262	113,836	156,530	184,746	136,262
Total Assets	436,149	465,233	382,339	404,290	500,547	428,586
Shareholders' Equity	252,336	237,297	222,373	225,825	262,391	234,797

\* Earnings before interest, taxation, depreciation, amortisation, impairment of property, plant & equipment, intangible assets and investments.

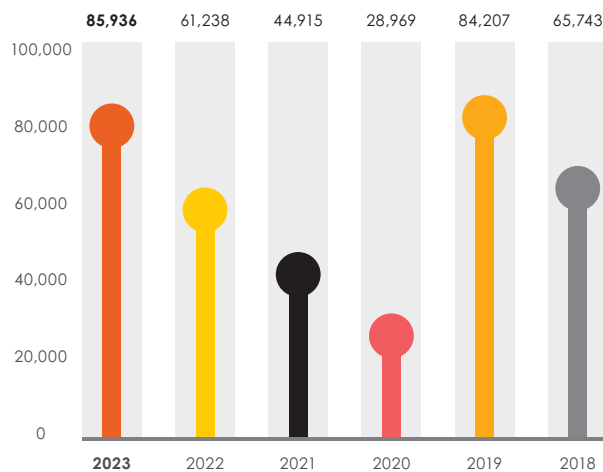
**GROSS REVENUE**  
(RM'000)



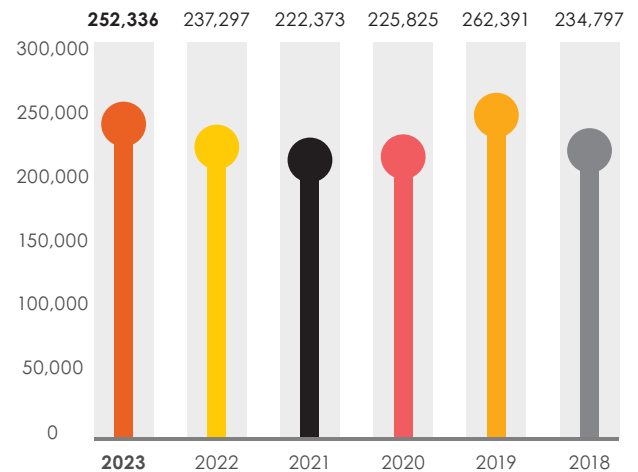
**TOTAL ASSETS**  
(RM'000)



**EBITDA\***  
(RM'000)



**SHAREHOLDERS' EQUITY**  
(RM'000)

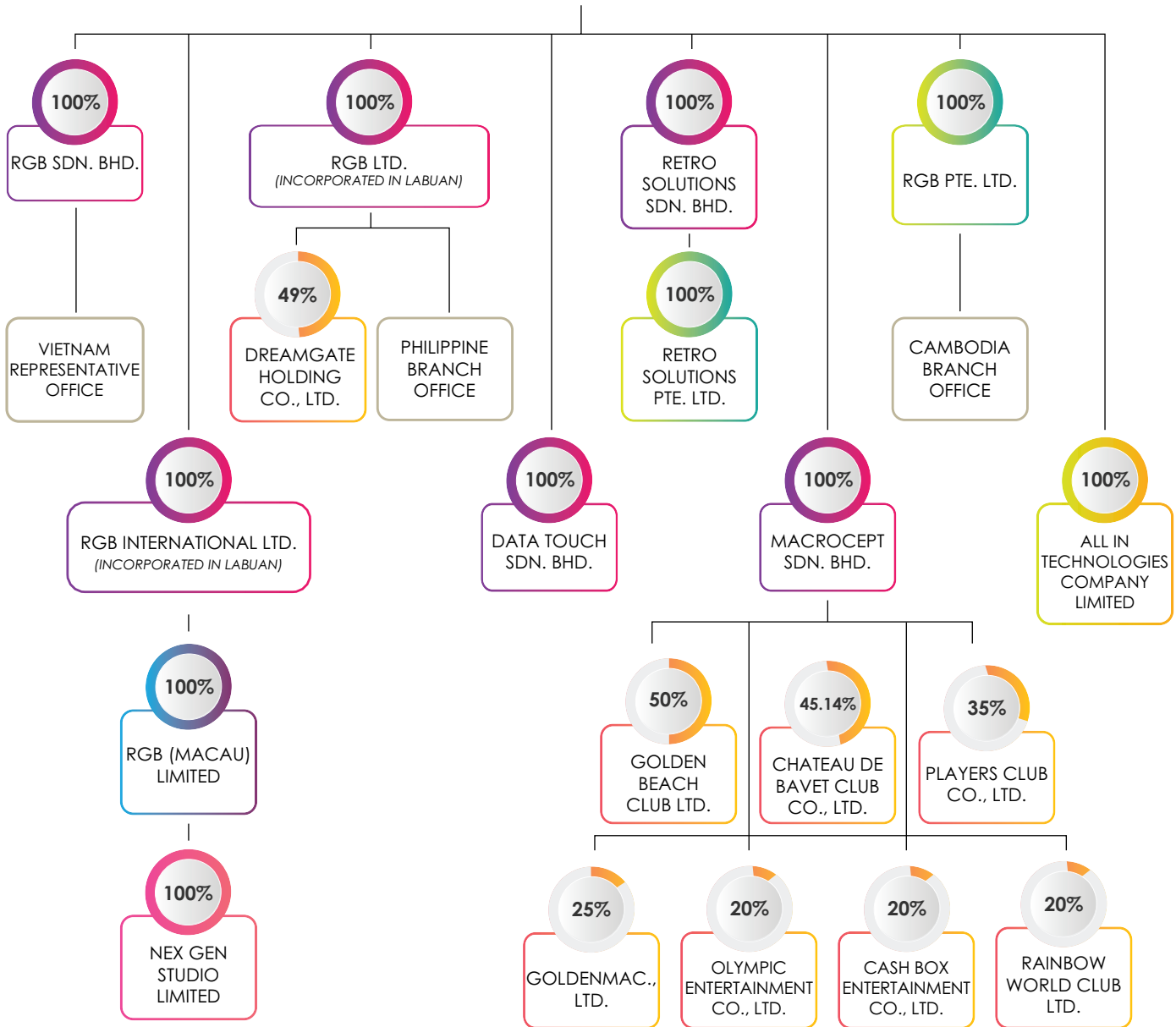


# CORPORATE STRUCTURE

AS AT 1 APRIL 2024



**RGB International Bhd.**  
Registration No. 200301001411 (603831-K)



NOTE:

- COMPANIES INCORPORATED IN MALAYSIA
- COMPANIES INCORPORATED IN SINGAPORE
- COMPANY INCORPORATED IN MACAU
- COMPANIES INCORPORATED IN CAMBODIA
- COMPANY INCORPORATED IN VIETNAM
- COMPANY INCORPORATED IN HONG KONG
- BRANCH/REPRESENTATIVE OFFICE

# PROFILE OF DIRECTORS

**DATO' SERI CHUAH KIM SEAH,**  
DGPN, DMSM, DSDK, JP



## Managing Director ("MD")

Age : 71  
Gender : Male  
Nationality : Malaysian

**Date of appointment : 30 October 2003**

**No. of Board meetings attended in 2023**  
6/6

### Qualification

- Fellow, Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants ("MIA")
- Member, ASEAN Chartered Professional Accountants

### Board Committee membership

- Chairman of Executive Committee
- Member of CRRR Committee

### Working experience

Dato' Seri Chuah and his brother, Dato' Chuah Kim Chiew, marked their beginning in the gaming and amusement industry through RGBSB. He has garnered more than 35 years' experience in strategic, sales and marketing management. Presently, Dato' Seri Chuah plans and develops the Group's strategic business direction, plans and policies. He also assesses potential business ventures and alliances for the Group.

### Other information

- Director of several subsidiaries of RGB
- Director of several other private limited companies

**DATUK STEVEN LIM TOW BOON,**  
PJN, BKM



## Chief Operating Officer ("COO")

Age : 63  
Gender : Male  
Nationality : Malaysian

**Date of appointment : 30 October 2003**

**No. of Board meetings attended in 2023**  
6/6

### Qualification

- Member, Australian Institute of Company Directors
- Bachelor of Arts, Brock University, Canada

### Board Committee membership

- Member of Executive Committee

### Working experience

Datuk Steven Lim assumed the position as COO of RGB Business Division in 2009 and thereafter redesignated as COO of the Group in 2013. As COO, his key responsibilities are leading strategic planning and overseeing the overall operation and management of Gaming Division of the Group.

Datuk Steven Lim joined the Group in 1988 as Management Executive focusing on sales and marketing of gaming and amusement machines. His broad experience and expertise in sales and marketing has boosted the growth of the Group's market share in the gaming industry.

### Other information

- Director of several subsidiaries of RGB
- Director of several other private limited companies



# PROFILE OF DIRECTORS

## MS. LAM VOON KEAN



### Independent Non-Executive Director

Age : 71  
Gender : Female  
Nationality : Malaysian

**Date of appointment : 31 March 2014**

**No. of Board meetings attended in 2023**  
6/6

#### Qualification

- Member, MIA
- Member, Malaysian Institute of Certified Public Accountants ("MICPA")

#### Board Committee membership

- Chairman of Audit Committee
- Chairman of Nomination & Remuneration Committee

#### Working experience

Ms. Lam joined KPMG Penang in 1974 as an articled student and qualified as a Certified Public Accountant in 1981. She was one of the senior audit managers of KPMG Penang. She acted as the engagement manager for various audit engagements and also for assignments relating to the listing of shares on the Malaysian Stock Exchange and was involved in the review and preparation of profit and cash flow forecasts and projections.

She left KPMG Penang in 1994 and joined M&C Services Sdn. Bhd. (now known as Boardroom Corporate Services Sdn. Bhd.). She was promoted to Executive Director managing a suite of business solutions and services for public listed companies, private companies and branches of multinational companies. Ms. Lam was promoted to Managing Director of Boardroom Corporate Services (Penang) Sdn. Bhd. ("Boardroom") in 2005 consequent to internal restructuring exercises. She retired on 31 December 2011 and accepted a one-year contract to act as consultant to Boardroom effective from 1 January 2012.

#### Other information

- Independent Non-Executive Director of Asia File Corporation Bhd.
- Independent Non-Executive Director of Tambun Indah Land Berhad
- Independent Non-Executive Director of Alcom Group Berhad

#### Notes:

##### Family Relationship with Directors and/or Major Shareholders

Dato' Seri Chuah Kim Seah is a substantial shareholder of RGB and Ms. Chuah Hui Jing is the daughter of Dato' Seri Chuah Kim Seah.

## TAN SRI NORAZMAN HAMIDUN, PSM, PJN, DGMK, DSDK, AMK, JP



### Independent Non-Executive Director

Age : 59  
Gender : Male  
Nationality : Malaysian

**Date of appointment : 1 April 2014**

**No. of Board meetings attended in 2023**  
5/6

#### Qualification

- Corporate Member, Malaysian Institute of Marketing
- MARA University of Technology majoring in Business Studies

#### Board Committee membership

- Member of Audit Committee
- Member of Nomination & Remuneration Committee

#### Working experience

Tan Sri Norazman started his career in 1990 as an Assistant Deputy Registrar for Kota Setar District and Land Department ("PTD Kota Setar"). During his service with PTD Kota Setar, he was posted to Land Acquisition Department where he gained experience and knowledge in land issues. In 1994, he was promoted to State Land Officer and posted to Land Registration Department. He left government service in 1998 to concentrate on his business.

#### Other information

- Chief Executive Officer/Chairman of HMS Oil & Gas Sdn. Bhd.
- Chairman of Widad Builders Sdn. Bhd.
- Director of several other private limited companies

Save as disclosed herein, none of the Directors has any family relationship with any directors and/or major shareholders of the Company.



# PROFILE OF DIRECTORS

**MS. LUNG SAI MEI,**  
JSM, BCM



**Independent Non-Executive Director**

Age : 56  
Gender : Female  
Nationality : Malaysian

**Date of appointment : 1 March 2024**

**No. of Board meetings attended in 2023**

-

**Qualification**

- Master of Business Administration, International University of Japan
- Bachelor of Education, Agricultural University of Malaysia (now known as Putra Malaysia University)
- Diploma in Public Administration, National Institute of Public Administration ("INTAN")

**Board Committee membership**

- Member of Audit Committee
- Member of Nomination & Remuneration Committee

**Working experience**

Ms. Lung started her Administrative and Diplomatic service career in the government in 1996 as Assistant Secretary in INTAN. She has over 30 years of experience in the civil service with considerable knowledge in policy development and finance after working in various ministries and government departments including 9 years' experience in the Ministry of Finance handling budgeting, international finance and public asset management which also involved licensing and regulating the gaming industry.

Prior to her retirement which took effect from 2 January 2024, she held various positions such as Director of K-Economy Division in the Ministry of Economy and Senior Director of Coordination and Monitoring Section and thereafter, Senior Director of Facilitation Fund Section in the Public Private Partnership Unit (UKAS) of the Prime Minister's Department.

**MS. CHUAH HUI JING**



**Non-Independent Non-Executive Director**

Age : 30  
Gender : Female  
Nationality : Malaysian

**Date of appointment : 24 August 2023**

**No. of Board meetings attended in 2023**

2/2

**Qualification**

- MSc Risk Management and Financial Engineering, Imperial College Business School, London
- BSc Mathematics and Statistics for Finance, Imperial College London

**Board Committee membership**

- Member of Audit Committee
- Member of Nomination & Remuneration Committee

**Working experience**

Ms. Chuah started her career in 2016 as a Quantitative Analyst in BNP Paribas London where she supported the trading desk as well as designed and developed new features and trading tools.

She later joined Citigroup London from 2019 to 2022 in the Investment Banking Division in which she was primarily responsible for structuring and executing Merger & Acquisition (M&A), Initial Public Offering (IPO) and capital raise transactions for healthcare, power, utilities and renewables industries.

**Other information**

- Director of other private limited company

**Conflict of Interest**

None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.

**Conviction for Offences**

Other than traffic offences, none of the Directors has been

convicted for any offences within the past 5 years nor has been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

**Other Directorships**

Except as disclosed by Ms. Lam Voon Kean, none of the other Directors holds any other directorship in public companies.

## KEY SENIOR MANAGEMENT TEAM

**MR. MAZLAN ISMAIL**



**Senior Vice President**

60 | Male | Malaysian

**Date first appointed to key senior management position**

30 October 2003

**Qualification**

- Ordinary Member, Malaysian Institute of Management
- Diploma in Management, Malaysian Institute of Management

**Job description/working experience**

Mr. Mazlan is responsible for developing and managing the Group's investor relations function and overseeing the implementation of policies and operational management for administrative, surveillance and security functions for the Group.

He started his career as Senior Audit Assistant with Chuah & Associates in 1988 before leaving to pursue other career opportunities 3 years later.

**Other information**

- Member of Executive Committee of RGB
- Director of several subsidiaries of RGB

**DATO' CHUAH KIM CHIEW,  
DSPN**



**Deputy COO**

60 | Male | Malaysian

**Date first appointed to key senior management position**

30 October 2003

**Qualification**

- Bachelor of Business Administration, University of Waseda, Japan

**Job description/working experience**

Dato' Chuah was appointed as the Deputy COO of the Group on 16 January 2018. He assists COO in strategic planning and overseeing the overall operation and management of Gaming Division of the Group.

His ties to the Group began more than 35 years ago when he was appointed as a Director of RGBSB. Together with Dato' Seri Chuah, they began their ventures and challenges in the gaming and amusement industry.

**Other information**

- Member of Executive Committee of RGB
- Director of several subsidiaries and an associated company of RGB
- Director of several other private limited companies

**MR. CHUAH ENG HWA**



**Vice President**

38 | Male | Malaysian

**Date first appointed to key senior management position**

1 January 2016

**Qualification**

- Member, Chartered Accountants Australia and New Zealand
- Member, MICPA
- Bachelor of Business (Accounting), Monash University, Australia
- Bachelor of Computing, Monash University, Australia

**Job description/working experience**

Mr. Chuah joined the Group on 1 April 2015 as Project Manager. He was promoted to Vice President, New Investment and Corporate Administration on 1 January 2016 and subsequently re-designated as Vice President, New Investment and Treasury and Vice President on 16 January 2018 and 15 March 2021 respectively. Following the resignation of the Chief Financial Officer ("CFO") on 30 June 2019, Mr. Chuah oversees the responsibilities of the CFO till 16 January 2023. His responsibilities include overseeing treasury and human resources for the Group.

He has almost 6 years of experience with Ernst & Young in transaction advisory and assurance services prior to joining the Group.

**Other information**

- Member of CRRR Committee of RGB
- Member of Executive Committee of RGB
- Director of several subsidiaries of RGB
- Director of several other private limited companies

## KEY SENIOR MANAGEMENT TEAM

### MR. GANASER KALIAPPEN



**Senior Vice President, Corporate and  
Regulatory Compliance**

68 | Male | Malaysian

#### **Date first appointed to key senior management position**

1 October 2004

#### **Qualification**

- Master in Public & International Affairs, University of Pittsburgh, USA
- Bachelor of Arts, University of Malaya
- Diploma in Education, University of Malaya
- Diploma in Public Management, National Institute of Public Training

#### **Job description/working experience**

Mr. Ganaser joined the Group as General Manager, Regulatory Compliance on 1 October 2004. He held the position of Regulatory Compliance Director on 1 January 2009 and was re-designated as Senior Vice President, Corporate and Regulatory Compliance on 16 January 2018. He is responsible for managing all compliance matters with the authorities and regulatory requirements in the various countries where RGB Group operates.

Mr. Ganaser was with the Administrative and Diplomatic Service of the Government for 25 years before retiring as Director in the Ministry of Defence. Earlier, he was the Principal Assistant Secretary with the Ministry of Finance where he managed the financial control, gaming licensing and regulatory compliance matters.

#### **Other information**

- Chairman of CRRA Committee of RGB
- Member of Executive Committee of RGB
- Director of a subsidiary of RGB
- Director of several other private limited companies

### MR. LIEW YUNG KUAN



**Vice President, Finance**

42 | Male | Malaysian

#### **Date first appointed to key senior management position**

17 January 2023

#### **Qualification**

- Member, MIA
- Bachelor of Accounting (Honours), University of Science, Malaysia

#### **Job description/working experience**

Mr. Liew joined the Group on 1 October 2019 as Financial Controller and was promoted to Vice President, Finance on 17 January 2023. He is responsible for accounting, financial management, corporate finance, credit control and risk assessments functions for RGB Group.

Mr. Liew started his career with Ernst & Young in 2007 in audit assurance division and subsequently joined a commercial company in 2013 as Finance Manager.

#### **Other information**

- Member of CRRA Committee of RGB
- Member of Executive Committee of RGB
- Director of a subsidiary of RGB

#### **Notes:**

#### **Family Relationship with Directors and/or Major Shareholders**

Dato' Chuah Kim Chiew is the brother of Dato' Seri Chuah Kim Seah while Mr. Chuah Eng Hwa is the son of Dato' Seri Chuah Kim Seah and the brother of Ms. Chuah Hui Jing.

Save as disclosed herein, none of the other key senior management team has any family relationship with any directors and/or major shareholders of the Company.

#### **Conflict of Interest**

None of the key senior management team has any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company and its subsidiaries.

#### **Conviction for Offences**

Other than traffic offences, none of the key senior management team has been convicted for any offences within the past 5 years nor has been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

#### **Other Directorships**

None of the key senior management team holds any directorship in public companies.



# MANAGEMENT DISCUSSION AND ANALYSIS



## “ Dear Shareholders

On behalf of the Board of Directors of the Company (“the Board”), I am pleased to present to you our Annual Report and Audited Financial Statements for the financial year ended (“FYE”) 31 December 2023.

”

## OVERVIEW

RGB is a leading supplier of gaming products in Asia with over 35 years of experience in the gaming supply industry. We have grown from strength to strength since its inception in 1986.

RGB has 3 main business segments:

### 01 SSM Division

The SSM division comprises the sales of EGM, casino equipment and all kinds of gaming-related parts and components. We market our proprietary products, and are also the authorised distributor of gaming products for many world-renowned brands in the industry. Our clients encompass a broad spectrum ranging from major casinos in the world’s gaming industry to operators of VIP slot clubs in many Asian countries, they are well supported by our dedicated sales team who provide clients with unparalleled round the clock service.

### 02 TSM Division

The TSM division provides machine concession programmes to operators throughout Asia, as well as technical, management, marketing and advisory services to our customers. We have partnered with licensed operators throughout Asia, with approximately 5,000 EGM stationed across 46 outlets.

### 03 Engineering Services Division

The Engineering Services division offers end-to-end support and continuous maintenance to ensure the optimal operations of both SSM and TSM divisions. Our team of expertly trained engineers, who are backed by renowned gaming product manufacturers, are dedicated to provide our customers with the best possible customer support experience to meet their unique requirements. We strive to be a one-stop-shop for all customer needs, providing an efficient and comprehensive solution to any problems they may encounter.

Our Engineering Services division also offers a comprehensive suite of services to support the gaming industry, which includes product installation, machine relocation and game conversion, gaming table equipment and utility support, product and scenario-based training solutions, EGM technical and casino management system (“CMS”) requirements consultancy for new and existing operations, EGM preventive maintenance programs, and CMS turnkey solutions. In addition, we also provide a range of gaming parts and repair services.

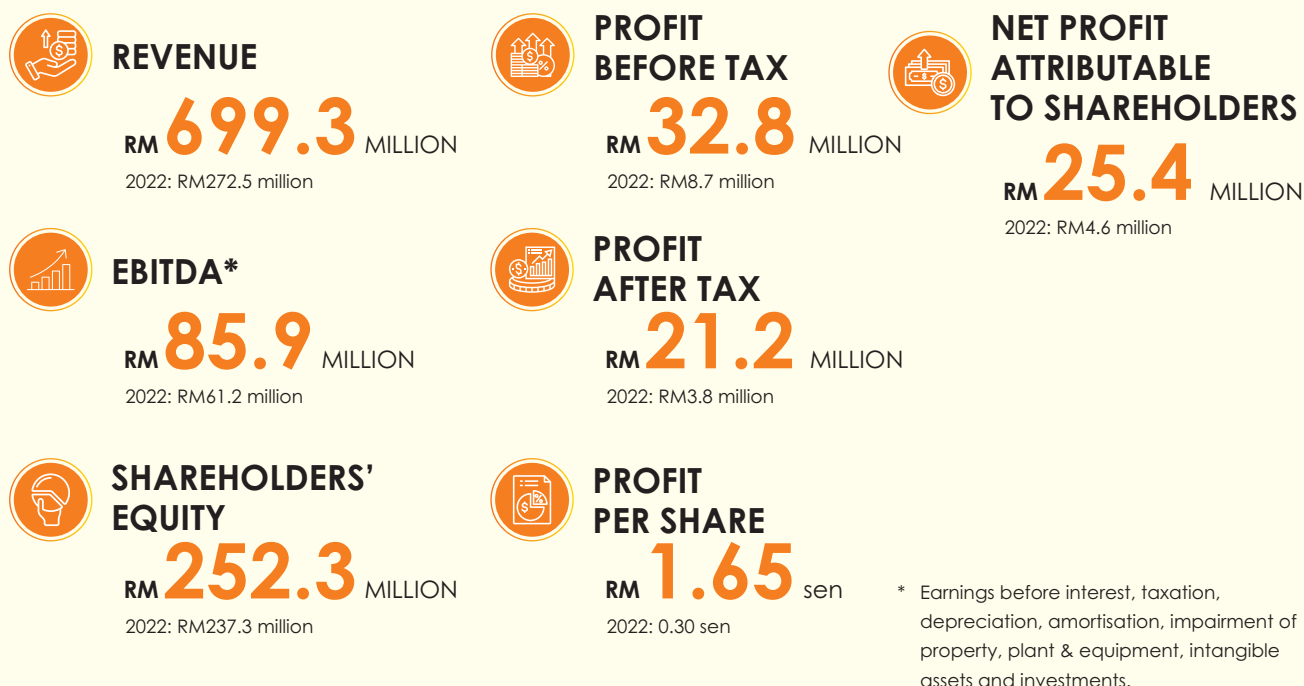
At RGB, we are committed to provide fully-featured gaming solutions and unparalleled support in the gaming industry. Overall, RGB stands as a leading provider of comprehensive gaming solutions.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

The tourism and hospitality industries continued to recover in year 2023, aided by the reopening of border restrictions and increase in international travels especially in the regions where the Group operates. The Group has performed significantly better in the FYE 31 December 2023 due to the strong orders secured and delivered during the year, despite facing inflationary pressure on its operating costs.

The table below highlights the Group's financial performance for year 2023:



### Revenue and Profit Before Tax

The Group recorded revenue of RM699.3 million in 2023, an increase of RM426.8 million as compared to RM272.5 million in the previous year mainly due to the significant increase in number of products sold and improvement in TSM operations following the favourable market conditions.

As a result, the Group recorded a profit before tax of RM32.8 million in 2023, as compared to profit before tax of RM8.7 million in 2022.

### Liquidity and Capital Resources

As part of its overall liquidity management, the Group preserves sufficient levels of cash and cash equivalents to meet its working capital requirements. With the

improvement in revenue and EBITDA, cash and cash equivalents stood at RM143.5 million as at 31 December 2023. The Group maintained deposits with licensed banks of RM92.1 million as at 31 December 2023, compared to RM33.9 million in the previous year. The increase in deposit is mainly due to the positive cash flow for the financial year.

In addition, despite having zero borrowing in 2023, the Group continues to maintain available banking facilities at a reasonable level. This is to ensure that the Group has access to bank funding should the need for capital expenditure ("CAPEX") or working capital arise in the future.

The Group's CAPEX increased from RM28.2 million in 2022 to RM34.2 million in 2023, of which RM30.6 million was allocated to upgrade the current EGM in existing TSM outlets.



# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATIONAL REVIEW

### SSM Division

The revenue and profit before tax for SSM division increased by 242% and 140% respectively for the year ended 31 December 2023 as compared to previous year mainly due to significant increase in number of products sold. The lower margin in profit before tax is mainly due to an exceptional provision for impairment loss on trade receivables amounting to RM18.9 million and special discount given for bulk orders.

### TSM Division

The revenue for TSM division increased by 9% for the year ended 31 December 2023 as compared to previous year mainly due to better performance and increase in operating capacity in most of the outlets.

However, the loss before tax increased by 102% during the year mainly due to an exceptional provision for impairment loss on trade receivables amounting to RM15.1 million, partially offset by the full recovery of insurance compensation amounting RM5.8 million on the fire incident happened in year 2022.

### Engineering Services Division

The Engineering Services division registered revenue of RM2.4 million in 2023 compared to RM2.0 million in the prior year. The division recorded higher EBITDA and pre-tax profit of RM1.8 million in 2023, versus RM1.6 million in 2022.

## DIVIDEND

The Company has declared a special single-tier interim dividend of RM0.006 per ordinary share, a first interim single-tier dividend of RM0.006 per ordinary share and a second interim single-tier dividend of RM0.008 per ordinary share for the FYE 31 December 2023, which were paid on 18 October 2023, 16 January 2024 and 18 April 2024 respectively.

The Board continues to explore, over the long term, the establishment of a formal dividend policy, keeping in mind the requisite investments needed to execute our expansion plans, especially in the growing market like the Philippines. The priority for us is to build a sustainable growth path that will be beneficial to both the Group and shareholders.

## BUSINESS RISKS

The Group's main business risks comprise intensifying competition, changes in regulations and policies, and fluctuation of foreign exchange rates.

The Group's business is in a competitive environment and faces competition from other gaming suppliers and operators. With our businesses located in various countries in Asia, changes in each country's regulations and policies may have impact on our operations. These include issues such as minimum wages, restrictions on local residents entering gaming establishments, increase in gaming taxes and foreign exchange control.

The Group is also exposed to risk of fluctuation in foreign exchange rates as the Group's global operations necessitate dealings in foreign-denominated currency. Although the Group does not have a currency hedging policy at the moment, a significant part of the currency risk is naturally hedged as most of the Group's cost of sales and operating expenditures are denominated in the same currency as the respective revenues.

## BUSINESS OUTLOOK AND 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") has announced that the country's Gross Gaming Revenue ("GGR") in 2023 reached a record of PHP285 billion and is projected to achieve PHP336 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.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my heartfelt gratitude to our valued shareholders, business partners and financial institutions for their steadfast support and continued trust in us.

I wish to take the opportunity to thank Dato' Seri Mahinder Singh Dulku, who retired as Independent Non-Executive Chairman of the Company on 26 May 2023, for his dedication and invaluable contributions to the Board throughout his 17 years of service.

I also wish to welcome Ms. Lung Sai Mei and Ms. Chuah Hui Jing, who joined the Company as Independent Non-Executive Director and Non-Independent Non-Executive Director in March 2024 and August 2023 respectively.

Last but not least, I would like to convey my deep appreciation to our fellow Directors, management team and employees for their hard work and efforts in making 2023 a year of tremendous success and growth for us.

## DATO' SERI CHUAH KIM SEAH

Managing Director

30 April 2024

# SUSTAINABILITY STATEMENT



This year has been the sixth (“6<sup>th</sup>”) year of RGB presenting our Sustainability Statement (“Statement”) for the FYE 31 December 2023. This signifies our continuous commitment on our sustainability management and reporting journey. This Statement should also be read alongside other sections in this Annual Report (i.e., Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control) as sustainability efforts may be better contextualised and narrated in the respective sections.



## REPORTING SCOPE

This Statement covers all data and activities during the reporting period from 1 January 2023 to 31 December 2023, unless otherwise stated. The scope of the Statement covers all the following key operating entities of RGB:

- RGSB;
- RGB Ltd. (“RGL”);
- RGB (Macau) Limited (“RGBML”);
- RGB Ltd. (Philippine Branch); and
- RGB Pte. Ltd. (“RGBPL”).

RGB and the aforementioned operating entities hereinafter will collectively be referred to as the Group within this Statement. The data and information reported in this Statement cover RGB’s principal business segments, namely SSM, TSM and Engineering Services from the Environmental, Social and Governance (“ESG”) perspectives.

## ASSURANCE

There is no external assurance on independent evaluation of performance data published in this Statement. However, regular internal audits/ reviews are in place in relation to the policies and procedures stated in this Statement.

## OUR SUSTAINABILITY APPROACH

At RGB, we are cognisant of how highly regulated the gaming supply industry and the challenges within our operating landscape. Backed by our experience acquired over the past 35 years, RGB has positioned itself as one of the leading suppliers in providing an integrated solution to the growing gaming industry in Asia. With these experiences under our belt, we believe sustainability is the key enabler to drive business growth and to create long-term value for our business and stakeholders. We strive to embed the sustainability elements, namely the ESG within our business operations.

To ensure long-term sustainable performance and consider the relevant risks and opportunities, we internally assess our external operating environment and engage with our key stakeholder groups. The outcome of these exercises will be considered during our risk management and materiality assessment. We have identified business capitals and integrated sustainable initiatives into our business model. We carefully plan our resource allocation to ensure value creation for our stakeholders, minimise business risks, enhance public trust and perception, increase operational efficiency, attract talent, retain our workforce, discover new opportunities and drive innovation. Our Sustainability Policy helps to drive the implementation of ESG aspects across the Group, achieving business longevity while upholding our business vision and mission. It can be found in our corporate website at <http://www.rbggames.com/home/about-us.html>.

## THE VALUE PROPOSITION

RGB aspires to be a leading distributor, concessionaire and technical support services provider in the gaming supply industry within the Asia region. To ensure we are working towards our vision and creating values, we employ our business capitals - financial, intellectual and human, technology and equipment, social and relationship and natural - in the most efficient manner possible. In financial year (“FY”) 2023, we reviewed our sustainability management and approach by integrating all the ESG aspects into our sustainability practices, focusing on three sustainability themes:

- i) Theme 1: Advancing Business and Responsibilities;
- ii) Theme 2: Care for the Planet; and
- iii) Theme 3: Care for the People.

# SUSTAINABILITY STATEMENT

## THE VALUE PROPOSITION (cont'd)

These themes guide us with a holistic business perspective, incorporating ESG considerations alongside financial ones to ensure we create a positive impact on communities.








### VISION

To be a leading manufacturer, distributor, concessionaire and technical support services provider in the gaming supply industry.



### MISSION

To be the premier integrated Gaming Solutions Specialist, focusing on the manufacturing, distribution, concession and management of, and technical support for EGM that provide ultimate recreational experience.

OUR CAPITALS	OUR OUTPUT	VALUE CREATED
 <p><b>Financial Capital</b> Funding is obtained through financing or internally generated sources.</p>	<ul style="list-style-type: none"> <li>Achieved sound financial performance with revenue of RM699.3 million.</li> <li>Exhibited a robust financial position with zero gearing.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced shareholder value with a record dividend payout of RM30.8 million for FYE 31 December 2023 (dividend yield of 5.0% at current market price).</li> <li>Optimised our assets for better returns, achieving return of equity ("ROE") of 8.4%.</li> </ul>
 <p><b>Intellectual and Human Capital</b> Talent and skills from diverse backgrounds, qualifications and experiences.</p>	<ul style="list-style-type: none"> <li>Provided a total of 2,032 training hours to all our employees, marking a 320% increase as compared to the previous year.</li> </ul>	<ul style="list-style-type: none"> <li>Upskilled the workforce through learning and development programmes.</li> <li>Continued to promote an inclusive employee culture that values diversity and equal opportunity.</li> </ul>
 <p><b>Technology and Equipment Capital</b> Technological knowledge and infrastructure that support innovation in products and services.</p>	<ul style="list-style-type: none"> <li>Exceeded the targeted sales of 4,000 machines, with a total of 4,036 machines sold in the year 2023.</li> <li>Increased revenue from concession machines.</li> </ul>	<ul style="list-style-type: none"> <li>Total revenue increased by 2.6 times and profit before tax increased by approximately 4 times as compared to the previous year.</li> </ul>
 <p><b>Social and Relationship Capital</b> Maintaining good relationship with stakeholders including employees, customers and suppliers while also caring for the community.</p>	<ul style="list-style-type: none"> <li>Contributed RM17,140 to the local community.</li> </ul>	<ul style="list-style-type: none"> <li>All members benefited through community programmes.</li> </ul>
 <p><b>Natural Capital</b> Minimising waste and effective use of resources</p>	<ul style="list-style-type: none"> <li>Achieved a total waste recycles of 55.62 metric tons.</li> </ul>	<ul style="list-style-type: none"> <li>Prohibiting single-use plastics</li> <li>Promoting recycling through waste management policy and recycling programmes</li> <li>Encouraging staffs to opt for stair usage, complemented by a rewards system for those who participate.</li> </ul>



# SUSTAINABILITY STATEMENT

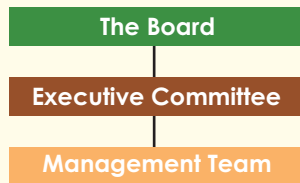
## SUSTAINABILITY GOVERNANCE

We are committed to reflecting our sustainability efforts by embedding ESG aspects into our corporate culture and day-to-day operations. Our commitment is supported by our Sustainability Policy, which serves as the fundamental guidelines to assist the Group in making sustainability decisions.

The Sustainability Policy stipulates the Group's objectives and approaches to sustainability management. The Policy emphasises the integration of ESG aspects across the Group's business activities and operations, outlining the roles and responsibilities of our Board of Directors and Executive Committee to ensure top-level commitment for RGB's sustainability management.

## GOVERNANCE STRUCTURE

The Board has established a governance structure to drive and manage sustainable practices across our various operations. Our sustainability governance, which is led by the Board and assisted by the Executive Committee, outlines the roles and responsibilities of the Board and Executive Committee, as shown below:



## Roles and Responsibilities



### THE BOARD

- Ensure the Group's strategies promote sustainability.
- Oversee the management of material sustainability issues.
- Seek regular updates on and measures for managing material sustainability issues.
- Ensure the Group's sustainability strategies, priorities, targets and performance against these targets are communicated to both internal and external stakeholders.
- Take appropriate action to stay abreast of and understand sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.
- Oversee compliance with matters relating to economic, environmental and social.



### EXECUTIVE COMMITTEE

- Assist the Board in overseeing the implementation of the Group's sustainability approach and ensuring key targets are being met.
- Lead the implementation of the sustainability strategies and policies within divisions.
- Identify, assess, evaluate, manage and report to the Board the material sustainability risks and opportunities relevant to the Group's operations.
- Facilitate the sustainability disclosures as required by laws and regulations, and subsequently recommend them for approval.

## LISTENING TO OUR STAKEHOLDERS THROUGH STAKEHOLDER ENGAGEMENT

Communication with our stakeholders is essential to address their key concerns and we could respond accordingly to meet their expectations. This is particularly important because each stakeholder group holds varying levels of influence and dependence on our business operations. Hence, RGB constantly engages with its internal and external stakeholders through various activities and channels to prioritise and mitigate the issues raised by the respective key personnel or functional representatives in a timely manner.

By fostering effective communication with stakeholders, RGB enhances its current business landscape and crafts future directions, empowering it to sustain and achieve success. Against this backdrop, we are committed to strengthen our partnerships with both internal and external stakeholders through consistent and meaningful communication.

# SUSTAINABILITY STATEMENT

## LISTENING TO OUR STAKEHOLDERS THROUGH STAKEHOLDER ENGAGEMENT (cont'd)

The table below summarises our key stakeholders, along with the engagement channels and activities.

Stakeholder Groups	Engagement Channels and Activities
<b>The Board, Investors/ Shareholders</b> <span style="color: orange;">●</span> <span style="color: red;">●</span> <span style="color: blue;">●</span>	<ul style="list-style-type: none"> <li>Annual General Meeting ("AGM")</li> <li>Corporate website, social media and media releases</li> <li>Annual Report and Quarterly Reports</li> <li>Analyst briefings</li> </ul>
<b>Employees</b> <span style="color: blue;">●</span>	<ul style="list-style-type: none"> <li>Training programmes</li> <li>Other avenues for interaction include one-on-one and division meetings, inter-division and inter-country meetings and company-wide employee engagement sessions as well as team building and sport club activities</li> <li>Employee performance review</li> </ul>
<b>Customers/ Business Partners</b> <span style="color: blue;">●</span>	<ul style="list-style-type: none"> <li>Direct engagements</li> <li>Events and activities (e.g. trade shows, expositions, workshops)</li> <li>Corporate website and social media</li> <li>Site visits</li> </ul>
<b>Suppliers</b> <span style="color: blue;">●</span>	<ul style="list-style-type: none"> <li>One-on-one meetings</li> <li>Events and activities (e.g. trade shows, expositions, workshops)</li> <li>Supplier assessment</li> </ul>
<b>Government/ Regulatory Authorities</b> <span style="color: blue;">●</span>	<ul style="list-style-type: none"> <li>Participation in programmes</li> <li>Meetings and email correspondences</li> <li>Seminar and workshops</li> </ul>
<b>Local Communities</b> <span style="color: blue;">●</span>	<ul style="list-style-type: none"> <li>Corporate volunteering programmes</li> <li>Community outreach programmes</li> <li>Corporate website and social media</li> </ul>
Frequency: <span style="color: orange;">●</span> Annually <span style="color: red;">●</span> Quarterly <span style="color: blue;">●</span> On-going	



## OUR MATERIALITY ASSESSMENT

In FY2023, we conducted a review of our sustainability matters to assess the relevance and priority of the identified material topics. This review ensures that RGB addresses the risks and opportunities that arise in a timely manner, reflecting the prioritisation of sustainability matters. The materiality assessment process is summarised as follows:



### IDENTIFICATION

In identifying sustainability matters, we have drawn information by considering both internal and external factors, such as our business strategy, risks and opportunities and emerging sustainability issues.



### ASSESSMENT

We have reassessed the ratings of our impact assessment based on the level of impact and likelihood of each sustainability matter. We reviewed the impact of each sustainability matter on financial, reputational, customer satisfaction, regulatory, operational and human capital.



### FINALISATION

We developed our materiality matrix by mapping the reviewed sustainability matters according to the level of importance, ranging from low to high.



### APPROVAL

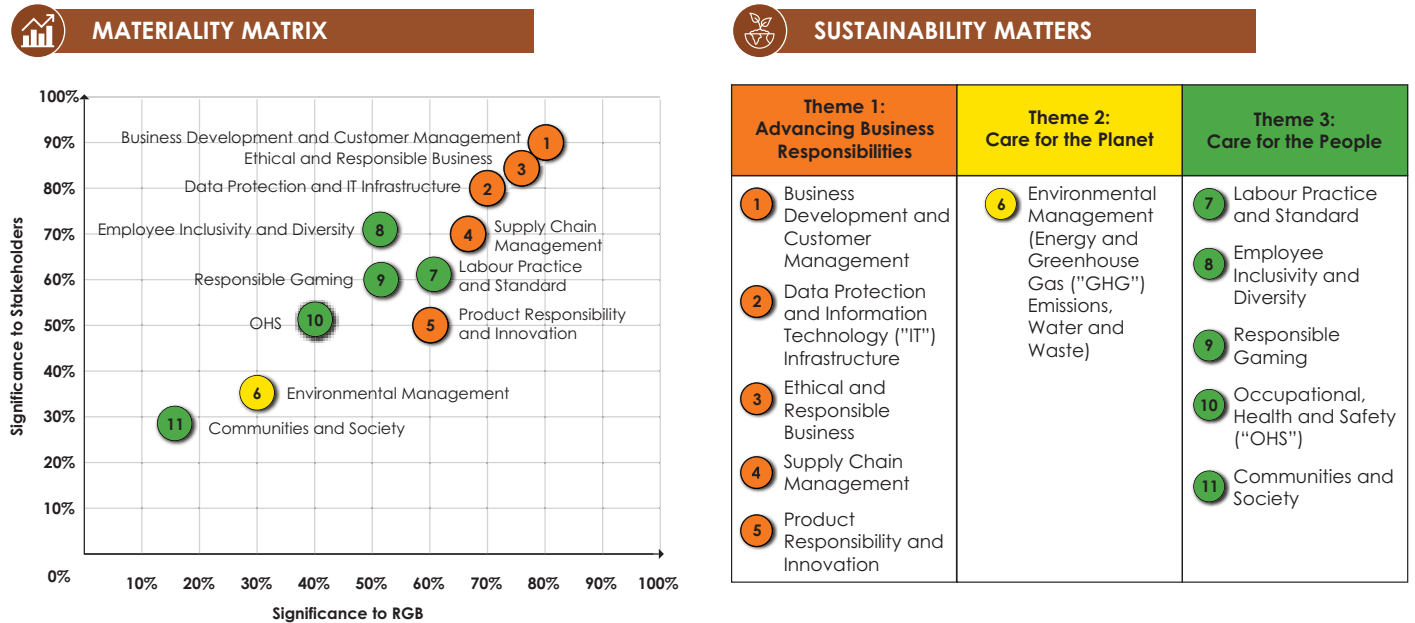
We presented the outcome of our materiality assessment to the Senior Management, as well as the Board for deliberation and approval.



# SUSTAINABILITY STATEMENT

## Materiality Matrix

The materiality matrix below presents our revised material sustainability matters mapped correspondingly to the three sustainability themes of this report. Each sustainability matter reflects the interests and concerns of our stakeholder groups as well as its significance to our business operations.



Notes: For the list of sustainability matters in the graph, please refer to the "Sustainability Matters" beside

We have implemented several sustainability-related initiatives to mitigate the risks and, at the same time, seize the opportunities. The Statement further discusses the management approach for each of these matters, including our key activities and performance.

## Performance Scorecard

Sustainability Themes	Material Sustainability Matters	Targets	FY2023 Performance
Advancing Business Responsibilities	Business development and customer management	Achieve 4,000 units sales of EGM under SSM division	4,036 units of EGM sold under SSM division
	Data protection and IT infrastructure	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data
	Ethical and responsible business	Zero confirmed incidents of corruption	Zero confirmed incidents of corruption

# SUSTAINABILITY STATEMENT

Sustainability Themes	Material Sustainability Matters	Targets	FY2023 Performance
Advancing Business Responsibilities (cont'd)	Supply chain management	Increase the procurement of goods and services from local suppliers	1% of purchases are sourced locally. Low spending on local suppliers is mainly due to licensing and restrictions on gaming products, and our key suppliers are mainly operated overseas such as Macau, Australia, etc.
	Product responsibility and innovation	-	Regular visits to customers to understand their needs and concerns
Care for the Planet	Energy and GHG emissions management	Efficiently utilise energy and minimise emissions	In our first year of emissions reporting, we generated a total emissions (tCO <sub>2</sub> e) of 615.67
	Water management	Efficient use of water	Consumed 1,330 m <sup>3</sup> of water which is 25% lower than year 2022
	Waste management	Promote 3Rs in workplace (Reuse, Recycle and Recovery)	Recycled a total of 55.62 metric tons of waste
Care for the People	Labour practice and standard	Zero substantiated complaints concerning human rights violations	Zero substantiated complaints concerning human rights violations
	Employee inclusivity and diversity	Promote board diversity	3 members of the Board are represented by women
		Promote employee diversity	41.8% of our workforce is female
	Responsible gaming	Create a safer gambling environment	No player complaints reported during the year; and All employees attended seminars on responsible gaming
	OHS	Zero work-related fatalities and lost time incident rate	Zero work-related fatalities and lost time incident rate
Communities and society	Actively contribute to the well-being and sustainable development of the communities in which we operate	Contributed RM17,140 in total to the local community	

# SUSTAINABILITY STATEMENT

## Theme 1: Advancing Business Responsibilities

### BUSINESS DEVELOPMENT AND CUSTOMER MANAGEMENT



RGB continuously seeks ways to enhance existing businesses and explore new opportunities while improving its customer engagement and services. Thus, we remain vigilant in ensuring that our risk assessment framework and prevailing mechanisms are in place to manage and minimise the impact of potential threats.

#### BUSINESS DEVELOPMENT

We have dedicated committees and departments to assist with matters related to business development. Our Legal Compliance Department is responsible for drafting and vetting agreements, including legal documents. The review and evaluation of the feasibility and progress of investments and ventures are overseen by our CRRA Committee. They are governed by our internal Investment Policy.

Under our Investment Policy, all capital expenditures for new investments must be assessed and evaluated by the CRRA Committee before being circulated to the Executive Committee or the Board for approval. To improve the ROI and ensure a shorter payback period, close monitoring on investment performance and payback period is practiced, allowing for timely and appropriate actions if necessary.

We have implemented the following initiatives to minimise the risks that could impact our business arising from our business development activities.

#### 1 — Choosing the right business partner

Venture with credible and reputable customers/business partners with valid gaming and operation licences.

Conduct due diligence, background checks and screening procedures.

Ensure compliance with RGB's Anti-Bribery & Corruption Policy by our customers/business partners.

Maintain regular contact with business partners on the progress of performance.

Provide continuous support to our business partners through our regional offices where we operate.

#### 2 — Addressing risks and opportunities for new and potential business ventures or markets

Visit new investment sites with Board members and Senior Management.

Conduct feasibility and ROI study for all new ventures or capital acquisitions and present them to the CRRA Committee and the Board for deliberation.

#### 3 — Responding to social and political instability

Perform regular updates with relevant parties such as local authorities, government staff, as well as local business partners, regarding the political, social and economic stability and conditions of the countries.

Conduct regular research on subject matters related to the gaming supply industry to keep ourselves abreast of the latest developments and requirements.

In addition to the above, internal controls are put in place, including quarterly compliance audits by the CRRA Committee and weekly progress update sessions with our business partners.



# SUSTAINABILITY STATEMENT

## CUSTOMER MANAGEMENT

Our business is customer-centric with an aim to provide the best rendered services to our customers. We actively build positive relationships with our existing and new customers, aligning with their goals and expectations. In addition, we safeguard our customers' data privacy against any form of fraud by ensuring that our business transactions comply with the current and applicable policies of the Company.

The customer management at RGB is overseen by our Regional Heads and monitored by COO. Our initiatives related to customer management are backed by our internal commitment to quality services and customer satisfaction, ensuring the provision of best-rendered services to our customers. To meet the needs and requirements of our customers, our team is qualified and equipped with the latest technical knowledge and skills. We also take our customers' feedback and grievances seriously for continuous improvement and development. Our Regional Heads are designated to ensure all feedback and grievances are handled and resolved.

In addition, we also implement several key initiatives to better manage our customers, as listed below:



### Assignment of personnel at each outlet

Designated personnel at each outlet are responsible for managing and addressing issues or complaints received during our daily business operations. This ensures that all EGM operate effectively at all times.



### Regular meetings

We engage with our business partners on a weekly or monthly basis to facilitate discussions on EGM performance and to develop new and strategic business or marketing plans.



### Site visits

Depending on the market size and location, site visits are conducted to monitor business operations and maintain relationships with our customers and business partners.

During the year, our top management regularly visited our key customers in the Philippines, Cambodia, Laos, Vietnam and Malaysia.



### Trade show/Exposition

Annually, we participate in international and regional gaming trade show/exposition to engage with gaming customers and gather feedback on our gaming products.

During the year, we participated in the following trade show and exposition:

- i) Global Gaming Expo Asia ("G2E Asia") 2023 Special Edition: Singapore
- ii) Macau Gaming Show 2023

In addition, we hosted our flagship biennial 3-day event, *RGB Connect*, at Clark, the Philippines in October 2023. The event gathers 395 industry leaders and experts to network, exchange views and explore new frontiers that drive innovation and progress in the gaming supply industry.



# SUSTAINABILITY STATEMENT

## DATA PROTECTION AND IT INFRASTRUCTURE



Over the years, we witness how information and technology are permeating into our day-to-day business operation. We realise security breaches can take many forms and they are ever-changing. To safeguard our information and IT system from data breaches and cyberattacks, we continue enhancing our internal IT governance and infrastructure.

At RGB, our IT Department oversees the Group's IT infrastructure (including computer network, software, hardware inventory and telecommunication network) and any technology-related initiatives. Our data protection and IT maintenance conduct and practices are guided by our IT Standard Operating Procedure ("SOP").

The development of the IT SOP ensures that the controls and back-up procedures are in place for the recovery of data and information in the event of system failure, data loss or data corruption. The IT SOP is also structured to provide clear guidelines for RGB's employees and system users, quality technical services provided by the Group's IT Department and to assist in finding the appropriate resource required. Procedures to resolve any computer or network related problems, update applications, specific programme needs, and computer-related tools to accomplish their jobs are included in the IT SOP. Issues or matters related to network problems will be reported to management via channels such as messaging applications, email and face-to-face updates.

Below are the initiatives in place to ensure proper management of data protection and IT infrastructure.

- 1 — Firewall installation**  
 Equip with an enhanced intrusion prevention system to provide IT Department with additional capabilities for exercising proper access control over the internet content.

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- 2 — Review and monitor the implementation of IT infrastructure**  
 Monitor the updates of end-user computers to protect against malicious software and viruses.  
  
 Constant review of internal policies and procedures for enhancement and updates of the current best practices and market trends.  
  
 Monitor and track installed software and its corresponding licenses for integrity and legal purposes.  
  
 Ensure the usage of the Company's IT resources is in line with the business objectives.

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- 3 — User access control**  
 Regulate access to sensitive data on servers and key applications, including Enterprise Resource Planning ("ERP").

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- 4 — IT training programme**  
 Promote awareness and ensure compliance with IT-related policies.  
  
 Educate employees on Acceptable Use Policy and IT best practices.

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- 5 — Confidentiality disclosure**  
 Ensure inclusion of confidentiality clauses and the non-disclosure terms in the Letter of Employment.

In addition to the initiatives, we also conducted an audit on our IT security system on an annual basis to ensure the existing practices comply with the internal policies and procedures.

For the year under review, we are pleased to report that there were zero substantiated complaints concerning breaches in customer privacy and data loss.

	FY2021	FY2022	FY2023
Number of substantiated complaints concerning breaches of customer privacy and data loss	-	-	-

# SUSTAINABILITY STATEMENT

## ETHICAL AND RESPONSIBLE BUSINESS



Given the increasing regulatory requirements to operate our business locally and across other operating countries, we are required to demonstrate compliance, accountability and transparency. Good corporate governance practices will foster confidence among our business partners, customers and investors. In this regard, we constantly ensure proper regulatory oversight and compliance with the laws and regulations within our different jurisdictions. Our Corporate, Regulatory and Legal Compliance Departments are responsible to manage compliance-related matters, including gaming licensing and regulatory compliance with the local authorities and legislators of various countries where the Group operates.

In order to ensure that our operations are driven ethically and responsibly, we have developed policies to guide our actions. These include:

### 1 Anti-Bribery & Corruption Policy

This policy stipulates the Group's commitment towards zero tolerance in any kind of bribery activity and to ensure compliance and adoption of:

- (i) United States ("US") Foreign Corrupt Practices Act ("FCPA") 1977;
- (ii) The United Kingdom ("UK") Bribery Act 2010; and
- (iii) Malaysian Anti-Corruption Commission ("MACC") Act 2009.

During the year, we conducted 100% corruption risk assessments on all our operations, i.e., SSM, TSM and Engineering Services and we are pleased to report zero incidents of corruption cases across our business operations.

	FY2021	FY2022	FY2023
Operations assessed for corruption related risks	100%	100%	100%
Confirmed incident of corruption	-	-	-

### 2 Whistleblowing Policy

The policy is to encourage our employees to report any form of misconduct. Any cases of misconduct, unethical or illegal behavior shall be reported in accordance with our Whistleblowing Policy.

Under the policy, a whistleblower shall report cases of misconduct to the Chairman of the Board and/or the Chairman of the Audit Committee in writing and submit via post or email. The whistleblower will be notified on the outcome of the investigations and remain protected under Malaysian Whistleblower Protection Act 2010.

### 3 Code of Ethics & Conduct

The Code of Ethics & Conduct sets out basic principles to guide RGB's directors and employees to display the high levels of professionalism in all aspects of their work.

Currently, all our new employees are briefed with the above policies during the orientation. In addition, to ensure that our employees are well equipped with the provisions within our Code of Ethics & Conduct, Whistleblowing Policy as well as Anti-Bribery & Corruption Policy, we also conducted awareness training for both new and existing employees starting from FY2023.

The table below summarises the anti-bribery and corruption training provided to our employees from FY2021 to FY2023:

	FY2021	FY2022	FY2023
Executive	100%	-	42.31%
Non-Executive	100%	-	0.83%
Manager and above	100%	-	56.18%



# SUSTAINABILITY STATEMENT

In addition to reviewing and training on internal company policies, we have also extended our initiatives to ensure competence in our ethical approach, reflecting current trends and regulatory needs.

## 4 Fraud monitoring system

- Install closed-circuit television ("CCTV") in outlets managed by RGB for optimal surveillance.
- Set-up casino management system to monitor gaming operation and data collection process.

## 5 Internal controls

- Conduct cash counts, fixed asset sightings and control checks at various locations.
- Monitor revenue remittances from business partners.
- Ensure proper SOPs are in place (i.e., roles and responsibilities, limit of authorities and controls) for financial matters.

## 6 Declaration

Ensure new employees (during induction session) and business partners (during supplier registration) sign a declaration to uphold the core values of RGB and commit not to engage in any corrupt or unethical practices.

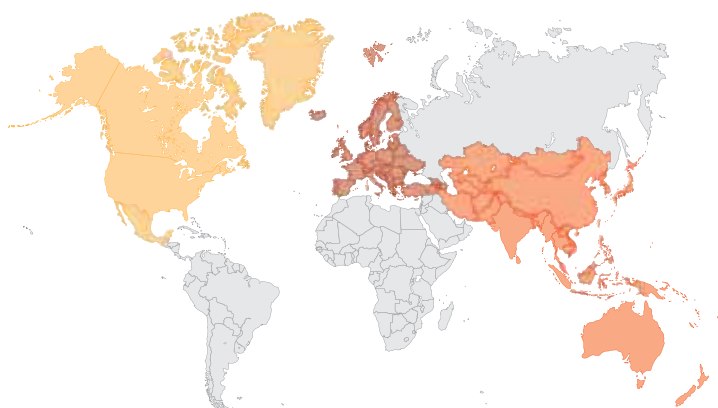
We continue to monitor closely incidents/cases related to non-compliance and we strive to achieve zero cases. In FY2023, we did not record any instances of non-compliance or breach of ethical issues.

## SUPPLY CHAIN MANAGEMENT



Supply chain management plays an integral part in our business as it significantly impacts our customers' perception of our products and services. Presently, our Product Support & Purchasing Department and Logistic Department oversee supply chain management at RGB. They are monitored by our COO with supervision from the Senior Logistic Manager. On top of that, our distributorship management under our SSM business segment is directly overseen by the MD with the support from the COO.

Our supply chain is scattered across various regions sourcing different items which consist of the following:



- 1 North America**  
Supplying systems and parts
- 2 Europe**  
Supplying new EGM, parts and services
- 3 Asia Pacific**  
Supplying new EGM, parts and services.

# SUSTAINABILITY STATEMENT

We are operating in a highly regulated industry, requiring our suppliers to comply with our internal policies which include the provisions from US FCPA 1977, UK Bribery Act 2010 and MACC Act 2009. Other policies and procedures include:

## Supplier Code of Conduct

Outline the guidelines, values, rules, and responsibilities as well as the expected behaviours and practices of our suppliers within our business operations.

## Product Support & Purchasing Policy

Provide guidelines for the end-to-end procurement activities and emphasise the quality required with optimum prices for the acquisition of goods and services.

## Logistic Policies and Procedures

Ensure the delivery and logistic processes are conducted on time and the goods arrive at the exact location in good condition and at a reasonable cost.

To ensure that all our sourcing is obtained from accredited and reputable suppliers to positively contribute to the improvement of our value chain, we have taken the following initiatives to manage the supply chain.

### Supplier assessment (including screening and selection criteria)

- Ensure suppliers fulfil 3 major criteria governing our supplier assessment process as below:
  - 1) Compliance with the US FCPA 1977, UK Bribery Act 2010 and MACC Act 2009;
  - 2) Compliance with the International Gaming Standard; and
  - 3) Coverage of liability to deliver high-quality products.

### Preparation for the unforeseen circumstances

- Liaise with alternative suppliers in response to urgent requests for key spare parts/components from our customers.
- Keep buffer stocks for sudden customer requests.

### Utilisation of Microsoft Dynamics AX system

- Coordinate and monitor supply chain processes.

### Internal and external communication

- Conduct weekly meetings to track and monitor the progress and performance of the respective departments.
- Conduct regular dialogue sessions with the major suppliers.

### Endeavour for local sourcing

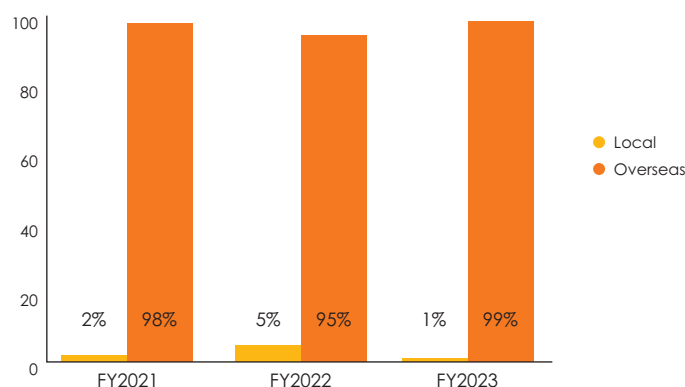
- Source items such as Uninterruptible Power Supply ("UPS"), Liquid Crystal Display ("LCD") monitors, network and cabling.
- Increase the volume of local sourcing in the future to minimise cost and reduce EGM downtime.

### Diversification of distributorship

- Broaden our distributorship among the global industry players to prevent dependence on a single or a small number of distributors.

The table below shows the percentage of local and overseas supplies for our key operating entities:

### PERCENTAGE OF LOCAL AND OVERSEAS SUPPLIES



The low spending on local suppliers is mainly due to licensing and restrictions on gaming products. Moreover, our key suppliers are mainly operating overseas such as Macau, Australia, etc.

# SUSTAINABILITY STATEMENT

## PRODUCT RESPONSIBILITY AND INNOVATION



Being one of the key players within the industry, we are required to maintain and improve the delivery quality of our products and services as well as updated in-house innovation in our own product design and development. Our Digital Business Department aims to create new values within our business models, customer experiences and the internal capabilities that support RGB's core operations with the use of technology. It oversees the development of gaming and casino related products which are suited to the ever-evolving market and to ensure that the in-house developed products comply with relevant and applicable jurisdictional technical standards' requirements.

At RGB, we endeavour to deliver the best quality of our product and services to our customers. Although there were no new products launched during the year, we continue to keep in touch with our customers and visit them regularly to understand their needs and concerns in order for us to offer latest product updates to our customers.

## Theme 2: Care for the Planet

## ENVIRONMENTAL MANAGEMENT



### ENERGY AND GHG EMISSIONS MANAGEMENT

We acknowledge that climate change is recognised as one of the global challenges, bringing both transition risks (policy, legal, technology, market and reputation risks) and physical risks (acute and chronic risks) to societies, organisations and ecosystems worldwide. Therefore, at RGB, we strive to ensure our operations are environmentally responsible and are in compliance with the applicable laws and regulations on environmental protection.

In response to growing concerns about climate change, we have implemented strategies for effective energy management. These initiatives include:

- Ensuring the last person leaving the respective floors turns off all electrical and office equipment.
- Installing energy-efficient bulbs and Light-Emitting Diodes ("LED") lighting.
- Setting timers for the use of air-conditioners according to operating hours.

RGB adopts calculation methodology based on the GHG protocol. All GHG emissions are converted to tCO<sub>2</sub>e based on the emissions factors obtained from the UK Department for Environment, Food and Rural Affairs ("Defra").

### Direct (Scope 1) GHG Emissions

	Unit	FY2023
Petrol consumption	Liter	63,008
Diesel consumption	Liter	19,910
Scope 1 GHG emissions	tCO <sub>2</sub> e	114.53

Notes:

- Scope 1 GHG emissions refer to emissions that come from the consumption of petrol and diesel for company vehicles which was calculated based on the actual usage of fuel quantities.
- This is the 1<sup>st</sup> year the Group started collecting data for scope 1 GHG emissions.

# SUSTAINABILITY STATEMENT

## Indirect (Scope 2) GHG Emissions

	Unit	FY2021	FY2022	FY2023
Electricity consumption	kWh	396,286	484,087	517,460
Scope 2 GHG emissions	tCO <sub>2</sub> e	300.39	366.93	392.23

### Notes:

- (i) Scope 2 GHG emissions refer to emissions that come from the consumption of electricity which was compiled based on the monthly utility bills.
- (ii) In FY2023, electricity consumption increased mainly due to higher operational activity during the year.

## Other Indirect (Scope 3) GHG Emissions

	Unit	FY2022	FY2023
Business travel	kWh	236,864	557,645
Scope 3 GHG emissions	tCO <sub>2</sub> e	49.87	108.91

### Notes:

- (i) Scope 3 GHG emissions that we compiled cover business travel only. The data was compiled based on the actual kilometers travelled.
- (ii) In FY2023, there was an increase in Scope 3 GHG emissions due to increase in business travelling as a result of increased business activities.

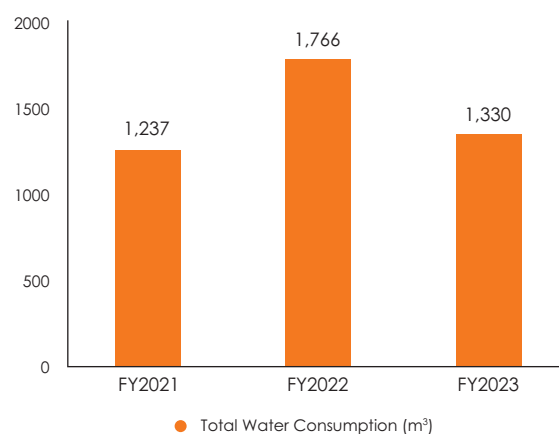
## WATER MANAGEMENT

We recognise the importance of effective and responsible water management. Access to clean and safe water is not just fundamental for human activities but also a basic human right and essential for life itself. At RGB, we have implemented several sustainable practices to conserve water, prevent water pollution and ensure the responsible use of this vital resource across our business operations.

We source our water from established water supply companies with well-developed water distribution infrastructure. All wastewater is directed to the sewage system for comprehensive treatment, ensuring responsible and sustainable water use throughout our operations and preventing water pollution.

We monitor our water consumption based on the monthly utility bills. The data below summaries the total water consumption for the Group for the past 3 years.

## Total water consumption (m<sup>3</sup>)



● Total Water Consumption (m<sup>3</sup>)

## WASTE MANAGEMENT

We recognise the importance of effective waste management in protecting the environment, reducing pollution and combating climate change. Proper waste management not only provides economy benefits to the company but also helps to preserve ecosystems and mitigate the impacts of climate change. Practices like recycling also help minimise methane emissions, which contribute to climate change.

At RGB, we have implemented and formalised the policy to embed good practices across the organisation. The policies include:

- 1) Waste Management Policy - Promotes the practice of waste recycling.
- 2) Policy on Prohibition of Single-Use Plastics - Governs the prohibition of single-use plastics within office operations.

Some of our initiatives for waste management include:

Reduce consumption of paper	Recycling programmes
<ul style="list-style-type: none"> <li>• Reduce paper documentation and opt for email communication and electronic archive.</li> <li>• Print on both sides of paper whenever possible to optimise paper usage.</li> </ul>	<ul style="list-style-type: none"> <li>• Recycle used and scrapped papers, boxes, old magazines, cartons and iron/steel.</li> <li>• Aim to minimise the use of plastics and enhance our recycling programmes.</li> </ul>

# SUSTAINABILITY STATEMENT

## End-of-Life Product

Backed by our Group's commitment to waste management, we ensure our unutilised EGM and single-use products are properly managed. These processes are closely monitored by our TSM and Engineering Services teams. They keep records of malfunctioned EGM, EGM that have undergone repair and maintenance and the performance of the EGM.

EGM with no market potential and obsolete will be considered to have reached their end-of-life. We will inspect the faulty or old EGM to decide if they should be refurbished or disposed. To prevent wastage and ensure cost optimisation, we will also analyse specific parts of the EGM that are to be disposed of for the possibility to reuse such as power supply, LCD, Printed Circuit Board ("PCB"), buttons and bill validators. The remaining parts or EGM that cannot be repurposed will be scrapped and the hazardous waste resulted from the scrapping of the obsolete EGM will be sent for disposal through a licensed third-party collector.

		FY2021	FY2022	FY2023
Total number of used EGM disposed	Unit	103	-	120
Total waste diverted from disposal	mt	23.59	14.07	55.62

## Theme 3: Care for the People

### LABOUR PRACTICE AND STANDARD



#### People attraction and retention

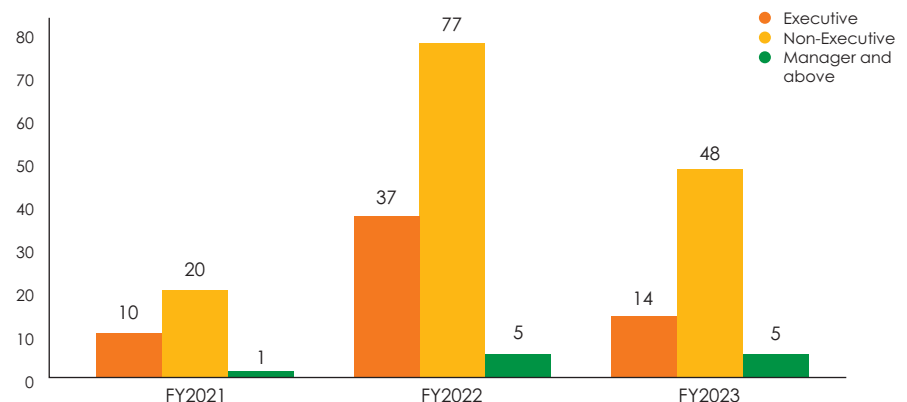
Employees are the lifeblood of our business in delivering success and achieving our business objectives. We are committed to ensemble talents who not only possess exceptional skillsets but also demonstrate positive attitudes and share our vision. Thus, we continually strive to attract and retain the right talent within the gaming supply industry by providing a working culture that promotes positive values and empowers our employees. Our initiatives in the areas of people attraction, retention and development are under the responsibility of RGB Human Resource Department, located at our headquarters/corporate offices in Malaysia, the Philippines and Cambodia.

To ensure the implementation of an effective recruitment process, our Human Resource Department is guided by the recruitment guidelines stipulated within the Human Resource Policies and Procedures. We continue to implement our referral programs, encouraging existing employees to recommend potential candidates and rewarding them for successful referrals. We have also extended our talent attraction initiative through participation in career fairs to reach out to potential talent.

Over the years, we continue to focus on creating opportunities for career advancement. Annually, our employees undergo evaluations to measure their performance, reward their achievements and identify areas for improvement. These evaluations are supported by our internal Performance Management System which provides a structured approach to the performance evaluation process.

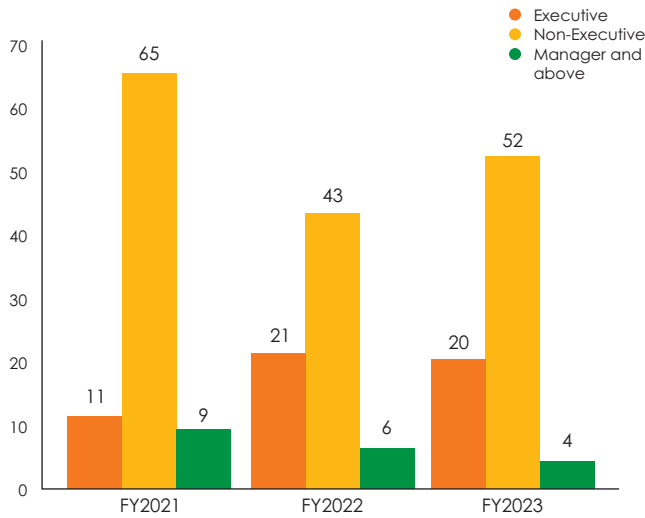
The table below shows the number of new recruits and employee turnover for each category:

**Total number of new recruits**



# SUSTAINABILITY STATEMENT

## Total number of employee turnover

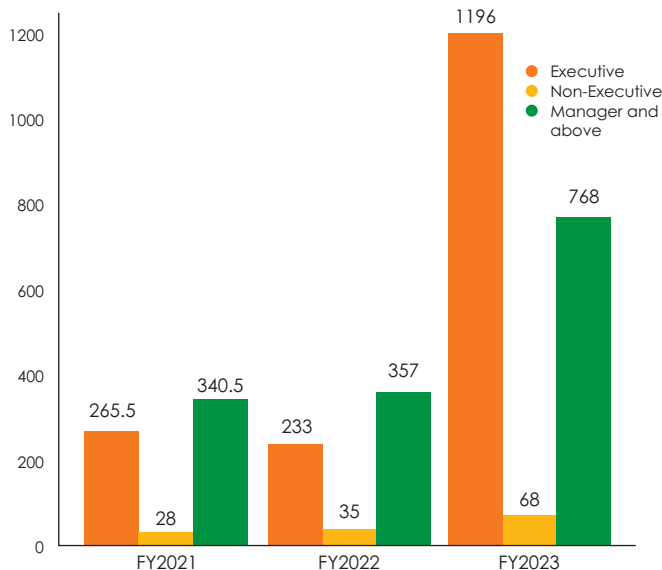


## Employee training

To further strengthen our talent workforce, training is provided to our employees across all levels to close the skills gaps and broaden their skills and knowledge on products and services within the gaming supply industry.

The table below shows the total hours of training for each category of employees:

## Total hours of training for each category of employees



## Employee benefits

In addition to providing training for our employees, RGB ensures that all employees are offered with a competitive salary and benefits package. We also provide allowances for travel, transportation and subsistence. Additionally, accommodation allowances are given to employees who work outside of the home country.

The table below lists the benefits offered to our employees:

Group Hospitalisation Surgery and Group Personnel Accident	Medical Claims
All employees are covered under our Group insurance.	Employees are entitled to annual medical claim ranging from RM600 to RM1,200, based on their length of service.
Paternity Leave	Maternity Leave
Male employees are entitled to paternity leave per child delivered according to the regulatory of the operating country.	Female employees are entitled to maternity leave according to the regulations of the operating country.

## Human rights

We are committed to protecting and respecting human rights across all our business operations. We adhere to all international standards, local laws and regulations applicable to the protection of human and labour rights. We recognise the importance of preventing all forms of human rights abuses, including harassment, discrimination, threats or inappropriate behaviour. Employees should be treated fairly without prejudice or discrimination. With that in mind, we have established complaint and grievance channels for employees to raise labour and human rights-related issues and concerns.

We encourage our employees to lodge any grievances in the workplace with Human Resource Department or their direct supervisor. Investigation will be carried out prior to execution of appropriate action.

For the year under review, the Group received zero substantiated complaints related to human rights violations.

	FY2021	FY2022	FY2023
Number of substantiated complaints concerning human rights violations	-	-	-

# SUSTAINABILITY STATEMENT

## EMPLOYEE INCLUSIVITY AND DIVERSITY



RGB embraces and ensures employee inclusivity and diversity within the Group. We strongly uphold our commitment in fostering fair practices across our recruitment and performance-based remuneration, as well as ensuring the rights of our employees are protected. Our initiatives in this regard fall under the purview of the Human Resource Department and are guided by our regularly reviewed and updated Employee Handbook. The handbook contains a compilation of policies, procedures, working requirements and behavioural expectations that guide employee actions in the workplace.

RGB has taken several key measures to better engage with its employees, fostering a high-performance work culture and gathering employee feedback, concerns and issues. This enables RGB to take appropriate mitigation measures to address the key issues faced by its workforce.

### 1 Open door discussion

The “open door” concept is adopted to encourage two-way communication between employees and their superiors, ensuring the sharing of ideas and suggestions to improve work processes and the working environment.

### 2 Sports club

Organising sports activities for employees to gather and interact, recognising that physical well-being is key for a productive and happy workforce.

### 3 Corporate Social Responsibility (“CSR”) events

Employees are encouraged to volunteer in CSR activities.

### 4 Orientation programme for new joiners

Our new joiners will be briefed by our Human Resource, IT, Administration and Finance Departments.

### 5 Exit interview

Exit Survey Form is to be filled by the employee, followed by an exit interview conducted by the Human Resource Department before the employee’s last working day.

### RGB employees' profile

The following are the snapshots of RGB employees' profile:

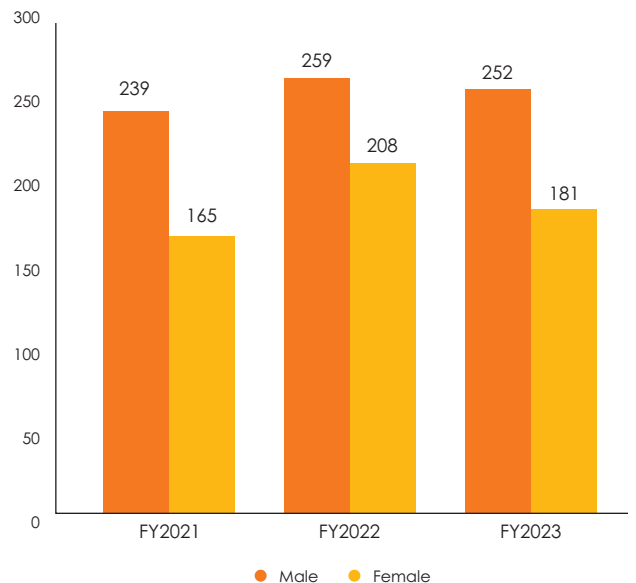
**Total Employees**

**FY2023:**

**433**

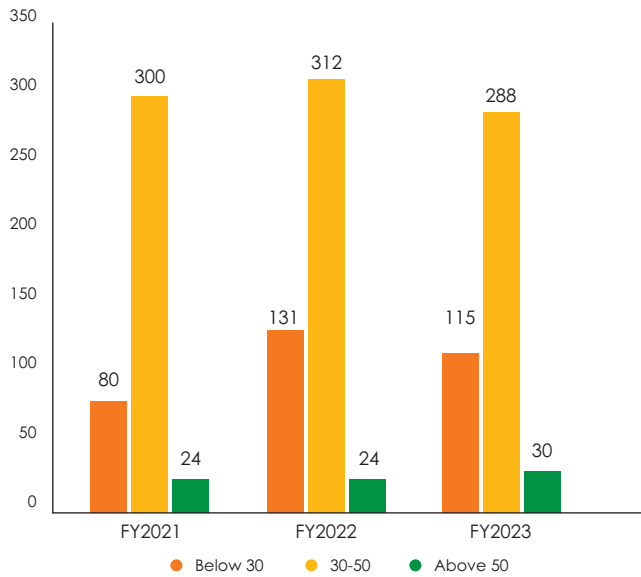
FY2022: 467  
FY2021: 404

### By Gender

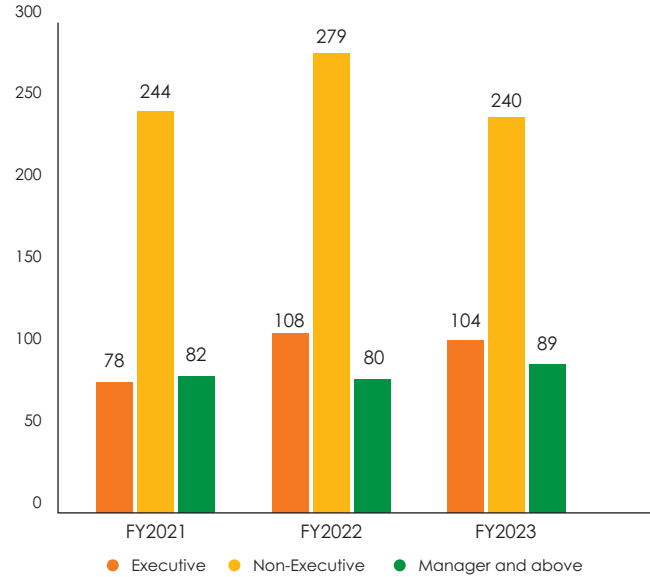


# SUSTAINABILITY STATEMENT

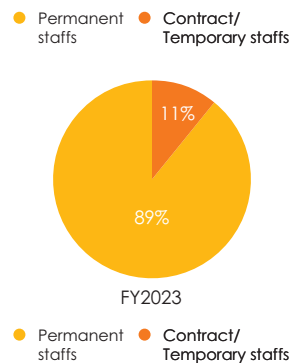
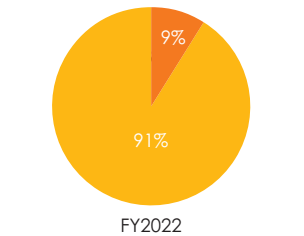
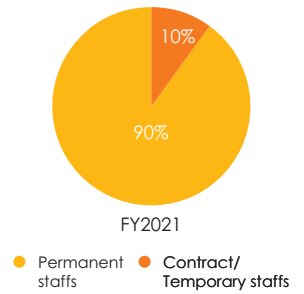
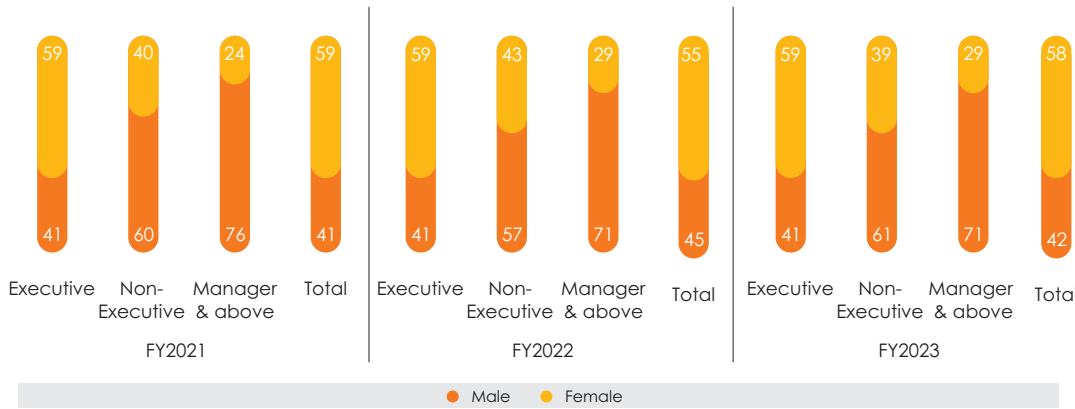
## By Age



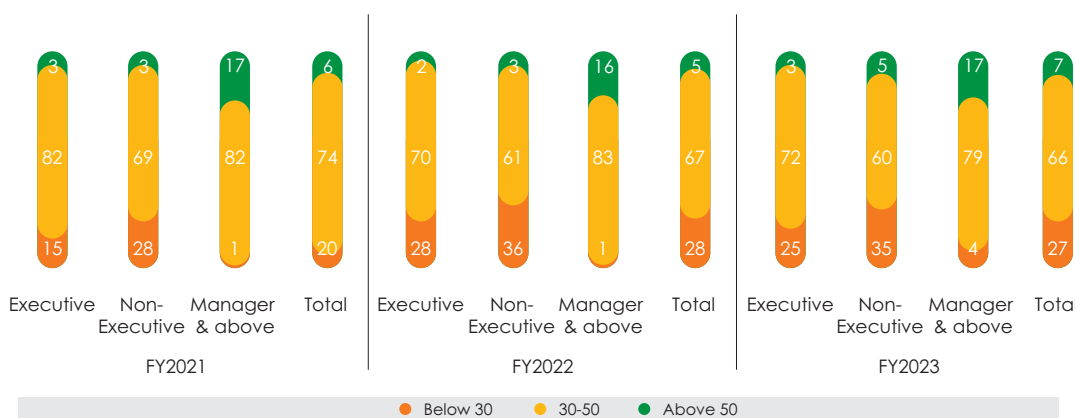
## By Employee Category



## By Gender



## By Age

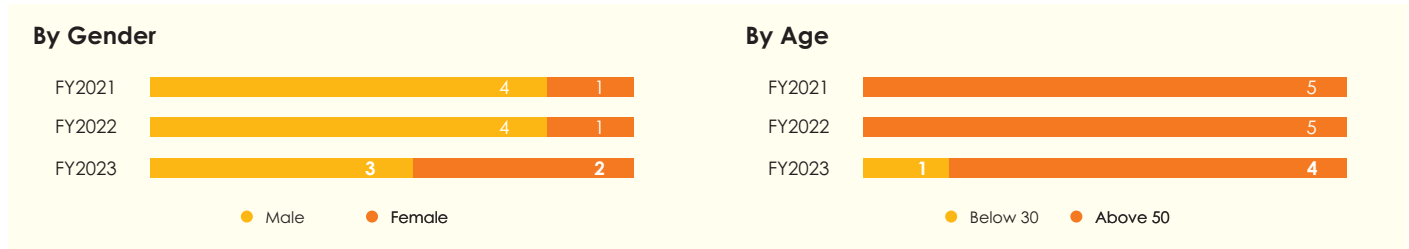




# SUSTAINABILITY STATEMENT

## RGB Directors' profile

The following are the snapshots of our Directors' profile:



## RESPONSIBLE GAMING



Responsible gaming is an initiative advocated by the gambling industry which applies to gambling stakeholders. Its goal is to ensure safe user experience and minimise incidents of problematic gambling. It is important for the gambling industry to protect vulnerable players, prevent underage gambling, secure information privacy, undertake safety measures against criminal activities and ensure ethical and responsible marketing.

At RGB, we are strongly committed to stimulating our customers' sense of responsibility in this entertainment and implementing measures to promote responsible gaming. This is in alignment with the initiative advocated by the gambling industry.

Presently, our TSM Department and Regional Heads are responsible for overseeing responsible gaming practices within our operators throughout Asia. We collaborate with our business partners to ensure the safety of the players complies with the respective countries' safety policies. As RGB places great importance on responsible gaming practices, we continuously adopt best practices and initiatives to protect our business and players, including, but not limited to, the following:

- 1 Compliance to Gaming Laboratories International ("GLI") Standards**
  - Ensure all gaming devices and systems are tested, reviewed, and reported according to the standards prescribed by the relevant gaming jurisdictions in the operating country.
  - Observe proper procedures for jackpot settings on machines before installation and operation.
- 2 Participation in seminars/conferences**
  - Participate in seminars/conferences conducted by relevant authorities to discuss current trends in the gaming industry, including issues related to responsible gaming and how casino operators manage problematic gaming.
  - Ensure all our employees attend annual seminar on responsible gaming, which is held in conjunction with relevant authorities.
- 3 Ban players in accordance with the approved agency guidelines**
  - Hand over players with gaming-related issues to the government body that deals with "responsible gambling" matters.
  - Prevent players on the banned list from patronising the casino by setting a suspension timeframe.
  - Provide professional counselling to problematic players.

# SUSTAINABILITY STATEMENT

## 4 Awareness of responsible gaming

Display the information on "Entry Requirements" via digital boards or posters at the entrances of all operating outlets.

Increase exposure and awareness regarding underage gambling and the prohibition of gambling by minors aged under 18.

For the year under review, we are pleased to report there were zero cases of players banned.

## OCCUPATIONAL SAFETY AND HEALTH



The provision of a healthy and safe working environment for our employees is a core principle of our business conduct at RGB. To uphold this responsibility, initiatives related to occupational safety and health practices are overseen by the Administration Department and guided by Health and Safety Procedures. These procedures elaborate on guidelines for risk assessments, effectiveness of workplace controls, emergency response plans as well as health and safe indoor environment.

As a demonstration of our commitment, our employees are covered under our OHS management system. Efforts to supervise safety risks and to build a healthy and safe operating environment at our sites include:

### 1 Maintenance services

Ensure regular maintenance services for the fire alarm system, hose reel system and fire extinguishers at the headquarter building and our technology centre/factory in Penang at least once every quarter.

Annual maintenance of fire extinguishers.

Conduct inspection of elevators at headquarter building according to the requirements instructed by the Department of Occupational Safety and Health ("DOSH").

### 2 Security management

Allocate security personnel on duty 24 hours a day at our headquarter building and technology centre/factory.

Monitor and record external visitors or staff entering the office premises after working/operating hours.

### 3 Safety at factory/warehouse

Ensure all employees are protected with safety shoes when carrying out their duties at our factory.

Ensure the first aid boxes are available at accessible locations within our office premises, factory and warehouses.

### 4 Healthy indoor environment

Conduct regular monthly cleaning services for air conditioners to ensure a healthy indoor environment for employees.

# SUSTAINABILITY STATEMENT

From year 2021 to year 2023, we are pleased to report zero cases of work-related accident, fatalities and injuries.

	FY2021	FY2022	FY2023
Work-related fatalities	-	-	-
Lost time incident injuries	-	-	-
Lost time incident rate	-	-	-

### Safety health and training

Safety and health training needs are reviewed and identified regularly. Employees undergo relevant planned trainings based on their needs. Depending on the requirements, training sessions are organised either in-house by the Safety and Health Officer or by attending public training conducted by external parties.

In addition, on-the-job training and mentoring will also be provided from time to time for new joiners on matters related to health and safety.

	FY2021	FY2022	FY2023
Number of employees trained on health and safety standards	21	2	20

### Natural Disaster

RGB is also aware of the impacts of unprecedented natural disasters in our operating countries in terms of business continuity and health and safety. We have relevant processes and internal controls in place to ensure business continuity. An Emergency Response team is established to monitor and manage the risks arising from natural disasters. In the event of any occurrence of natural disasters, our Regional Head is required to ensure the safety of employees and the company assets during evacuation, including reporting and providing updates to RGB headquarter in Penang, Malaysia.

We have developed an Emergency Protocol for all regions that are exposed to natural disasters. This protocol provides guidelines on the evacuation process, including the routes, within our premises in the event of a natural disaster. The guidelines are aligned with the evacuation plan set up by the building operator/owner.

We have also implemented additional measures as mitigation plans in case of natural disaster:

#### 1 Evacuation diagram

All properties are equipped with evacuation plans and layouts, and all employees are aware of and well briefed by the Emergency Response team.

#### 2 Emergency preparedness

High-runner EGM are placed at higher levels to prevent damage from floods, typhoons and earthquakes.

Staff are alerted on forecasts and warnings of impending disasters for early preparation.

Our employees and EGM are covered by group insurance to minimise potential losses in such eventualities.

#### 3 Automated back-up system

A back-up system is set up for every property.

Information and data are automatically backed up on a daily basis.

#### 4 Drills and trainings

Various trainings are conducted on an annual basis, including fire and earthquake drill as well as first aid and fire prevention training. We ensure at least a minimum of 2 drills are carried out for different types of natural disasters.

Trainings are carried out in the building, casino and outlets by the property's owner and RGB's control operations.

Regular trainings also are being conducted for employees who directly involved in the disaster handling procedures, including equipment handling and evacuation exercises.

In FY2023, we recorded zero fatalities and injuries, and we do not suffer from any financial loss from the occurrences.

# SUSTAINABILITY STATEMENT

## COMMUNITIES AND SOCIETY



As a responsible corporate citizen, we care for the development of the local communities where we operate. Our CSR Department leads and oversees the planning and implementation of the CSR initiatives and activities.

Presently, our activities and contributions are guided by our Sustainability Policy and CSR Policy. Our CSR commitments are represented by our "RGB Cares" programme which has been established over the decades. It signifies the Group's commitment to operate its business responsibly and be accountable for decisions that impact the shareholders, investors, employees, business partners and other stakeholders. We continue to contribute through donations in cash or other forms of assistance. We believe it is important for us to be socially and environmentally responsible, in addition to focusing on managing a profitable business and improving shareholders' value.

During the year, we participated in the annual charity bazaar held by Persatuan Hemodialisis Kinabalu, Sabah on 5 November 2023. In support for this fund-raising activity, RGB donated RM10,000, which is used to cover the dialysis centre's operation costs and to aid the patients on dialysis treatment fees.



In addition, RGB also donated to the following charity organisations during the year of 2023.

- PBP-Breast Cancer Foundation – RM3,140
- Penang Adventist Hospital – RM3,000
- Persatuan Perayaan Zhong Yuan – RM1,000

		FY2021	FY2022	FY2023
Total amount contributed to the community	RM	-	500	17,140

# SUSTAINABILITY STATEMENT

## Performance Data Table from Bursa Malaysia Securities Berhad's ("Bursa Securities") ESG Reporting Platform

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Manager and above	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	17,140.70
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	47
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Manager and above Under 30	Percentage	0.92
Manager and above Between 30-50	Percentage	16.17
Manager and above Above 50	Percentage	3.46
Executive Under 30	Percentage	6.01
Executive Between 30-50	Percentage	17.32
Executive Above 50	Percentage	0.69
Non-executive Under 30	Percentage	19.63
Non-executive Between 30-50	Percentage	33.03
Non-executive Above 50	Percentage	2.77
Gender Group by Employee Category		
Manager and above Male	Percentage	14.55
Manager and above Female	Percentage	6.00
Executive Male	Percentage	9.93
Executive Female	Percentage	14.09
Non-executive Male	Percentage	33.72
Non-executive Female	Percentage	21.71
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	60.00
Female	Percentage	40.00
Under 30	Percentage	20.00
Between 30-50	Percentage	0.00
Above 50	Percentage	80.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	517.46
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	20
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Manager and above	Hours	768
Executive	Hours	1,196
Non-executive	Hours	68
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	10.85
Bursa C6(c) Total number of employee turnover by employee category		
Manager and above	Number	4
Executive	Number	20
Non-executive	Number	52
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	1.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	1.330000



# KEY SUPPLIERS

FOR SSM PRODUCTS

**LIGHT &  
WONDER**™

**ARISTOCRAT** GAMING

**DR**  
GAMING TECHNOLOGY

**KONAMI**

**MODULUS**

**KL Saberi**

**SUZOHAPP**

**EVERI**

— POWERED BY —  
**DELL** Technologies

## INVESTOR RELATIONS

“ We at RGB continue to place importance on building strong relationships with our shareholders and the investing community by providing regular updates and remaining transparent. The Board is committed in the following guidelines set out in the established Investor Relations Policy, which can be found on the Company’s website (<http://www.rgbgames.com/home/investor-policy.html>).

”

### COMMUNICATION CHANNELS

We prioritise effective communication with all stakeholders by providing relevant, timely and accurate information. We disseminate the required information via annual reports, circulars, quarterly financial reports and corporate announcements through Bursa Securities’ website.

Additionally, we also actively respond to queries from the financial community, namely local and foreign analysts and fund managers, through one-on-one meetings, conference calls and electronic communications. We also engage the media through interviews or press releases, to inform the public of corporate and business developments.

While institutional shareholders, stock analysts, the media and financial communities may have regular contact with the management, the Company has taken special care to ensure that any material price-sensitive information is disseminated to all shareholders at the same time.

Lastly, we encourage and provide the opportunity for shareholders to share their opinions and concerns to the Board and senior management during the question-and-answer session at general meetings.

### ENHANCEMENT OF ACCESS VIA INTERNET

Besides the above channels, we also regularly provide updates through the Company’s website ([www.rgbgames.com](http://www.rgbgames.com)). The website provides relevant corporate information, such as annual reports, quarterly financial reports, as well as announcements and presentations given to shareholders, analysts and media.

Besides this, we also provide a communication channel through our website, and encourage shareholders and members of the financial community to direct queries through the site, or email us directly to our dedicated Investor Relations address ([ir@rgbgames.com](mailto:ir@rgbgames.com)).

We will also continue to make effort to increase the user-friendliness of our site, as well as improve the efficiency of communications between all stakeholders and us in order to achieve common understanding of our operations progress and outlook.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of RGB is committed to maintaining high standards of CG within the Group for long term sustainable business growth, protection and enhancement of shareholders value. The Group operates within a governance framework designed based on the guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance ("MCCG").

The Board further acknowledged that good CG is a fundamental part of its responsibility in managing the business and operations of the Group and discharging its accountability to the shareholders.

The Board is pleased to present this statement outlining an overview of the CG practices of the Company during the FY2023. This statement is prepared in compliance with Main Market Listing Requirements ("MMLR") of Bursa Securities and it is to be read together with the Company's CG Report 2023 ("CG Report") which is available on the Company's website (<http://www.rbggames.com/home/cg-report.html>). The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year under review.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### Roles of the Board

The Board collectively leads and is responsible for the success of the Group by providing entrepreneurial leadership and strategic direction as well as supervision of the management. It is also the ultimate decision-making body.

The Board is guided by the Board Charter which sets out the functions of the Board, Chairman, MD, Individual Director and Board Committees. The Board Charter also lists the matters reserved for the collective decision of the Board on the basis of any recommendation that may be made from time to time by the Board Committees and/or the management. The Board delegated specific responsibilities to its Committees to oversee the Group's affairs in accordance with their respective Terms of Reference ("TOR"). The MD and Board Committees remain accountable to the Board for the authority that is delegated.

The Board Charter is reviewed periodically to keep it updated with the changes in the Company's policies as well as the latest rules and regulations and is available on the Company's website (<http://www.rbggames.com/home/about-us.html>).

#### Formalised ethical standards

The Board has formalised a Code of Ethics & Conduct ("Code") and is available on the Company's website (<http://www.rbggames.com/home/about-us.html>). The Code emphasised the Company's commitment to ethical practices and compliance with the applicable laws and regulations. The Code governs the standards of ethics and good conduct expected from the Directors and employees of the Group. The Code covers a wide range of business practices and procedures and sets out the basic principles to guide the Group's Directors and employees. The Code will be reviewed when necessary to ensure it remains relevant and appropriate.

Moreover, the Company's Employee Handbook, which contains human resource policies, serves as a guide to ensure that the accepted code of ethical conduct and employee obligations and responsibilities under this handbook are practised by the employees.

The Board has also put in place the following policies to further inculcate ethical values and compliance culture within the Group:

- a) Anti-Bribery & Corruption Policy which sets out the standards the Company expects the directors, employees, agents, consultants, suppliers, vendors and any third-party intermediaries or representatives performing work or services for or on behalf of the Group to comply with in conducting business. This policy can be found on the Company's website (<http://www.rbggames.com/home/about-us.html>).



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

- b) Related Party Transactions Policy which sets forth the guidelines and procedures to ensure all transactions that involve related parties or conflict of interest are determined on a fair, reasonable and consistent basis.
- c) Conflict of Interest Policy, which was adopted by the Board on 29 February 2024, to ensure actual, potential and perceived conflict of interest are identified, addressed and managed effectively and to provide guidance on how to deal with conflict of interest or potential conflict of interest situations as when they arise.
- d) Whistleblowing Policy, which is available on the Company's website (<http://www.rbggames.com/home/about-us.html>), provides a platform for the employees and stakeholders of the Group to report any illegal/improper action and/or wrongdoing by the employees and/or the management of the Group.

## **Chairman and MD**

There is a clear and separate division of responsibility in the roles and duties of the Chairman and MD. The Chairman is responsible for instilling good CG practices, leadership and effectiveness of the Board whereas the MD is the officer involved in the day-to-day running of the affairs of the Company.

These 2 positions are held by 2 different individuals. The former Chairman of the Board, who retired on 26 May 2023, was an Independent Non-Executive Director and the MD is a Non-Independent Executive Director. The roles and responsibilities of the Chairman and MD are defined in the Board Charter. There is a clear division of responsibilities between the Chairman and MD to ensure balance of power and authority and greater capacity for independent decision-making. At present, the Company does not have a Chairman and is endeavouring to identify a suitable candidate to be appointed as the Chairman.

## **Board Committees**

As part of the Board's efforts to ensure the effective discharge of its duties, the Board has delegated certain of its functions to Board Committees. Each of the Board Committees operates within clearly defined TOR. The Chairman of the various Committees will report at the Board Meetings on the outcome of the Committee meetings.

The Board has established the following Committees to assist the Board in the execution of its duties:

### **a) Audit Committee**

The composition, TOR and summary of activities of the Audit Committee are set out separately under Audit Committee Report in this Annual Report.

### **b) Nomination & Remuneration Committee**

The main roles of the Nomination & Remuneration Committee, amongst others, are to ensure that the Board comprises Directors with appropriate skills, knowledge, expertise and experience as well as to ensure a proper balance of Executive Directors and Non-Executive Directors (including Independent Directors), and to review and recommend to the Board the policy framework and remuneration structure for Executive and Non-Executive Directors as well as senior management.

The TOR of the Nomination & Remuneration Committee provides that the Committee shall comprise exclusively of Non-Executive Directors with minimum 3 members in total, a majority of whom being independent. In the event of any vacancy in the Committee, the Board must fill the vacancy within 3 months and appoint such number of new members as may be required to make up the minimum of 3 members. The Nomination & Remuneration Committee's TOR can be found on the Company's website (<http://www.rbggames.com/home/about-us.html>).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year under review, the Nomination & Remuneration Committee met 3 times and deliberated on the following matters:

- i) The balance of Executive and Non-Executive Directors (including Independent Directors) with an aim to achieve a balance of views on the Board.
- ii) Contribution of each individual Director, the effectiveness of the Board as a whole and the Committees of the Board.
- iii) The character, experience, integrity and competence of the Directors, MD and personnel primarily responsible for the management of the Group's financial affairs ("Head of Finance") and to ensure they have the time to discharge their respective roles.
- iv) The required mix of skills and experience and other qualities, including core competencies of the members of the Board.
- v) The level of independence of Independent Directors.
- vi) The term of office and performance of the Audit Committee and its members.
- vii) Retirement and re-election of Directors at the forthcoming AGM.
- viii) Continuation in office of Independent Non-Executive Directors who have served the Board for a cumulative term of more than 9 years.
- ix) The character, experience, integrity, competence, time and commitment of the Directors of the Company's subsidiaries who are retiring by rotation and seeking for re-election at the forthcoming AGM of the respective subsidiaries.
- x) Revision of Directors' Fit and Proper Policy, Remuneration Policy and TOR of Nomination & Remuneration Committee.
- xi) Proposed remuneration package including benefits payable to the Executive Directors and key senior management team of the Company.
- xii) Proposed renewal of Directors and Officers Liability Insurance Policy.
- xiii) The candidate for appointment as Non-Independent Non-Executive Director.
- xiv) Proposed appointment of new Non-Independent Non-Executive Director to fill the seat on Audit Committee and Nomination & Remuneration Committee.
- xv) The candidates for appointment as Directors of the Company's newly incorporated subsidiary.

## **c) CRRA Committee**

The CRRA Committee is tasked, inter alia, to oversee the functions of the Credit Control and Risk Assessment Department and implement identified controls of the Enterprise Risk Management ("ERM") framework of the Group. The CRRA Committee's TOR is published on the Company's website (<http://www.rgbgames.com/home/about-us.html>).

Summary of activities of the CRRA Committee are elaborated in the Statement on Risk Management and Internal Control of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## d) Executive Committee

The Executive Committee is responsible for overseeing the management of the Group and receives regular management information including updates from each business area. The Executive Committee members shall be appointed by the Board amongst the Executive Directors and key senior management team.

The TOR of the Executive Committee is available on the Company's website (<http://www.rbggames.com/home/about-us.html>).

## Board Meetings

The Board meets at least 4 times a year, with additional meetings convened as necessary. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings for the FYE 31 December 2023, as set out in the table below.

Directors	Attendance
Dato' Seri Chuah Kim Seah	6/6
Datuk Steven Lim Tow Boon	6/6
Ms. Lam Voon Kean	6/6
Tan Sri Norazman Hamidun	5/6
Ms. Chuah Hui Jing ( <i>appointed on 24 August 2023</i> )	2/2
Dato' Seri Mahinder Singh Dulku ( <i>retired on 26 May 2023</i> )	2/2

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are sought via circular resolutions, which are attached with sufficient and relevant information required for an informed decision-making. Where potential conflicts arise in any transactions involving Director's interest, such Director is required to declare his interest and abstain from further discussion and decision-making process.

An annual corporate calendar, which provides the scheduled dates for meetings of the Board, Board Committees and AGM as well as various gaming expositions and trade shows, is prepared and circulated to the Directors prior to the beginning of every year to facilitate the Directors' time planning.

All the Directors are expected to devote sufficient time to carry out their responsibilities and shall not sit on the boards of more than 5 listed companies. The Directors are required to notify the Chairman of the Board before accepting any new directorships in listed companies, the notification of which shall include an indication of time that will be spent on the new appointments.

## Qualified and competent Company Secretaries

The Board is satisfied with the performance and support rendered by the Company Secretaries. The Company Secretaries are persons with professional qualifications and are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016.

The Company Secretaries are responsible for advising the Board on matters in relation to compliance with laws, regulations, guidance and procedures affecting the Directors as well as the principles of good CG practices. They attend and ensure that all Board and its Committees meetings are properly convened and that the decisions made and/or resolutions passed thereof are recorded in minutes of meeting and kept in the statutory register at the registered office of the Company. The roles and responsibilities of the Company Secretaries are set out in the Board Charter.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Access to information and advice

The Directors have full and timely access to information to enable them to discharge their duties.

Agenda and discussion papers are circulated at least 5 business days prior to the Board and Board Committee meetings to allow the Directors and Board Committee members to study and evaluate the matters to be discussed and subsequently make effective decisions. Procedures have been established concerning the content, presentation and timely delivery of papers for each Board and Board Committee meeting as well as for matters arising from such meetings. Actions on all matters arising from any meeting are reported at the subsequent meeting.

The Directors are regularly updated by the Company Secretaries on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

The Directors have unrestricted access to the advice and services of Company Secretaries and senior management staff within the Group and may obtain independent professional advice at the Company's expense in the furtherance of their duties. Individual Directors may also obtain independent professional or other advice in fulfilling their duties, subject to approval by the Board.

## Governance of Sustainability

The Board is principally responsible for the Group's sustainability strategies, priorities, targets and performance as set out in the Sustainability Policy which is available on the Company's website (<http://www.rbggames.com/home/about-us.html>). The Executive Committee assists the Board in overseeing the implementation of the Group's sustainability approach and ensuring that key targets are being met.

## II. BOARD COMPOSITION

### Composition of the Board and Board Balance

The Board is currently composed of 2 Executive Directors, 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director which complied with the MCCG and MMLR of Bursa Securities in respect of board composition.

As an effective and dynamic Board is essential towards enhancing long term shareholders value and interests, the Group maintains its current Board mix which has the necessary skills, expertise and experience in areas relevant to steering the growth of the Group's businesses.

The Executive Directors are tasked to implement Board decisions and policies whilst overseeing operations and coordinating business decisions. On the other hand, the Independent Non-Executive Directors are independent of management and provide effective and impartial judgement and informed opinions to the deliberations and decision-making of the Board thus fulfilling an essential and pivotal role in corporate accountability. Brief profile of each Board member is presented in this Annual Report under Profile of Directors.

The Board is supportive of gender diversity to comprise 30% woman directors as recommended by the MCCG and currently has 3 women Directors, representing 50% of the Board members.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Tenure of Independent Directors

The Board has implemented a 9-year policy for Independent Non-Executive Directors, in line with the MCCG. The Board may, in exceptional cases and subject to the assessment of the Nomination & Remuneration Committee on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of 9 years but not exceeding 12 years to remain as an Independent Director subject to shareholders' approval through a two-tier voting process at the Company's AGM.

The presence of Independent Non-Executive Directors is to ensure that issues of strategies, performance and resources proposed by the management are objectively evaluated, taking into consideration the long-term interests of shareholders, employees, customers, and other communities in which the Group conducts its business.

Ms. Lam Voon Kean and Tan Sri Norazman Hamidun, who served the Board as Independent Non-Executive Directors for a cumulative term of 9 years on 30 March 2023 and 31 March 2023 respectively, were retained as Independent Non-Executive Directors of the Company by the shareholders through a two-tier voting process at the 20<sup>th</sup> AGM of the Company held on 26 May 2023.

The Board has, at its meeting held on 29 February 2024, recommended for Ms. Lam and Tan Sri Norazman to continue to act as Independent Non-Executive Directors and is of the opinion that the independence of Ms. Lam and Tan Sri Norazman have not been compromised or impaired in any way after having noted the following justifications during the review and assessment of their independence:

- i) They fulfilled the criteria under the definition of Independent Director as stated in the MMLR of Bursa Securities, and thus, they would be able to function as a check and balance to the Executive team and bring an element of objectivity to the Board;
- ii) They have never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of MMLR of Bursa Securities;
- iii) Ms. Lam has extensive experience garnered from her professional experience in audit engagements as well as business advisory and solutions for public listed companies, private companies and branches of multinational companies while Tan Sri Norazman has vast experience in many sectors of business through his directorships in various companies, and therefore would be able to offer constructive comments and objective review of proposals. Throughout their tenure of service, they have acted in the best interest of the Company and have continued to exercise independent judgement and due care;
- iv) They have not developed, established or maintained any significant relationship, which would impair their independence as Independent Directors, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as Independent Non-Executive Directors, Chairman or member of the Board Committees; and
- v) They have devoted sufficient time and attention to their professional obligations for informed and balanced decision-making.

Ms. Lam and Tan Sri Norazman have offered themselves for re-election at the 21<sup>st</sup> AGM of the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **Appointment to the Board and Annual Assessment of Directors**

The Nomination & Remuneration Committee is responsible for making recommendation for any appointments to the Board by assessing the desirability of renewing existing directorships and utilising independent sources to identify suitably qualified candidates and does not solely relying on sources from existing Board members, management or major shareholders. The procedures for appointment of Directors are set out in the Board Charter.

Ms. Lung Sai Mei and Ms. Chuah Hui Jing were appointed to the Board as Independent Non-Executive Director and Non-Independent Non-Executive Director on 1 March 2024 and 24 August 2023 respectively. The Nomination & Remuneration Committee has assessed and is satisfied with Ms. Lung's and Ms. Chuah's character, integrity, professional background, skills, expertise, knowledge, working experience and time commitment in discharging their roles as Independent Non-Executive Director and Non-Independent Non-Executive Director respectively before making recommendations to the Board for consideration and approval. In conducting the assessment, the Nomination & Remuneration Committee was guided by the fit and proper criteria as stipulated in the Directors' Fit & Proper Policy.

In accordance with the Company's Constitution, all newly appointed Directors shall retire and be re-elected by the shareholders at the Company's AGM. An election of Directors takes place subsequent to their appointment each year where 1/3 of the Directors or if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire by rotation from office and shall be eligible for re-election at each AGM and that each Director shall retire from office at least once in every 3 years and shall be eligible for re-election.

The Nomination & Remuneration Committee conducts annual performance evaluation of each Director, the Board, Board Committees and Head of Finance based on self and peer assessment approach for continuous improvement. The Nomination & Remuneration Committee also conducts an assessment of the Directors of the Company's subsidiaries who are retiring by rotation and seeking for re-election at the forthcoming AGM of the respective subsidiaries. The character, integrity, experience, competence, time and commitment of each Director and Head of Finance are assessed as well as the skills and knowledge of each Director is analysed, inter alia, in the areas of strategy, entrepreneurship, legal and regulatory requirements, CG, risk management, internal controls, audit, accounting, financial reporting, taxation, human capital, sales and marketing, information technology, production and quality assurance. The effectiveness of the Board and its Committees is evaluated in terms of board mix, composition, quality of information, decision-making, boardroom activities and board's relationship with the management as well as board's performance in addressing material sustainability risks and opportunities. The effectiveness of the Audit Committee is further assessed in the aspects of its quality, skills and competencies as well as the conduct and administration of the Audit Committee meetings.

## **Annual Assessment of Independence**

The Nomination & Remuneration Committee had conducted, on annual basis, an evaluation of level of independence of all the Independent Non-Executive Directors of the Company on 29 February 2024 and the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interest of the Company.

## **Directors' Training**

The Directors are aware of the need for continuous update of their skills and knowledge to maximise their effectiveness as Directors and assist them in discharging their duties.

The Board has delegated the assessment of skill gaps of the Directors and recommendation of appropriate training and development for the Directors to the Nomination & Remuneration Committee. The Board has, with the input from the Nomination & Remuneration Committee, satisfied that all the Directors have met their training needs.

During the year under review, they have attended, either collectively or individually, various programs and briefings to keep them updated on the latest regulatory changes as well as new developments in the gaming supply industry.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Seminars, development and training programmes attended by all the current Directors in 2023 were as follows:

Director	Programmes	Date
<b>Dato' Seri Chuah Kim Seah</b>	Amendments to Bursa Securities MMLR to Facilitate the Exchange's Operations on a Surprise Holiday	27 February 2023
	ASEAN Gaming Summit 2023	21 - 22 March 2023
	Practical MPERS Framework for Key Sections in Financial Reporting	18 May 2023
	G2E Asia 2023 Special Edition: Singapore	30 - 31 May 2023
	G2E Asia 2023	11 - 12 July 2023
	MIA Webinar Series: Audit Evidence and Sampling	7 August 2023
	Case Study-Based MFRS Webinar: Presenting and Disclosing Information in the General Purpose Financial Report	10 August 2023
	Amendments to Bursa Securities MMLR in relation to Conflict of Interest & Other Areas and Sustainability Training for Directors	24 August 2023
G2E Las Vegas 2023	11 - 12 October 2023	
<b>Datuk Steven Lim Tow Boon</b>	Amendments to Bursa Securities MMLR to Facilitate the Exchange's Operations on a Surprise Holiday	27 February 2023
	ASEAN Gaming Summit 2023	21 - 22 March 2023
	G2E Asia 2023 Special Edition: Singapore	30 - 31 May 2023
	G2E Asia 2023	11 - 12 July 2023
	SiGMA Asia Summit 2023	19 - 22 July 2023
	Amendments to Bursa Securities MMLR in relation to Conflict of Interest & Other Areas and Sustainability Training for Directors	24 August 2023
	Management of Cyber Risk	3 October 2023
	G2E Las Vegas 2023	10 - 12 October 2023

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Programmes	Date
<b>Ms. Lam Voon Kean</b>	Amendments to Bursa Securities MMLR to Facilitate the Exchange's Operations on a Surprise Holiday	27 February 2023
	TCFD 101 - Introduction to Climate-Related Financial Disclosures	2 March 2023
	TCFD 102 - Building Experience and Expertise on Climate-Related Financial Disclosures	3 March 2023
	BEPS Pillar Two: What is Your Next Step?	5 April 2023
	Sustainability Governance & Reporting	27 June 2023
	Asia Pacific Board Leadership Centre Webinar - 2023 Board and Audit Committee Priorities	6 July 2023
	ISSB-MASB Virtual Outreach - Request for Information: Consultation on Agenda Priorities	10 July 2023
	Introducing the First ISSB Standards	20 July 2023
	Amendments to Bursa Securities MMLR in relation to Conflict of Interest & Other Areas and Sustainability Training for Directors	24 August 2023
	The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting	4 September 2023
Audit Oversight Board Conversation with Audit Committee	27 November 2023	
<b>Tan Sri Norazman Hamidun</b>	Amendments to Bursa Securities MMLR in relation to Conflict of Interest & Other Areas and Sustainability Training for Directors	24 August 2023
<b>Ms. Chuah Hui Jing</b>	Mandatory Accreditation Programme Part I	22 - 23 November 2023

Ms. Lung Sai Mei, who was appointed to the Board of the Company on 1 March 2024, has attended the Mandatory Accreditation Programme Part I on 13 and 14 March 2024.

## II. REMUNERATION

### Remuneration of Directors and Senior Management

The level of remuneration of Executive Directors and senior management is linked to corporate and individual performance as well as their scope of work and responsibilities. The remuneration package of the Executive Directors and senior management includes basic salary, allowance, bonus and/or benefits-in-kind.

In the case of Non-Executive Directors, the level of remuneration would reflect the experience and level of responsibilities undertaken by Non-Executive Director concerned. The Non-Executive Directors' remuneration comprises annual fees and meeting allowance for each meeting they attended. Fees and meeting allowance are to be paid to Non-Executive Directors only with the approval of shareholders at AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Executive Director is neither entitled to the above Director's fee nor to receive any meeting allowance for attending Board or Board Committee meetings.

The Board has put in place a Remuneration Policy which sets out the determinants and structure of remuneration of Executive Directors, Non-Executive Directors and key senior management of the Company as well as the procedures to determine their remuneration. This policy is available on the Company's website (<http://www.rbggames.com/home/about-us.html>) and will be reviewed periodically to ensure it continues to remain relevant and appropriate.

## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **I. AUDIT COMMITTEE**

#### **Compliance with applicable financial reporting standards**

The Directors have taken reasonable steps to provide a balanced and understandable assessment of the Group's financial performance and future prospects. The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of the financial reporting.

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements for the FYE 31 December 2023, the Directors are satisfied that the Group had used appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgement and estimates.

#### **Assessment of suitability and independence of external auditors**

The Board has established a transparent relationship with the external auditors through the Audit Committee, which has been accorded with the power to communicate directly with the external auditors towards ensuring compliance with the accounting standards and other related regulatory requirements.

The role of the Audit Committee in relation to the external auditors is stated under the Audit Committee Report of this Annual Report.

The Audit Committee has assessed the independence of the current external auditors of the Company prior to recommendation to the Board for endorsement before seeking shareholders' approval for re-appointment at the 20<sup>th</sup> AGM held on 26 May 2023. The current external auditors, having been re-appointed by the shareholders annually at the AGM, were initially appointed on 25 May 2011. The external auditors have confirmed that they are, and have been, independent throughout the conduct of the audit engagement for the FYE 31 December 2023 in accordance with the terms of all relevant professional and regulatory requirements and have provided the declaration in their annual audit plan and audit findings report presented to the Audit Committee of the Company. The Audit Committee is satisfied with the external auditors' technical capability and audit independence.

The Board has established an External Auditors Assessment Policy which outlines the guidelines and procedures for the Audit Committee to assess and review the external auditors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

### Sound framework to manage risks

The Board, via Audit and CRRR Committees, undertakes overall responsibility for risk oversight and risk management. The Company has established and adopted the risk management policy to administer the Group's approach to risk management.

### Internal audit function

The Board recognises the importance of internal control systems whereby shareholders' investment and the Company's assets can be safeguarded.

Details of the Group's risk management and internal control are set out under Statement on Risk Management and Internal Control in this Annual Report.

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. COMMUNICATION WITH STAKEHOLDERS

#### Corporate Disclosure Policy

The Board acknowledges the importance of ensuring prompt dissemination of information to shareholders and regulatory bodies with the intention of giving as clear and complete information of the Group's position and financial performance as possible within the bounds of practicality and legal and regulatory framework governing release of material and price sensitive information. The Board will take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information to avoid an individual or selective disclosure.

In line with increased investor awareness for greater accountability and transparency, the Board has formalised a Corporate Disclosure Policy to enable comprehensive, timely and accurate disclosures on the Group to the regulators, shareholders and other stakeholders.

#### Leverage on information technology for effective dissemination of information

The Group recognises the importance of being accountable to its shareholders and investors and as such has maintained active communication and feedback policy with institutional investors, shareholders and public generally to explain the Group's strategy, performance and major developments.

Details of the Group's investor relations are illustrated under Investor Relations in this Annual Report.

### II. CONDUCTS OF GENERAL MEETINGS

#### Encourage shareholder participation at general meetings

The Company provides additional time for the shareholders to make necessary arrangement to attend the AGM of the Company, either in person or by proxy, by giving 28-day notice in line with good CG practice instead of the 21-day requirement under the Companies Act 2016 and MMLR of Bursa Securities.

The Company's Constitution provides that a member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than 2 proxies to attend and vote in his/her stead at the meeting, and that a proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than 1 proxy, he/she shall specify the proportion of his/her holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Effective communication and proactive engagement

The Company's general meetings remain the principal forum for dialogue and communication with shareholders, in particular individual/retail investors. Shareholders are encouraged to attend the general meetings and, given sufficient time and opportunity to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group, and communicate their expectations and possible concerns.

The 20<sup>th</sup> AGM of the Company held on 26 May 2023 at Bayview Hotel Georgetown Penang was attended by all the Directors and the Company Secretary. The Chairman of all the Board Committees, senior management and the Company's external auditors, BDO PLT, have also attended the AGM to answer questions raised and provide clarification as required by the shareholders. All resolutions proposed were approved by the shareholders at the AGM.

## Poll voting

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, voting at the 20<sup>th</sup> AGM of the Company was conducted by poll. Poll Administrator and Independent Scrutineer were appointed to perform the poll by way of electronic voting and validate the poll results respectively.

## COMPLIANCE WITH MCCG

The Board is of the opinion that for the FYE 31 December 2023, the Company has complied with the principles and practices as set out in the MCCG except for the following practices where the explanations for departure are disclosed in the CG Report:

- Practice 1.2 - A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.
- Practice 1.4 - The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.
- Practice 4.4 - Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
- Practice 5.6 - In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.
- Practice 5.10 - The board discloses in its annual report the company's policy on gender diversity for the board and senior management.
- Practice 8.2 - The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 13.3 - Listed companies should leverage technology to facilitate voting including voting in absentia; and remote shareholders' participation at general meetings.

The Board is satisfied that this statement provides the information necessary to enable the shareholders to evaluate how the MCCG has been applied and obligations are fulfilled under the MCCG and the Bursa Securities' MMLR throughout FY2023, save for the exceptions as disclosed above.

This statement is issued in accordance with a resolution of the Board dated 30 April 2024.

# AUDIT COMMITTEE REPORT

## MEMBERS

The members of the Audit Committee are as follows:

- |  |  |
|--|--|
| (i) Ms. Lam Voon Kean, <i>Chairman</i> | - Independent Non-Executive Director     |
| (ii) Tan Sri Norazman Hamidun          | - Independent Non-Executive Director     |
| (iii) Ms. Lung Sai Mei                 | - Independent Non-Executive Director     |
| (iv) Ms. Chuah Hui Jing                | - Non-Independent Non-Executive Director |

## COMPOSITION

The Audit Committee comprises 4 members, all of whom are Non-Executive Directors with a majority of them being Independent Directors, and this meets the requirements of paragraph 15.09(1)(b) of the MMLR of Bursa Securities.

In compliance with paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities, Ms. Lam Voon Kean who is a member of the MIA and MICPA, is the Chairman of the Audit Committee.

The Nomination & Remuneration Committee reviews annually the terms of office of the Audit Committee members and assesses the performance of the Audit Committee and its members through an annual Board Assessment and Evaluation and Audit Committee Evaluation. The Nomination & Remuneration Committee is satisfied that the Audit Committee and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of the Audit Committee which are available on the Company's website (<http://www.rgbgames.com/home/about-us.html>) thereby supporting the Board in ensuring appropriate CG standards within the Group.

## MEETINGS

The Audit Committee is to meet at least 4 times a year and as many times as the Audit Committee deems necessary with due notice of issues to be discussed sent to all members.

The Head of Finance and the representatives of the internal auditors shall be in attendance at meetings of the Audit Committee as and when required. The Audit Committee may invite the external auditors, other directors or members of the management and employees of the Group to be in attendance during meetings to assist in its deliberations.

At least twice a year, the Audit Committee shall meet with the external auditors, in the absence of the executive directors and the management staff, to discuss the audit findings and any other observations that they may have during the audit process. The external auditors may also request for a meeting if they consider it needful.

Minutes of each meeting are to be prepared to record its conclusions in discharging its duties and responsibilities and sent to the Audit Committee members, and the Company's Directors who are not members of the Audit Committee.

A total of 5 meetings were held during the FYE 31 December 2023. Details of the attendance of the members at the meetings are as follows:

Directors	Attendance
Ms. Lam Voon Kean	5/5
Tan Sri Norazman Hamidun	4/5
Ms. Chuah Hui Jing ( <i>appointed on 24 August 2023</i> )	1/1
Dato' Seri Mahinder Singh Dulku ( <i>retired on 26 May 2023</i> )	2/2



# AUDIT COMMITTEE REPORT

## SUMMARY OF ACTIVITIES

The main activities undertaken by the Audit Committee for the FYE 31 December 2023 were as follows:

### (1) Financial Reporting

- (a) Reviewed quarterly unaudited financial statements of the Group with Head of Finance and recommended them to the Board for approval.

The review is to ensure that the quarterly unaudited financial statements present a true and fair view of the Group's financial position and performance and are prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 of MMLR of Bursa Securities.

- (b) Reviewed audited financial statements of the Group for the FYE 31 December 2023 together with Head of Finance and external auditors to ensure it presented a true and fair view of the Group's financial position and performance for the year and complied with applicable approved accounting standards in Malaysia and other legal and regulatory requirements prior to recommending it to the Board for approval.

### (2) External Audit

- (a) Discussed key audit issues raised by external auditors from its annual audit for the FYE 31 December 2023 in its management letter including management's response to the findings and actions taken to resolve such issues.
- (b) Assessed the suitability of maintaining external auditors for the FYE 31 December 2023 vis-à-vis performance, independence, rotation of audit partners and non-audit services.

The Audit Committee, having been satisfied with the suitability of external auditors, recommended to the Board for approval of the re-appointment of BDO PLT as auditors of the Company for the FYE 31 December 2023 subject to shareholders' approval.

- (c) Discussed with external auditors on their audit plan for the FYE 31 December 2023 outlining their scope of work, audit timeline, areas of audit emphasis, audit materiality, updates on financial reporting, engagement team and proposed audit fees.

The Audit Committee accepted the audit plan presented by external auditors and recommended the proposed audit fees to the Board for approval.

- (d) Convened 2 meetings in 2023 with external auditors in the absence of executive directors and management staff in order to provide an opportunity to the external auditors to candidly express any concerns they may have.
- (e) Reviewed the External Auditors Assessment Policy.

### (3) Internal Audit

- (a) Reviewed and approved the risk based internal audit plan for the FYE 31 December 2023 to ensure adequate scope and coverage over the Group's activities based on identified risk areas.
- (b) Reviewed the internal audit reports which highlighted the audit issues, recommendations and management's responses. Discussed with management the corrective actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports. Reported the significant matters to the Board.

The internal auditors monitored the implementation of management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

- (c) Assessed the adequacy and suitability of the resource requirements and professionalism of internal auditors and the performance of internal audit function.

The Audit Committee, having been satisfied with the performance of internal auditors, decided to continue outsourcing internal audit function for the FYE 31 December 2023.

- (d) Conducted 2 meetings in 2023 with internal auditors without the presence of executive directors and management staff in order to provide the internal auditors an avenue to convey any concerns they may have.

# AUDIT COMMITTEE REPORT

## (4) Related Party Transactions

- (a) Reviewed the related party transactions and recurrent related party transactions of a revenue or trading nature on a quarterly basis, after the CRRA Committee has examined and satisfied that those transactions were carried out at arm's length basis, on normal commercial terms, not to the detriment of the minority shareholders and in accordance with the approved mandate.
- (b) Reviewed the circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature to ensure that the transactions are carried out on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders.

## (5) Others

- (a) Reviewed Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2023 of the Company prior to the submission to the Board for their consideration and approval.  
The review is, inter alia, to ensure compliance with the provisions of the Companies Act 2016, MMLR and other legal and regulatory requirements.
- (b) Reviewed the report presented by the CRRA Committee on every quarter pertaining to the approved new ROI.
- (c) Reviewed the proposed audit and non-audit fees for the FYE 31 December 2023 and recommended them to the Board for approval.
- (d) Reviewed the statement to shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company.
- (e) Reviewed the proposed amendments to the TOR of the Audit Committee.

## INTERNAL AUDIT FUNCTION

The Company has appointed an independent professional accounting firm to provide outsourced internal audit function for the Group in order to assist the Audit Committee in discharging its duties and responsibilities. The objectives of internal audit are to independently assess the system of internal control established by the management, the adequacy and integrity of such internal control system vis-à-vis the objectives served and to make appropriate recommendations thereof as well as determining the extent of adherence to these controls by staff responsible for the function.

During the financial year, the internal auditors have conducted audit reviews relating to TSM outlet, EGM and spare parts management for the Philippines region based on the internal audit plan which has been approved by the Audit Committee. Upon completion of the work, the internal auditors presented their findings and recommendations as well as the management's responses and action plans to the Audit Committee for its review and deliberation. The internal auditors also carried out follow up reviews to monitor the implementation of the management's action plans for reporting to the Audit Committee.

The costs incurred for the internal audit function of the Group for 2023 is RM70,070.

This report is made pursuant to a resolution of the Board dated 30 April 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of RGB is committed to maintain an internal control and risk management in the Group and is pleased to provide the following Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the risk management and internal controls of the Group in 2023.

For the purpose of disclosure, the Board has taken into consideration the enumerations encapsulated in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"), a publication endorsed by Bursa Securities pursuant to Paragraph 15.26(b) of the MMLR.

## BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of internal control and risk management practices, and for reviewing its adequacy and effectiveness to ensure shareholders' investment, interest and the Group's assets are safeguarded.

The system of internal control covers not only financial controls but operational and compliance controls and risk management procedures. In view of the limitations inherent in any system of risk management and internal controls, such system put into effect by the management is designed to manage rather than to eliminate risks that may impede the Group's achievement of the corporate objectives. Therefore, such system can only provide reasonable and not absolute assurance against material misstatement or loss, contingencies, fraud or irregularities.

The Board has in place an on-going process for identifying, evaluating and managing the significant risks encountered by the Group. The Board, through its Audit Committee, reviews the results of this process, including mitigating measures taken by the management via the CRRA Committee to address areas of key risks identified. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

The Audit Committee assists the Board in reviewing the adequacy and effectiveness of the system of risk management and internal controls in the Group and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board.

## RISK MANAGEMENT

The Board is guided by Practices 10.1 and 10.2 of the MCCG which calls for the establishment of an effective risk management and internal control framework to be implemented across the Group. The adopted ERM framework includes an on-going risk management process carried out by the CRRA Committee. Risks may be associated with internal or external factors including turnover of key personnel, changes in the economic and political environment, competition, introduction of new rules and regulations, technological advancement and other matters relevant to the Group. For each of the key risks identified, the respective divisional head or manager is responsible to continuously monitor the implementation of risk mitigation action plans and update to the Board via CRRA Committee.

Risk tolerance limits are set to align the risk appetite, with the consideration of likelihood of occurrence and severity of consequences, are subject to review periodically. Existing controls to mitigate and manage these risks are then re-assessed and strengthened.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The CRRA Committee also deliberates and reports to the Board, inter alia, on the following matters:

- i) Monitor trade collection and recommend appropriate actions to recover overdue debts, if any;
- ii) Evaluate and review special credit term offered to selected customers;
- iii) Review adequacy of provision for doubtful debts on trade receivables and any write-off of debts as required;
- iv) Monitor and ensure compliance of Expenditure Controls and Delegation of Authority Policy when granting credit term to customers;
- v) Review and evaluate the progress of all non-performing investments and ventures;
- vi) Review and evaluate feasibility of proposed capital expenditures prior to acquisition;
- vii) Review new business, leasing and TSM agreements; and
- viii) Implement identified controls of the ERM framework.

### INTERNAL AUDIT FUNCTION

During the FY2023, the internal audit function of the Group is outsourced to an independent professional firm, which assists both the Board and the Audit Committee by conducting independent assessment of the adequacy and effectiveness of the Group's internal control system. To ensure independence from management, the internal auditors report directly to the Audit Committee through the execution of internal audit work based on a risk-based internal audit plan approved by the Audit Committee before the commencement of work. The internal audit work is carried out based on the appointed firm's Internal Audit Methodology, which is closely aligned with the International Professional Practices Framework ("IPFF") of the Institute of Internal Auditors.

The internal audit report outlines the improvements opportunity from these audits together with the management's response and proposed action plans based on root cause analysis performed are presented to the Audit Committee for its review.

During the financial year under review, the following internal audit was carried out to assess the internal control systems:

Audited Areas	Reporting Month
TSM outlet management (Philippine region)	November 2022

In addition, the internal audit function also followed up on the implementation of recommendations from previous cycles of internal audit and updated the Audit Committee on the status of management-agreed action plan implementation.

The other key elements of the Group's internal control systems are described below:

#### (a) Limits of Authority and Responsibility

Documented limits of authority, responsibility and accountability have been established through the relevant charters and TOR, organisational structures and Expenditure Controls and Delegation of Authority Policy. These enhance the Group's ability to achieve its strategies and operational objectives. The divisional structure further enhances the ability of each division to focus on its assigned core or support functions within the Group.

#### (b) Written Policies and Procedures

A set of documented internal policies and procedures for each department is in place and is subject to regular review and update. This helps to ensure internal control principles and mechanisms are embedded in the operations of the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## (c) Planning, Monitoring and Reporting

- There is an established strategic planning and budgetary process, requiring all functional divisions to prepare the annual capital and operating expenditure budgets for discussion and approval by the Board;
- The Audit Committee reviews the Group's quarterly financial performance, together with the management, which is subsequently reported to the Board;
- Regular and comprehensive information are provided to the key management team, covering financial and operational performance and key business indicators to promote effective review and monitoring of performance and decision-making purposes; and
- The management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues.

## (d) Insurance

Insurance and physical safeguards over major assets are in place to ensure that the Group's assets are adequately covered against any calamity and mishap that may result in material losses to the Group.

## ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has received assurance from the MD and Vice President, Finance that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. Taking this assurance into consideration, the Board is of the view that the systems of risk management and internal control is adequate to meet the needs of the Group in addressing financial operational and compliance risks and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report. The Group continues to take measures to strengthen the internal control environment, monitor the health of the risk management and internal controls framework.

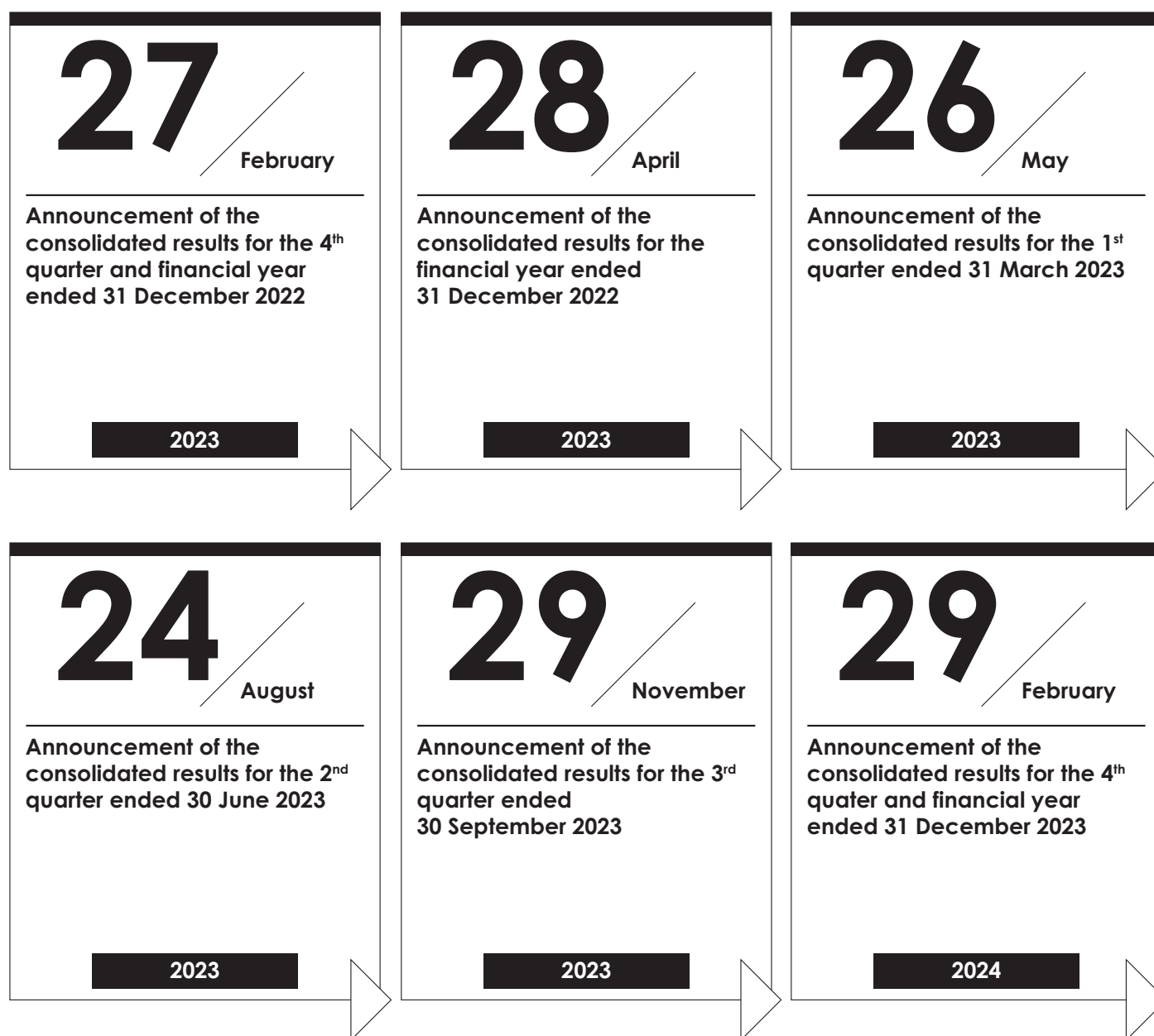
Pursuant to paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Company for the FYE 31 December 2023.

The review of this Statement by the external auditors was performed in accordance with the scope set out in the Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report, issued by the MIA.

The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines to be set out, nor is this Statement factually inaccurate.

This Statement is made in accordance with a resolution of the Board dated 30 April 2024.

# FINANCIAL CALENDAR







# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2023

# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are mainly sales and marketing, technical support and management, and engineering service of gaming and amusement machines and equipment. Further details of the subsidiaries are disclosed in Note 14 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## RESULTS

	Group RM	Company RM
Profit for the financial year	21,211,141	21,896,231
Attributable to:		
Owners of the parent	25,397,832	21,896,231
Non-controlling interests	(4,186,691)	-
	21,211,141	21,896,231

## TREASURY SHARES

The shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase its own shares at the Annual General Meeting held on 26 May 2023.

As at 31 December 2023, a total of 7,393,000 treasury shares at a total cost of RM1,198,144 are held by the Company. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Malaysia Securities Berhad.

The number of ordinary shares as at 31 December 2023 net of treasury shares is 1,540,852,697.

## DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM
In respect of financial year ended 31 December 2022:	
Final single-tier dividend of RM0.001 per ordinary share, paid on 14 July 2023	1,540,858
In respect of financial year ended 31 December 2023:	
Special single-tier interim dividend of RM0.006 per ordinary share, paid on 18 October 2023	9,245,114
First interim single-tier dividend of RM0.006 per ordinary share, paid on 16 January 2024	9,245,114
	18,490,228

# DIRECTORS' REPORT

## DIVIDENDS (continued)

On 29 February 2024, the Directors have declared a second interim single-tier dividend of RM0.008 per ordinary share in respect of the financial year ended 31 December 2023. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for as an appropriation of retained earnings for the financial year ending 31 December 2024.

No final dividend has been recommended by the Directors for the financial year ended 31 December 2023.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

## DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

### RGB International Bhd.

Dato' Seri Mahinder Singh Dulku	(Retired on 26 May 2023)
Dato' Seri Chuah Kim Seah	
Datuk Lim Tow Boon	
Lam Voon Kean	
Tan Sri Norazman Hamidun	
Lung Sai Mei	(Appointed on 1 March 2024)
Chuah Hui Jing	(Appointed on 24 August 2023)

### Subsidiaries of RGB International Bhd.

Dato' Seri Chuah Kim Seah	
Datuk Lim Tow Boon	
Mazlan Ismail	
Dato' Chuah Kim Chiew	
Chuah Eng Hwa	
Ganaser Kaliappen	
Chuo Ah Ngau	
Ung Chi Fong	
Andrew Lim Chong Thye	
Lim Chin Teong	
Liew Yung Kuan	(Appointed on 8 June 2023)
Wong Huey Ping	(Appointed on 8 June 2023)

# DIRECTORS' REPORT

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			31 December 2023
	1 January 2023	Acquired	Sold	
<b>Shares in the Company</b>				
<u>Direct interests:</u>				
Dato' Seri Chuah Kim Seah	456,257,473	5,300,000	-	461,557,473
Datuk Lim Tow Boon	7,089,142	-	-	7,089,142
Lam Voon Kean	3,428,571	-	-	3,428,571
Tan Sri Norazman Hamidun	4,548,571	-	(1,500,000)	3,048,571
<u>Indirect interests:</u>				
Dato' Seri Chuah Kim Seah	2,805,141	2,600,000	-	5,405,141

By virtue of Dato' Seri Chuah Kim Seah's substantial interest in the shares of the Company, he is deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# DIRECTORS' REPORT

## DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Fees	384,899	334,156
Short-term employee benefits	2,779,581	20,100
Defined contribution plans	181,101	-
	3,345,581	354,256

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected liability insurance of the Directors and officers during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. During the financial year, the total amount of indemnity coverage and insurance premium paid were RM10,000,000 and RM20,680 respectively.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the effects arising from:
- (i) impairment losses on trade receivables of the Group of RM37,138,270;
  - (ii) income from insurance compensation due to fire incident on 28 December 2022 of RM5,780,604; and
  - (iii) gain on disposal on investment in a subsidiary of the Company of RM2,106,826.

# DIRECTORS' REPORT

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
  - (i) which would render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

## AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have indicated that they are not seeking re-appointment.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2023 amounted to RM79,200 and RM543,655 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Dato' Seri Chuah Kim Seah**  
Director

**Datuk Lim Tow Boon**  
Director

Penang  
30 April 2024



## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 68 to 138 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Dato' Seri Chuah Kim Seah**  
Director

**Datuk Lim Tow Boon**  
Director

Penang  
30 April 2024

## STATUTORY DECLARATION

I, Liew Yung Kuan (CA 32366), being the officer primarily responsible for the financial management of RGB International Bhd., do solemnly and sincerely declare that the financial statements set out on pages 68 to 138 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed at George Town in  
the State of Penang on 30 April 2024

**Liew Yung Kuan**

Before me,

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RGB INTERNATIONAL BHD.

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of RGB International Bhd., which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 138.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Recoverability of trade receivables**

Gross trade receivables of the Group as at 31 December 2023 were RM152,298,275 as disclosed in Note 19 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward-looking information and estimated cash flows recoverable in worst-case scenarios to assess expected credit losses.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RGB INTERNATIONAL BHD.

## Key Audit Matters (continued)

### Recoverability of trade receivables (continued)

#### Audit response

Our audit procedures included the following:

- (a) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators set by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- (c) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (d) Evaluated the basis by management for determining cash flows recoverable in worst-case scenarios.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the separate financial statements of the Company.

## Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RGB INTERNATIONAL BHD.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RGB INTERNATIONAL BHD.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

## Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### **BDO PLT**

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Penang  
30 April 2024

### **Tan Chee Hean**

03661/04/2026 J  
Chartered Accountant

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	5	699,302,319	272,543,152	22,426,075	4,000,000
Cost of sales		(596,246,469)	(220,806,606)	-	-
<b>Gross profit</b>		103,055,850	51,736,546	22,426,075	4,000,000
Other income	6	11,812,159	2,837,492	380	15,515
Administrative expenses		(37,906,541)	(29,204,008)	(2,074,267)	(812,981)
Selling and marketing expenses		(5,795,762)	(6,039,657)	-	-
Other (expenses)/gains, net		(2,891,479)	(9,805,094)	1,819,749	(415,863)
Finance costs	7	(436,345)	(711,893)	(25,547)	(15,021)
Net losses on impairment of financial assets		(35,048,144)	(98,458)	(248,546)	(67,753)
<b>Profit before tax</b>		32,789,738	8,714,928	21,897,844	2,703,897
Tax expense	10	(11,578,597)	(4,893,161)	(1,613)	(58)
<b>Profit for the financial year</b>		21,211,141	3,821,767	21,896,231	2,703,839
<b>Other comprehensive 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 year		10,631,147	11,871,641	-	-
<b>Total comprehensive income for the financial year</b>		31,842,288	15,693,408	21,896,231	2,703,839
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent		25,397,832	4,661,293	21,896,231	2,703,839
Non-controlling interests	14(f)	(4,186,691)	(839,526)	-	-
		21,211,141	3,821,767	21,896,231	2,703,839
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		35,070,102	15,280,149	21,896,231	2,703,839
Non-controlling interests	14(f)	(3,227,814)	413,259	-	-
		31,842,288	15,693,408	21,896,231	2,703,839
<b>Earnings per ordinary share attributable to owners of the parent (sen):</b>					
Basic	11(a)	1.65	0.30		
Diluted	11(b)	1.65	0.30		

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	62,802,800	77,261,977	3,751	10,412
Investment properties	13	33,357,248	37,144,632	-	-
Investments in subsidiaries	14	-	-	160,657,736	173,647,244
Investments in associates	15	183,344	176,064	-	-
Right-of-use assets	16	4,788,455	3,819,828	185,218	216,088
Intangible assets	17	-	-	-	-
Trade receivables	19	2,569,061	56,666,927	-	-
Due from subsidiaries	22	-	-	51,351	233,313
Due from associates	23	2,861,738	3,531,262	-	-
		106,562,646	178,600,690	160,898,056	174,107,057
<b>Current assets</b>					
Inventories	18	7,990,342	6,651,520	-	-
Trade receivables	19	109,300,889	100,936,029	-	-
Other receivables	20	44,349,372	99,348,865	7,000	7,000
Lease receivables	21	-	1,527,621	-	-
Due from subsidiaries	22	-	-	23,656,019	100,000
Current tax assets		-	-	4,538	4,948
Other investments	25	19,010,352	2,000,000	-	-
Cash and bank balances	24	148,935,386	76,168,198	3,871,265	1,002,676
		329,586,341	286,632,233	27,538,822	1,114,624
<b>Total assets</b>		436,148,987	465,232,923	188,436,878	175,221,681
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	26	158,484,726	158,484,726	158,484,726	158,484,726
Treasury shares	27	(1,198,144)	(1,198,144)	(1,198,144)	(1,198,144)
Reserves	28	95,049,434	80,010,418	18,977,882	17,112,737
		252,336,016	237,297,000	176,264,464	174,399,319
Non-controlling interests	14(f)	18,283,333	21,511,147	-	-
<b>Total equity</b>		270,619,349	258,808,147	176,264,464	174,399,319

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease liabilities	16	2,093,697	1,540,550	183,365	214,219
Trade payables	30	755,421	981,915	-	-
Deferred tax liabilities	29	100,081	108,163	-	-
		2,949,199	2,630,628	183,365	214,219
<b>Current liabilities</b>					
Lease liabilities	16	1,388,084	1,053,146	30,854	29,158
Trade payables	30	70,647,369	73,227,024	-	-
Other payables	31	36,839,447	25,794,997	9,632,944	338,872
Contract liabilities	32	44,376,918	101,241,564	-	-
Due to a subsidiary	22	-	-	2,325,251	240,113
Due to associates	23	98,388	94,482	-	-
Current tax liabilities		9,230,233	2,382,935	-	-
		162,580,439	203,794,148	11,989,049	608,143
<b>Total liabilities</b>		165,529,638	206,424,776	12,172,414	822,362
<b>Total equity and liabilities</b>		436,148,987	465,232,923	188,436,878	175,221,681

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Share capital RM	Treasury shares RM	Foreign currency translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
At 1 January 2023		158,484,726	(1,198,144)	30,273,427	49,736,991	237,297,000	21,511,147	258,808,147
Profit/(Loss) for the financial year		-	-	-	25,397,832	25,397,832	(4,186,691)	21,211,141
Foreign currency translations		-	-	9,672,270	-	9,672,270	958,877	10,631,147
Total comprehensive income/(loss) for the financial year		-	-	9,672,270	25,397,832	35,070,102	(3,227,814)	31,842,288
<b>Transactions with owners:</b>								
Dividends	38	-	-	-	(20,031,086)	(20,031,086)	-	(20,031,086)
Total transactions with owners		-	-	-	(20,031,086)	(20,031,086)	-	(20,031,086)
At 31 December 2023		158,484,726	(1,198,144)	39,945,697	55,103,737	252,336,016	18,283,333	270,619,349
At 1 January 2022		158,484,726	(841,841)	19,654,571	45,075,698	222,373,154	21,097,888	243,471,042
Profit/(Loss) for the financial year		-	-	-	4,661,293	4,661,293	(839,526)	3,821,767
Foreign currency translations		-	-	10,618,856	-	10,618,856	1,252,785	11,871,641
Total comprehensive income for the financial year		-	-	10,618,856	4,661,293	15,280,149	413,259	15,693,408
<b>Transactions with owners:</b>								
Buy-back of own shares	27	-	(356,303)	-	-	(356,303)	-	(356,303)
Total transactions with owners		-	(356,303)	-	-	(356,303)	-	(356,303)
At 31 December 2022		158,484,726	(1,198,144)	30,273,427	49,736,991	237,297,000	21,511,147	258,808,147

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 January 2023		158,484,726	(1,198,144)	17,112,737	174,399,319
Profit for the financial year		-	-	21,896,231	21,896,231
Total comprehensive income for the financial year		-	-	21,896,231	21,896,231
<b>Transactions with owners:</b>					
Dividends	38	-	-	(20,031,086)	(20,031,086)
Total transactions with owners		-	-	(20,031,086)	(20,031,086)
At 31 December 2023		158,484,726	(1,198,144)	18,977,882	176,264,464
At 1 January 2022		158,484,726	(841,841)	14,408,898	172,051,783
Profit for the financial year		-	-	2,703,839	2,703,839
Total comprehensive income for the financial year		-	-	2,703,839	2,703,839
<b>Transactions with owners:</b>					
Buy-back of own shares	27	-	(356,303)	-	(356,303)
Total transactions with owners		-	(356,303)	-	(356,303)
At 31 December 2022		158,484,726	(1,198,144)	17,112,737	174,399,319

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash flows from operating activities</b>					
Profit before tax		32,789,738	8,714,928	21,897,844	2,703,897
Adjustments for:					
Dividend income from subsidiaries	5	-	-	(22,426,075)	(4,000,000)
Distribution income from other investments	6	(156,189)	-	-	-
Fair value gain on other investments	6	(66,614)	-	-	-
Interest income		(5,343,163)	(962,059)	-	-
Interest expense	7	15,707	362,430	12,842	14,444
Bad debts written off		682,239	-	-	-
Depreciation of					
- Investment properties	13	1,089,869	1,034,841	-	-
- Property, plant and equipment	12	50,813,384	49,249,958	6,658	9,071
- Right-of-use assets	16	1,227,736	1,005,467	30,870	30,869
Impairment losses on:					
- Intangible assets	17	-	870,512	-	-
- Trade receivables	19(h)	37,138,270	2,618,042	-	-
- Other receivables	20(d)	214,758	-	-	-
- Investments in subsidiaries	14(e)	-	-	1,013,623	-
- Due from associates	23(d)	829,583	-	-	-
- Due from subsidiaries	22(e)	-	-	248,546	67,753
- Investment property	13	4,288,316	-	-	-
Impairment losses reversal on:					
- Trade receivables	19(h)	(3,134,467)	(1,364,190)	-	-
- Other receivables	20(d)	-	(729,242)	-	-
- Due from associates	23(d)	-	(426,152)	-	-
Intangible assets written off	17	-	1,142,768	-	-
Gain on disposal of:					
- Investment in a subsidiary	14(c)(iii)	-	-	(2,106,826)	-
- Other investments		(46,569)	(26,995)	-	-
- Property, plant and equipment		(9)	(5,437)	-	-
Inventories written down	18(c)	676,658	35,965	-	-
Loss on lease modification of lease receivables	21(d)	891,252	958,100	-	-
Gain on lease termination	16(e)	(492)	-	-	-
Unrealised foreign exchange loss/(gain)		2,473,097	1,275,100	429,985	(318,949)
Property, plant and equipment written off		148,182	5,952,795	3	-
Operating profit/(loss) before changes in working capital		124,531,286	69,706,831	(892,530)	(1,492,915)

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash flows from operating activities (continued)</b>					
Operating profit/(loss) before changes in working capital		124,531,286	69,706,831	(892,530)	(1,492,915)
Changes in working capital:					
Inventories		(1,820,685)	(3,035,256)	-	-
Trade receivables		11,546,946	8,876,492	-	-
Other receivables		55,260,580	(83,671,008)	-	2,250
Lease receivables		650,535	2,299,049	-	-
Trade payables		(4,188,990)	(15,748,413)	-	-
Other payables		1,933,844	2,212,897	48,958	42,460
Contract liabilities		(59,366,699)	97,332,058	-	-
Cash generated from/(used in) operations		128,546,817	77,972,650	(843,572)	(1,448,205)
Interest paid		-	(280,668)	-	-
Tax paid		(4,756,784)	(3,085,990)	(1,203)	(879)
Tax refunded		17,403	3,765	-	3,765
Net cash from/(used in) operating activities		123,807,436	74,609,757	(844,775)	(1,445,319)
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	12	(34,087,589)	(13,471,675)	-	(5,551)
Purchase of investment properties	13	-	(470,892)	-	-
Acquisition of right-of-use assets	16(f)	(49,157)	(106,689)	-	-
Proceeds from disposal of property, plant and equipment	10	5,499	5,499	-	-
Changes in deposits pledged to licensed banks		(106,738)	90,728	-	-
Purchase of other investments		(26,287,549)	(5,500,000)	-	-
Proceeds from disposal of other investments		9,546,569	3,526,995	-	-
Proceeds from disposal of a subsidiary	14(c)(iii)	-	-	16,878,500	-
Subscription of ordinary shares in subsidiaries	14(c)	-	-	(2,795,789)	(50,000)
Advances to subsidiaries		-	-	(24,305,618)	(645,610)
Repayments from subsidiaries		-	-	300,136	3,834,296
Advances to associate		(160,059)	(204,998)	-	-
Dividends received		-	-	22,426,075	4,000,000
Interest received		5,342,113	845,760	-	-
Net cash (used in)/from investing activities		(45,802,400)	(15,285,272)	12,503,304	7,133,135



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash flows from financing activities</b>					
Repayments of term loans		-	(1,835,173)	-	-
Repayments of invoice financing		-	(2,800,993)	-	-
Proceeds from revolving credits		-	22,230,991	-	-
Repayments of revolving credits		-	(31,191,376)	-	-
Payments of lease liabilities	16	(1,333,384)	(1,073,401)	(42,000)	(42,000)
Dividends paid		(10,785,972)	-	(10,785,972)	-
Buy-back of own shares	27	-	(356,303)	-	(356,303)
Advances from a subsidiary		-	-	2,291,403	3,135,761
Repayments to a subsidiary		-	-	(253,371)	(7,831,379)
Net cash used in financing activities		(12,119,356)	(15,026,255)	(8,789,940)	(5,093,921)
Net increase in cash and cash equivalents		65,885,680	44,298,230	2,868,589	593,895
Effects of foreign exchange rate changes		6,774,770	(752,255)	-	-
Cash and cash equivalents at beginning of financial year		70,845,897	27,299,922	1,002,676	408,781
Cash and cash equivalents at end of financial year	24	143,506,347	70,845,897	3,871,265	1,002,676

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	← Group →			
	Invoice financing RM	Revolving credits RM	Term loans RM	Lease liabilities (Note 16) RM
At 1 January 2023	-	-	-	2,593,696
Cash flows	-	-	-	(1,333,384)
Non-cash flows:				
- Additions	-	-	-	2,568,945
- Effect of modification to lease payments	-	-	-	(500,889)
- Effect of lease termination	-	-	-	(32,755)
- Unwinding of interest	-	-	-	15,707
- Effect of foreign exchange	-	-	-	170,461
At 31 December 2023	-	-	-	3,481,781
At 1 January 2022	2,800,993	8,960,385	1,835,173	2,018,930
Cash flows	(2,800,993)	(8,960,385)	(1,835,173)	(1,073,401)
Non-cash flows:				
- Additions	-	-	-	1,630,726
- Effect of modification to lease payments	-	-	-	(79,800)
- Unwinding of interest	-	-	-	81,762
- Effect of foreign exchange	-	-	-	15,479
At 31 December 2022	-	-	-	2,593,696

	← Company →	
	Lease liabilities (Note 16) RM	Amount due to a subsidiary (Note 22) RM
At 1 January 2023	243,377	240,113
Cash flows	(42,000)	2,038,032
Non-cash flows:		
- Unwinding of interest	12,842	-
- Effect of foreign exchange	-	47,106
At 31 December 2023	214,219	2,325,251
At 1 January 2022	270,933	5,246,404
Cash flows	(42,000)	(4,695,618)
Non-cash flows:		
- Unwinding of interest	14,444	-
- Effect of foreign exchange	-	(310,673)
At 31 December 2022	243,377	240,113

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 1. CORPORATE INFORMATION

RGB International Bhd. ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Suite 18.05, MWE Plaza, No. 8, Lebuhraya Farquhar, 10200 George Town, Penang, Malaysia. The principal place of business of the Company is located at No. 8, Green Hall, 10200 George Town, Penang, Malaysia.

The consolidated financial statements for the financial year ended 31 December 2023 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 30 April 2024.

## 2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are mainly sales and marketing, technical support and management, and engineering service of gaming and amusement machines and equipment. Further details of the subsidiaries are disclosed in Note 14 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 68 to 138 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs adopted during the financial year are disclosed in Note 39.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services, and has four (4) reportable operating segments as follows:

- |                                       |   |
|---------------------------------------|---|
| (i) Sales and marketing               | Sales and marketing of gaming machines and systems and related products.        |
| (ii) Technical support and management | Technical support, maintenance and management of gaming machines and equipment. |
| (iii) Engineering services            | Engineering, maintenance and repairing charges.                                 |
| (iv) Others                           | Renting of property, manufacturing, research and development.                   |

Operating segments are defined as components of the Group that:

- (a) Engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) For which discrete financial information is available.

The Group evaluates performance on the basis of profit or loss from operations before tax not including unallocated expenses and non-recurring losses, such as goodwill impairment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities and unallocated liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. OPERATING SEGMENTS (continued)

	Sales and marketing RM	Technical support and management RM	Engineering services RM	Others RM	Total RM
<b>2023</b>					
<b>Revenue</b>					
Total revenue	589,763,345	105,648,360	2,374,492	1,856,922	699,643,119
Inter-segment sales	-	-	-	(340,800)	(340,800)
Revenue from external customers	589,763,345	105,648,360	2,374,492	1,516,122	699,302,319
<b>Results</b>					
Segment results	53,692,992	(12,771,592)	1,842,470	(7,536,257)	35,227,613
Finance costs	(2,548)	(51,115)	-	(12,562)	(66,225)
	53,690,444	(12,822,707)	1,842,470	(7,548,819)	35,161,388
Unallocated expenses					
- Unallocated finance costs					(370,120)
- Other unallocated expenses					(2,001,530)
Profit before tax					32,789,738
Tax expense					(11,578,597)
Profit for the financial year					21,211,141
<b>Assets</b>					
Segment assets	149,322,743	159,851,110	1,727,724	45,631,719	356,533,296
Investments in associates	-	-	-	183,344	183,344
Unallocated assets					79,432,347
Total assets					436,148,987
<b>Liabilities</b>					
Segment liabilities	116,591,138	28,355,937	100,320	905,024	145,952,419
Tax liabilities					9,330,314
Unallocated liabilities					10,246,905
Total liabilities					165,529,638

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. OPERATING SEGMENTS (continued)

	Sales and marketing RM	Technical support and management RM	Engineering services RM	Others RM	Total RM
<b>2023 (continued)</b>					
<b>Other information</b>					
Addition to non-current assets					
- Reportable segments	28,812	34,446,185	-	142,643	34,617,640
- Unallocated					2,088,051
					<u>36,705,691</u>
Interest income					
- Reportable segments	166,861	14,383	-	-	181,244
- Unallocated					5,160,869
					<u>5,342,113</u>
Depreciation and amortisation					
- Reportable segments	665,528	50,975,034	-	1,445,754	53,086,316
- Unallocated					44,673
					<u>53,130,989</u>
Other non-cash items					
- Reportable segments	19,666,153	16,957,297	-	4,281,037	40,904,487
- Unallocated					783,234
					<u>41,687,721</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. OPERATING SEGMENTS (continued)

	Sales and marketing RM	Technical support and management RM	Engineering services RM	Others RM	Total RM
<b>2022</b>					
<b>Revenue</b>					
Total revenue	172,589,084	96,743,999	2,048,399	1,449,670	272,831,152
Inter-segment sales	-	-	-	(288,000)	(288,000)
Revenue from external customers	172,589,084	96,743,999	2,048,399	1,161,670	272,543,152
<b>Results</b>					
Segment results	22,540,755	(6,129,994)	1,628,936	(3,004,386)	15,035,311
Finance costs	(134,009)	(230,936)	-	(12,220)	(377,165)
	22,406,746	(6,360,930)	1,628,936	(3,016,606)	14,658,146
Unallocated expenses					
- Unallocated finance costs					(334,728)
- Other unallocated expenses					(5,608,490)
Profit before tax					8,714,928
Tax expense					(4,893,161)
Profit for the financial year					3,821,767
<b>Assets</b>					
Segment assets	242,100,055	171,454,785	1,564,376	46,404,282	461,523,498
Investments in associates	-	-	-	176,064	176,064
Unallocated assets					3,533,361
Total assets					465,232,923
<b>Liabilities</b>					
Segment liabilities	172,459,192	27,367,302	70,194	843,925	200,740,613
Tax liabilities					2,491,098
Unallocated liabilities					3,193,065
Total liabilities					206,424,776

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. OPERATING SEGMENTS (continued)

	Sales and marketing RM	Technical support and management RM	Engineering services RM	Others RM	Total RM
<b>2022 (continued)</b>					
<b>Other information</b>					
Addition to non-current assets					
- Reportable segments	338,959	14,328,932	-	72,565	14,740,456
- Unallocated					939,526
					<u>15,679,982</u>
Interest income					
- Reportable segments	179,321	7,989	-	-	187,310
- Unallocated					658,450
					<u>845,760</u>
Depreciation and amortisation					
- Reportable segments	563,976	49,301,524	271	1,394,104	51,259,875
- Unallocated					30,391
					<u>51,290,266</u>
Other non-cash items					
- Reportable segments	1,687,464	5,968,629	-	1,159,603	8,815,696
- Unallocated					636,622
					<u>9,452,318</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. OPERATING SEGMENTS (continued)

### Geographical information

The manufacturing facilities, sales offices and concession outlets of the Group are mainly based in Malaysia, Cambodia, the Philippines, Vietnam, Laos and Macau.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers.

Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include tax assets and assets used primarily for corporate purposes.

	Revenues from external customers		Non-current assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	45,199,885	74,193,464	9,475,530	8,403,638
Southeast Asia (excluding Malaysia)	653,634,285	198,289,031	91,288,710	108,992,318
South Asia	-	-	172,294	603,627
Other countries	468,149	60,657	195,313	402,918
	699,302,319	272,543,152	101,131,847	118,402,501

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	Note	2023 RM	2022 RM
Property, plant and equipment	12	62,802,800	77,261,977
Investment properties	13	33,357,248	37,144,632
Investments in associates	15	183,344	176,064
Right-of-use assets	16	4,788,455	3,819,828
		101,131,847	118,402,501

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. OPERATING SEGMENTS (continued)

### Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group arose from sales and marketing segment:

	2023 RM	Group 2022 RM
Customer A	352,192,773	*
Customer B	*	52,569,367
	352,192,773	52,569,367

\* Customers with revenue less than ten percent (10%) are not disclosed.

## 5. REVENUE

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Revenue from contracts with customers:				
- Sales and marketing	589,763,345	172,589,084	-	-
- Technical support and management	105,647,310	96,627,700	-	-
- Engineering services	2,374,492	2,048,399	-	-
- Others	1,444,122	1,089,670	-	-
Other revenue:				
- Finance lease interest (Note 21 (d))	1,050	116,299	-	-
- Distribution income from subsidiaries	-	-	22,426,075	4,000,000
- Rental income	72,000	72,000	-	-
	699,302,319	272,543,152	22,426,075	4,000,000

	2023 RM	Group 2022 RM
Timing of revenue recognition:		
- Services transferred over time	126,296,755	107,603,736
- Products transferred at a point in time	572,932,514	164,751,117
	699,229,269	272,354,853

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. REVENUE (continued)

(a) Disaggregation of revenue from contract with customers has been presented in Note 4 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

(b) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are either made on the normal credit terms not exceeding twelve (12) months or the promised consideration and the cash selling price of the goods are not materially different.

(c) Services rendered

Revenue from services rendered is recognised at the point over time when services are rendered to the customers and coincides with the acceptance by customers.

There is no significant financing component in the revenue arising from services rendered as the services are made on the normal credit terms not exceeding twelve (12) months.

(d) Finance lease interest

Finance lease interest is recognised over the lease term based on effective interest method.

(e) Rental income from building

Rental income from building is recognised on a straight-line basis over the lease term of an ongoing lease.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

## 6. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income	5,342,113	845,760	-	-
Insurance compensation	5,780,604	-	-	-
Rental income from buildings	271,611	726,155	-	-
Distribution income from other investment	156,189	-	-	-
Fair value gain on other investment	66,614	-	-	-
Sundry income	195,028	1,265,577	380	15,515
	11,812,159	2,837,492	380	15,515

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 6. OTHER INCOME (continued)

### (a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

### (b) Rental income from buildings

Rental income from buildings is recognised on a straight-line basis over the lease term of an ongoing lease.

### (c) Insurance compensation

Insurance compensation was in relation to the fire incident which happened in the previous financial year as disclosed in Note 12(c) to the financial statements. It is recognised when its realisation is virtually certain.

## 7. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest on:				
- Bank overdrafts	-	211	-	-
- Lease liabilities (Note 16(e))	15,707	81,762	12,842	14,444
- Invoice financing	-	25,607	-	-
- Revolving credits	-	212,633	-	-
- Term loans	-	42,217	-	-
Total interest expense	15,707	362,430	12,842	14,444
Bank and other charges	420,638	349,463	12,705	577
	436,345	711,893	25,547	15,021

## 8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages, bonuses and allowances	12,403,631	10,107,135	167,218	151,573
Defined contribution plans	1,286,991	1,052,807	20,666	18,680
Other employee benefits	129,144	283,384	2,125	4,183
	13,819,766	11,443,326	190,009	174,436

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM2,986,425 (2022: RM2,617,431) and RM100 (2022: Nil) respectively as further disclosed in Note 9 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 9. DIRECTORS' AND AUDITORS' REMUNERATION

### Auditors' remuneration

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Statutory audit				
- BDO PLT	363,357	248,531	79,200	62,300
- Other auditors	259,498	159,561	-	-
	622,855	408,092	79,200	62,300
Non-audit related services				
- BDO PLT	4,600	4,600	4,600	4,600
	627,455	412,692	83,800	66,900

### Directors' remuneration

#### Directors of the Company:

##### Executive:

Emoluments other than fees	1,450,514	1,115,181	100	-
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##### Non-executive:

Fees	334,156	257,250	334,156	257,250
Other emoluments	20,000	28,000	20,000	28,000
	354,156	285,250	354,156	285,250

#### Directors of the Subsidiaries:

##### Executive:

Fees	45,743	13,063	-	-
Other emoluments	1,490,168	1,489,187	-	-
	1,535,911	1,502,250	-	-

##### Non-executive:

Fees	5,000	3,500	-	-
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Total Directors' remuneration	3,345,581	2,906,181	354,256	285,250
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#### Analysis:

Total Executive Directors' remuneration (Note 8)	2,986,425	2,617,431	100	-
Total Non-Executive Directors' remuneration	359,156	288,750	354,156	285,250
	3,345,581	2,906,181	354,256	285,250



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 9. DIRECTORS' AND AUDITORS' REMUNERATION (continued)

### Directors' remuneration (continued)

Remuneration paid and payable to the Directors of the Company for the financial year, analysed into bands of RM50,000 are as follows:

	Number of Directors	
	Executive	Non-Executive
RM1 - RM50,000	-	1
RM50,001 - RM100,000	-	1
RM100,001 - RM150,000	-	2
RM150,001 - RM200,000	1	-
RM200,001 - RM250,000	1	-
	2	4

## 10. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense based on profit for the financial year:				
Malaysian income tax	2,280,367	2,726,111	90	40
Foreign income tax	8,414,409	2,202,255	-	-
	10,694,776	4,928,366	90	40
Under/(Over)provision in prior years	891,903	(21,932)	1,523	18
	11,586,679	4,906,434	1,613	58
Deferred tax (Note 29):				
Relating to origination and reversal of temporary differences	(10,347)	(13,273)	-	-
Underprovision in prior years	2,265	-	-	-
	(8,082)	(13,273)	-	-
Tax expense	11,578,597	4,893,161	1,613	58

(a) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2022: 24%) of the estimated taxable profits for the fiscal year.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 10. TAX EXPENSE (continued)

- (b) The tax expense of two subsidiaries was tax at 0% for investment holding activities under Labuan Business Activity Tax Act 1990.
- (c) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (d) The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	7,869,537	2,091,583	5,255,483	648,935
Tax effects in respect of:				
Different tax rates in other countries	(7,137,406)	(1,688,643)	-	-
Non-taxable income	(2,036,839)	(1,957,155)	(5,887,896)	(960,000)
Non-allowable expenses	18,962,523	11,180,585	632,503	311,105
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(8,986,709)	(5,430,510)	-	-
Deferred tax asset not recognised in respect of current year's tax losses, unabsorbed capital allowances and other temporary differences	2,013,323	719,233	-	-
Under/(Over)provision of current tax expense in prior years	891,903	(21,932)	1,523	18
Underprovision of deferred tax expense in prior years	2,265	-	-	-
	11,578,597	4,893,161	1,613	58

- (e) Tax on each component of other comprehensive income is as follows:

	← Before tax RM	Group Tax effect RM	→ After tax RM
<b>2023</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	10,631,147	-	10,631,147
<b>2022</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	11,871,641	-	11,871,641

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. EARNINGS PER ORDINARY SHARE

### (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares.

	2023	Group 2022
Profit for the financial year attributable to owners of the parent (RM)	25,397,832	4,661,293
Weighted average number of ordinary shares in issue (unit)	1,540,853,000	1,543,039,000
Basic earnings per ordinary share (sen)	1.65	0.30

### (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares, adjusted for the effects of dilutive potential ordinary shares.

Diluted earnings per ordinary share for the financial years ended 31 December 2023 and 31 December 2022 equal basic earnings per ordinary share because there are no potentially dilutive instruments in existence as at 31 December 2023 and 31 December 2022 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Renovation RM	Electrical installation RM	Motor vehicles RM	Gaming machines RM	Plant, machinery, fittings and equipment RM	Furniture, fittings and office equipment RM	Total RM
<b>At 31 December 2023</b>									
<b>Cost</b>									
At 1 January 2023	1,610,000	4,730,000	6,735,052	79,138	2,628,336	551,671,074	854,637	25,867,744	594,175,981
Additions	-	1,700,000	161,880	-	499,246	30,754,668	8,366	963,429	34,087,589
Disposals/Written off/ Transfer to inventories	-	-	(49,935)	-	(492,708)	(42,034,516)	(10,330)	(6,723,364)	(49,310,853)
Exchange differences	-	-	172,365	-	69,084	23,141,481	-	655,462	24,038,392
At 31 December 2023	1,610,000	6,430,000	7,019,362	79,138	2,703,958	563,532,707	852,673	20,763,271	602,991,109
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2023	-	1,259,459	5,311,916	79,133	2,520,951	482,708,071	812,276	24,222,198	516,914,004
Depreciation charge for the financial year	-	111,319	808,089	-	117,149	48,906,793	15,222	854,812	50,813,284
Disposals/Written off/ Transfer to inventories	-	-	(49,917)	-	(492,708)	(41,696,072)	(10,324)	(6,718,854)	(48,967,875)
Exchange differences	-	-	150,630	-	60,390	20,611,429	-	606,347	21,428,796
At 31 December 2023	-	1,370,778	6,220,718	79,133	2,205,782	510,530,221	817,174	18,964,503	540,188,309
Analysed as:									
Accumulated depreciation	-	1,370,778	5,928,531	79,133	2,205,782	495,131,475	817,174	16,610,862	522,143,735
Accumulated impairment losses	-	-	292,187	-	-	15,398,746	-	2,353,641	18,044,574
At 31 December 2023	-	1,370,778	6,220,718	79,133	2,205,782	510,530,221	817,174	18,964,503	540,188,309
<b>Net carrying amount</b>									
At 31 December 2023	1,610,000	5,059,222	798,644	5	498,176	53,002,486	35,499	1,798,768	62,802,800

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land RM	Buildings RM	Renovation RM	Electrical installation RM	Motor vehicles RM	Gaming machines RM	Plant, machinery, fittings and equipment RM	Furniture, fittings and office equipment RM	Total RM
<b>At 31 December 2022</b>									
<b>Cost</b>									
At 1 January 2022	1,610,000	5,792,227	6,251,446	79,138	2,471,526	565,083,995	833,542	25,049,119	607,170,993
Additions	-	-	399,770	-	203,840	12,308,451	21,095	538,519	13,471,675
Disposals/Written off	-	-	(144,679)	-	(55,784)	(61,065,231)	-	(918,251)	(62,183,945)
Transfer to investment properties (Note 13)	-	(1,062,227)	-	-	-	-	-	-	(1,062,227)
Exchange differences	-	-	228,515	-	8,754	35,343,859	-	1,198,357	36,779,485
At 31 December 2022	1,610,000	4,730,000	6,735,052	79,138	2,628,336	551,671,074	854,637	25,867,744	594,175,981
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2022	-	1,510,715	4,304,373	79,133	2,426,138	461,013,957	798,211	23,202,910	493,335,437
Depreciation charge for the financial year	-	102,820	942,879	-	42,383	47,323,777	14,065	824,034	49,249,958
Disposals/Written off	-	-	(106,055)	-	(55,783)	(55,264,486)	-	(804,763)	(56,231,087)
Transfer to investment properties (Note 13)	-	(354,076)	-	-	-	-	-	-	(354,076)
Exchange differences	-	-	170,719	-	108,213	29,634,823	-	1,000,017	30,913,772
At 31 December 2022	-	1,259,459	5,311,916	79,133	2,520,951	482,708,071	812,276	24,222,198	516,914,004
Analysed as:									
Accumulated depreciation	-	1,259,459	5,031,331	79,133	2,520,951	461,688,824	812,276	19,615,131	491,007,105
Accumulated impairment losses	-	-	280,585	-	-	21,019,247	-	4,607,067	25,906,899
At 31 December 2022	-	1,259,459	5,311,916	79,133	2,520,951	482,708,071	812,276	24,222,198	516,914,004
<b>Net carrying amount</b>									
At 31 December 2022	1,610,000	3,470,541	1,423,136	5	107,385	68,963,003	42,361	1,645,546	77,261,977

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Furniture, fittings and office equipment RM
<b>At 31 December 2023</b>	
<b>Cost</b>	
At 1 January 2023	172,219
Written off	(15,277)
At 31 December 2023	156,942
<b>Accumulated depreciation</b>	
At 1 January 2023	161,807
Depreciation charge for the financial year	6,658
Written off	(15,274)
At 31 December 2023	153,191
<b>Net carrying amount</b>	
At 31 December 2023	3,751
<b>At 31 December 2022</b>	
<b>Cost</b>	
At 1 January 2022	166,668
Additions	5,551
At 31 December 2022	172,219
<b>Accumulated depreciation</b>	
At 1 January 2022	152,736
Depreciation charge for the financial year	9,071
At 31 December 2022	161,807
<b>Net carrying amount</b>	
At 31 December 2022	10,412

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation rates are as follows:

Buildings	2%
Renovation	20%
Electrical installation	20%
Motor vehicles	20%
Gaming machines	13% - 20%
Plant, machinery, fittings and equipment	20%
Furniture, fittings and office equipment	

Freehold land has unlimited useful life and is not depreciated.

- (c) Included in property, plant and equipment written off in previous financial year was an amount of RM5,887,760 in relation to a fire incident which happened at two (2) of the Group's technical support and management outlets in Cambodia on 28 December 2022. These property, plant and equipment were fully insured and the Group had a full recovery from the insurance compensation amounted to RM5,780,604 during the financial year as disclosed in Note 6 to the financial statements.
- (d) The net carrying amounts of property, plant and equipment which have been charged to licensed banks as security for the secured banking facilities of the Group are as follows:

	<b>2023</b>	<b>Group</b>	<b>2022</b>
	<b>RM</b>		<b>RM</b>
Freehold land	1,610,000		1,610,000
Buildings	3,367,722		3,470,541
	<b>4,977,722</b>		<b>5,080,541</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

- (e) A motor vehicle of the Group with a net carrying amount of RM4 (2022: RM4) is held in trust for a subsidiary in the name of a Director.
- (f) The Group leases partial of the building to a related party. The lease contains an initial non-cancellable period of one (1) year with option to renew for subsequent one (1) year. Subsequent renewals are negotiated with the lessee.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	2023 RM	Group 2022 RM
Less than one (1) year	72,000	72,000

Information about leases for which the Group is lessor is presented below:

Group	2023 RM	Building (subject to operating leases) 2022 RM
<b>Cost</b>		
At 1 January/31 December	2,990,000	2,990,000
<b>Accumulated depreciation</b>		
At 1 January	743,228	683,428
Depreciation charge for the financial year	59,800	59,800
At 31 December	803,028	743,228
<b>Net carrying amount</b>		
At 31 December	2,186,972	2,246,772

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 13. INVESTMENT PROPERTIES

	2023 RM	Group 2022 RM
<b>Buildings, at cost</b>		
At 1 January	50,877,786	44,641,493
Transfer from property, plant and equipment (Note 12)	-	1,062,227
Transfer from right-of-use assets (Note 16)	-	2,032,108
Additions	-	470,892
Exchange differences	2,056,284	2,671,066
At 31 December	52,934,070	50,877,786
<b>Accumulated depreciation and impairment losses</b>		
At 1 January	13,733,154	11,580,259
Transfer from property, plant and equipment (Note 12)	-	354,076
Transfer from right-of-use assets (Note 16)	-	87,268
Depreciation charge for the financial year	1,089,869	1,034,841
Impairment loss charge for the financial year	4,288,316	-
Exchange differences	465,483	676,710
At 31 December	19,576,822	13,733,154
Analysed as:		
Accumulated depreciation	14,807,704	13,183,580
Accumulated impairment losses	4,769,118	549,574
At 31 December	19,576,822	13,733,154
<b>Net carrying amount</b>		
At 31 December	33,357,248	37,144,632

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 13. INVESTMENT PROPERTIES (continued)

- (a) Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost of the investment properties to their residual value on a straight-line basis over their estimated useful life. The principal depreciation rates range from 2% to 3.03%.
- (c) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM271,611 (2022: RM726,155).
- (d) Direct operating expenses arising from the investment properties generating rental income during the financial year amounted to RM142,482 (2022: RM88,961).
- (e) The Group has entered into a non-cancellable lease agreement on its investment properties for terms of one (1) to two (2) years (2022: one (1) to two (2) years) and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	2023 RM	Group	2022 RM
Less than one (1) year	206,978		204,949
One (1) to two (2) years	-		85,501
	206,978		290,450

- (f) Total Level 3 fair value of the investment properties of the Group amounted to RM33,723,295 (2022: RM43,407,169).

There is no transfer between levels in the hierarchy during the financial years ended 31 December 2023 and 31 December 2022.

As at 31 December 2023, the fair value of the investment property amounted to RM30,631,595 is determined based on the valuation exercise carried out by the external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. It has been derived from depreciated replacement cost method, i.e. the cost of a modern equivalent asset was adjusted for the asset's physical condition and utility together with obsolescence and relative disabilities affecting the actual asset. The estimated fair value would be higher/lower if the adjustment is higher/lower.

# NOTES TO THE FINANCIAL STATEMENTS

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## 13. INVESTMENT PROPERTIES (continued)

(f) (continued)

As at 31 December 2022, the fair value of the investment property amounted to RM40,301,196 is determined based on the valuation exercise carried out by the external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. It has been derived from observable recent transacted prices of similar properties in the local market with adjustments made for differences in time element, location, frontage, shape, size, lot type, tenure and other relevant factors. The estimated fair value would be higher if the differential rate is lower and vice versa.

The fair value of the investment properties amounted to RM3,091,700 (2022: RM3,105,973) are determined based on Directors' estimation by reference to market evidence of transaction prices of similar properties in the vicinity and same category. The significant unobservable input into this valuation method is adjustment factors to prices of comparable properties. The estimated fair value would increase if the transaction prices were higher and vice versa.

- (g) Investment properties of the Group are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said property should the investment properties be disposed. Currently, management does not intend to dispose off the investment properties and the existing use of the investment properties remains for rental purposes.
- (h) The Group has carried out a review of the recoverable amount of an investment property during the financial year due to its fair value is lower than its carrying amount. The review has led to the recognition of an impairment loss of RM4,288,316 under administrative expenses within the statement of profit or loss and other comprehensive income of the Group. The recoverable amount was based on fair value less cost of disposal of the said property.

## 14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
<b>At cost</b>		
Unquoted equity shares, at cost	155,665,863	167,586,235
Equity contributions in subsidiaries in respect of employee share option scheme ('ESOS')	6,022,244	6,085,504
Less: Impairment losses	(1,030,371)	(24,495)
	160,657,736	173,647,244

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Proportion of ownership interest		Principal activities
		2023 %	2022 %	
<b>Held by the Company:</b>				
RGB Sdn. Bhd.	Malaysia	100	100	Manufacturing, refurbishment, technical support and maintenance, sales and marketing of gaming and amusement machines and equipment, sales and marketing of security surveillance products and systems for local and overseas markets.
RGB Ltd.	Malaysia	100	100	Trading and management of gaming and amusement machines and equipment.
Data Touch Sdn. Bhd.	Malaysia	100	100	Renting of property.
RGB Pte. Ltd. ^*	Singapore	100	100	Trading, maintenance and management of gaming and amusement machines and equipment.
Macrocept Sdn. Bhd.	Malaysia	100	100	Investment holding, sales and maintenance of information technology hardware and software.
All In Technologies Company Limited ^	Vietnam	100	100	Repair and maintenance of machinery and equipment and management consulting services.
RGB (Macau) Limited ^	Macau	-	100	Import and export including sales and marketing, technical support and management of gaming and amusement machines and equipment and all other business activities related to hospitality and leisure industries.
Retro Solutions Sdn. Bhd.	Malaysia	100	100	Trading, development and support of system software and hardware.
RGB International Ltd.	Malaysia	100	-	Investment holding.

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Proportion of ownership interest		Principal activities
		2023 %	2022 %	
<b>Held through subsidiaries:</b>				
RGB (Macau) Limited <sup>^</sup>	Macau	100	-	Import and export including sales and marketing, technical support and management of gaming and amusement machines and equipment and all other business activities related to hospitality and leisure industries.
Nex Gen Studio Limited <sup>^</sup>	Hong Kong	100	100	Supply and management of gaming machines and equipment.
Chateau de Bavet Club Co., Ltd. <sup>@</sup>	Cambodia	45.14	45.14	Dormant.
Retro Solutions Pte. Ltd. <sup>^</sup>	Singapore	100	100	Trading, development and support of system software and hardware.

<sup>^</sup> Audited by firm other than BDO member firms.

<sup>@</sup> The financial statements of the subsidiary is not required to be audited in its country of incorporation.

<sup>\*</sup> On 5 January 2023, RGB Pte. Ltd. had incorporated a new branch in Cambodia.

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less any accumulated impairment losses.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) The Group considers that it controls Chateau de Bavet Club Co., Ltd. ("CDBC") even though it owns 45.14% of the voting rights as Macrocept Sdn. Bhd. ("MCSB") is the single largest shareholder of CDBC. MCSB entered into an agreement with another shareholder of CDBC who owns a 25.6% equity interest to act in concert with MCSB in the management of CDBC. MCSB also has two (2) representatives out of the total of three (3) members in the Board of Directors of CDBC.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 14. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Changes in investments in subsidiaries during the financial year are as follows:

- (i) On 8 June 2023, the Company incorporated a wholly-owned subsidiary known as RGB International Ltd. ("RGBIL") with an initial issued and paid-up capital of USD1,000 (equivalent to RM4,594). The principal activity of RGBIL is investment holding.
- (ii) On 26 June 2023, an additional of 679,999 ordinary shares in RGB Pte. Ltd. ("RGBPL") were further allotted to the Company, for a total cash consideration of SGD679,999 (equivalent to RM2,291,195). RGBPL remains a wholly-owned subsidiary of the Company.
- (iii) On 1 July 2023, the Company disposed 100% of its equity interest in RGB (Macau) Limited ("RGBM") to RGBIL, for a total cash consideration of RM16,878,500, resulting in a gain of disposal of RM2,106,826 in the statement of profit or loss and other comprehensive income of the Company. RGBM remains wholly-owned subsidiary of the Group and became an indirect subsidiary of the Company.
- (iv) On 24 November 2023, an additional of 500,000 ordinary shares in Retro Solutions Sdn. Bhd. ("RTSSB") were further allotted to the Company, for a total cash consideration of RM500,000. RTSSB remains a wholly-owned subsidiary of the Company.

(d) Changes in investments in subsidiaries in the previous financial year were as follows:

- (i) The Company incorporated a wholly-owned subsidiary known as 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.
  - (ii) RTSSB 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.
- (e) During the financial year, impairment losses on investment in subsidiaries of RM1,013,623 have been recognised under administrative expenses within the statement of profit or loss and other comprehensive income of the Company due to declining business operations. The recoverable amounts of the investments in subsidiaries are based on their fair value less cost to sell, which are categorised as Level 3 in the fair value hierarchy.
- (f) The subsidiary in which the Group has material non-controlling interests ("NCI") is as follows:

	<b>Chateau de Bavet Club Co., Ltd.</b>	
	<b>2023</b>	<b>2022</b>
NCI percentage of ownership interest and voting interest	54.86%	54.86%
Carrying amount of NCI (RM)	18,283,333	21,511,147
Loss allocated to NCI (RM)	(4,186,691)	(839,526)
Total comprehensive (loss)/income allocated to NCI (RM)	(3,227,814)	413,259



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 14. INVESTMENTS IN SUBSIDIARIES (continued)

(g) The summarised financial information before intra-group elimination of a subsidiary in which the Group has a material NCI as at the end of the financial year is as follows:

	<b>Chateau de Bavet Club Co., Ltd.</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
<b>Assets and liabilities</b>		
Non-current assets	33,151,921	39,122,536
Current assets	760,831	653,098
Non-current liabilities	(279,889)	(271,176)
Current liabilities	(305,607)	(293,473)
Net assets	33,327,256	39,210,985
<b>Results</b>		
Loss for the financial year	(7,631,591)	(1,530,306)
Total comprehensive (loss)/income	(5,883,730)	753,297
Cash flows used in operating activities	(235,576)	(236,673)
Cash flows used in financing activities	(15,043)	(14,510)
Net decrease in cash and cash equivalents	(250,619)	(251,183)

## 15. INVESTMENTS IN ASSOCIATES

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Unquoted equity shares, at cost	39,894	39,894
Share of post-acquisition reserves	82,537	82,537
Exchange differences	122,431	122,431
	60,913	53,633
	183,344	176,064

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 15. INVESTMENTS IN ASSOCIATES (continued)

Details of the associates are as follows:

Name of company	Country of incorporation/ Principal place of business	Proportion of ownership interest		Principal activities
		2023 %	2022 %	
<b>Held through subsidiaries:</b>				
Dreamgate Holding Co., Ltd.	Cambodia	49	49	Property investment holding.
Players Club Co., Ltd.	Cambodia	35	35	Dormant.
Rainbow World Club Ltd.	Cambodia	20	20	Dormant.
Goldenmac., Ltd.	Cambodia	25	25	Dormant.
Cash Box Entertainment Co., Ltd.	Cambodia	20	20	Dormant.
Olympic Entertainment Co., Ltd.	Cambodia	20	20	Dormant.
Golden Beach Club Ltd.	Cambodia	50	50	Dormant.

(a) In the consolidated financial statements, investments in associates are accounted for using the equity method.

(b) Summarised financial information of a material associate is as follows:

	Dreamgate Holding Co., Ltd.	
	2023 RM	2022 RM
<b>Assets</b>		
Non-current assets	4,511,345	4,342,446
Current assets	2,747,454	218,983
Total assets	7,258,799	4,561,429
<b>Liabilities</b>		
Current liabilities	9,120,419	6,342,402
Total liabilities	9,120,419	6,342,402
Net liabilities	(1,861,620)	(1,780,973)
<b>Results</b>		
Revenue	14,089	13,713
Depreciation of property, plant and equipment	(10,576)	(15,760)
Loss for the financial year	(6,609)	(67,190)
Total comprehensive loss	(6,609)	(67,190)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 15. INVESTMENTS IN ASSOCIATES (continued)

(c) Reconciliation of net assets of the associates to the carrying amount of the investments in associates is as follows:

	Dreamgate Holding Co., Ltd. RM	Other individual immaterial associates RM	Total RM
<b>As at 31 December 2023</b>			
Share of net assets	-	183,344	183,344
Carrying amount	-	183,344	183,344
<b>Share of results for the financial year ended 31 December 2023</b>			
Share of profit	-	-	-
Share of total comprehensive income	-	-	-
<b>As at 31 December 2022</b>			
Share of net assets	-	176,064	176,064
Carrying amount	-	176,064	176,064
<b>Share of results for the financial year ended 31 December 2022</b>			
Share of profit	-	-	-
Share of total comprehensive income	-	-	-

(d) The unrecognised share of loss of associates amounted to RM3,238 (2022: RM32,923) in the current financial year. As a result, the accumulated unrecognised share of losses of associates amounted to RM1,950,952 (2022: RM1,947,714). The Group has ceased recognising its share of profit since there is no further entitlement in respect of those profits using the equity method of accounting.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### Right-of-use assets

The Group as lessee	Land RM	Buildings RM	Motor vehicle RM	Total RM
<b>At 31 December 2023</b>				
<b>Cost</b>				
At 1 January 2023	1,984,103	3,789,572	-	5,773,675
Additions	-	2,518,945	99,157	2,618,102
Effect of modification to lease payments	-	(500,889)	-	(500,889)
Lease termination	-	(48,394)	-	(48,394)
Exchange differences	11,748	170,397	-	182,145
At 31 December 2023	1,995,851	5,929,631	99,157	8,024,639
<b>Accumulated depreciation</b>				
At 1 January 2023	349,687	1,604,160	-	1,953,847
Depreciation charge for the financial year	32,954	1,179,909	14,873	1,227,736
Lease termination	-	(16,131)	-	(16,131)
Exchange differences	1,331	69,401	-	70,732
At 31 December 2023	383,972	2,837,339	14,873	3,236,184
<b>Net carrying amount</b>				
At 31 December 2023	1,611,879	3,092,292	84,284	4,788,455
<b>At 31 December 2022</b>				
<b>Cost</b>				
At 1 January 2022	1,968,493	5,991,946	-	7,960,439
Transfer to investment properties (Note 13)	-	(2,032,108)	-	(2,032,108)
Additions	-	1,737,415	-	1,737,415
Effect of modification to lease payments	-	(79,800)	-	(79,800)
Derecognition	-	(2,023,232)	-	(2,023,232)
Exchange differences	15,610	195,351	-	210,961
At 31 December 2022	1,984,103	3,789,572	-	5,773,675
<b>Accumulated depreciation</b>				
At 1 January 2022	315,577	2,625,676	-	2,941,253
Transfer to investment properties (Note 13)	-	(87,268)	-	(87,268)
Depreciation charge for the financial year	32,727	972,740	-	1,005,467
Derecognition	-	(2,023,232)	-	(2,023,232)
Exchange differences	1,383	116,244	-	117,627
At 31 December 2022	349,687	1,604,160	-	1,953,847
<b>Net carrying amount</b>				
At 31 December 2022	1,634,416	2,185,412	-	3,819,828

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Company as lessee	Building RM
<b>At 31 December 2023</b>	
<b>Cost</b>	
At 1 January/31 December 2023	310,161
<b>Accumulated depreciation</b>	
At 1 January 2023	94,073
Depreciation charge for the financial year	30,870
At 31 December 2023	124,943
<b>Net carrying amount</b>	
At 31 December 2023	185,218
<b>At 31 December 2022</b>	
<b>Cost</b>	
At 1 January/31 December 2022	310,161
<b>Accumulated depreciation</b>	
At 1 January 2022	63,204
Depreciation charge for the financial year	30,869
At 31 December 2022	94,073
<b>Net carrying amount</b>	
At 31 December 2022	216,088

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

### Lease liabilities

The Group as lessee	Land RM	Buildings RM	Motor vehicle RM	Total RM
<b>At 31 December 2023</b>				
At 1 January 2023	273,578	2,320,118	-	2,593,696
Additions	-	2,518,945	50,000	2,568,945
Effect of modification to lease payments	-	(500,889)	-	(500,889)
Lease termination	-	(32,755)	-	(32,755)
Interest charged	12,562	1,523	1,622	15,707
Lease payments	(15,043)	(1,306,301)	(12,040)	(1,333,384)
Exchange differences	11,293	159,168	-	170,461
At 31 December 2023	282,390	3,159,809	39,582	3,481,781
<b>At 31 December 2022</b>				
At 1 January 2022	260,717	1,758,213	-	2,018,930
Additions	-	1,630,726	-	1,630,726
Effect of modification to lease payments	-	(79,800)	-	(79,800)
Interest charged	12,221	69,541	-	81,762
Lease payments	(14,510)	(1,058,891)	-	(1,073,401)
Exchange differences	15,150	329	-	15,479
At 31 December 2022	273,578	2,320,118	-	2,593,696
			<b>2023 RM</b>	<b>2022 RM</b>
Represented by:				
- Current			1,388,084	1,053,146
- Non-current			2,093,697	1,540,550
			3,481,781	2,593,696
Lease liabilities owing to financial institution			39,582	-
Lease liabilities owing to non-financial institution			3,442,199	2,593,696
			3,481,781	2,593,696

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

### Lease liabilities (continued)

The Company as lessee	Building RM	
<b>At 31 December 2023</b>		
At 1 January 2023		243,377
Interest charged		12,842
Lease payments		(42,000)
At 31 December 2023		214,219
<b>At 31 December 2022</b>		
At 1 January 2022		270,933
Interest charged		14,444
Lease payments		(42,000)
At 31 December 2022		243,377
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Represented by:		
- Current	30,854	29,158
- Non-current	183,365	214,219
	214,219	243,377
Lease liabilities owing to non-financial institution	214,219	243,377

(a) The Group leases a motor vehicle and a number of properties in the location which it operates. These leases comprise only fixed payments over the lease terms.

(b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	99 years
Buildings	2 - 40 years
Motor vehicle	3 years

(c) Included in right-of-use assets of the Group is leasehold land with a carrying amount of RM1,354,689 (2022: RM1,381,251), which has been charged to licensed banks as security for the secured banking facilities of the Group.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(d) The Group has certain leases of premises and equipment with lease term of twelve (12) months or less, and low value leases of office equipment of USD5,000 (equivalent to RM22,980) and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(e) The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	1,227,736	1,005,467	30,870	30,869
Interest expense on lease liabilities (Note 7) (included in finance costs)	15,707	81,762	12,842	14,444
Expense relating to short-term leases (included in cost of sales and administrative expenses)	1,626,542	1,512,256	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	36,495	25,581	-	-
Variable lease payments (included in cost of sales)	10,759,926	8,796,818	-	-
Gain on lease termination (included in other expenses)	(492)	-	-	-
	13,665,914	11,421,884	43,712	45,313

(f) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Included in net cash from/used in operating activities:				
Payment relating to short-term leases and low value assets	1,663,037	1,537,837	-	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	10,759,926	8,796,818	-	-
Included in net cash used in/from investing activities:				
Purchase of right-of-use assets	49,157	106,689	-	-
Included in net cash used in financing activities:				
Payment of lease liabilities	1,333,384	1,073,401	42,000	42,000
Total cash outflows for leases	13,805,504	11,514,745	42,000	42,000

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(f) (continued)

During the financial year, the Group made the following cash payments to acquire right-of-use assets:

	Group	
	2023 RM	2022 RM
Acquisition of right-of-use assets	2,618,102	1,737,415
Financed by lease liabilities	(2,568,945)	(1,630,726)
Cash payments to acquire right-of-use assets	49,157	106,689

(g) The Group has lease contracts for certain system and equipment that contains variable payments based on the number of units used by customers or used in operations. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur.

A 10% increase in units used by customers or used in operations would increase total lease payments by 5.5% (2022: 7.4%).

(h) Foreign currency exposure of lease liabilities are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Phillippine Peso	2,111,920	787,055	-	-
United States Dollar	978,555	1,447,891	-	-
Thai Baht	196,805	116,256	-	-
Ringgit Malaysia	179,610	242,494	214,219	243,377
Hong Kong Dollar	14,891	-	-	-
	3,481,781	2,593,696	214,219	243,377

(i) Information on financial risks of lease liabilities is disclosed in Note 37 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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**17. INTANGIBLE ASSETS**

Group	Goodwill RM	Development costs RM	Gaming licenses RM	Rights RM	Total RM
<b>At 31 December 2023</b>					
<b>Cost</b>					
At 1 January 2023/ 31 December 2023	1,142,351	-	-	-	1,142,351
<b>Accumulated amortisation and impairment</b>					
At 1 January 2023/ 31 December 2023	1,142,351	-	-	-	1,142,351
<b>Net carrying amount</b>					
At 31 December 2023	-	-	-	-	-
<b>At 31 December 2022</b>					
<b>Cost</b>					
At 1 January 2022	1,142,351	3,975,374	1,042,750	4,358,695	10,519,170
Written off	-	(3,978,502)	(1,142,768)	(4,390,568)	(9,511,838)
Exchange differences	-	3,128	100,018	31,873	135,019
At 31 December 2022	1,142,351	-	-	-	1,142,351
<b>Accumulated amortisation and impairment</b>					
At 1 January 2022	271,839	3,975,374	-	4,358,695	8,605,908
Impairment charge for the year	870,512	-	-	-	870,512
Written off	-	(3,978,502)	-	(4,390,568)	(8,369,070)
Exchange differences	-	3,128	-	31,873	35,001
At 31 December 2022	1,142,351	-	-	-	1,142,351
<b>Net carrying amount</b>					
At 31 December 2022	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 17. INTANGIBLE ASSETS (continued)

- (a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired.
- (b) Development costs referred to development of games and platform unit for the production of gaming machines. Upon the completion of the project, the development costs were amortised on a straight-line basis over the commercial lives of the underlying products not exceeding five (5) years. The amortisation charges were included in the statements of profit or loss under administrative expenses.
- (c) Gaming licenses were initially measured at cost. After initial recognition, gaming licenses were measured at cost less accumulated impairment losses, if any. Gaming licenses have indefinite useful lives as based on all relevant factors there is no foreseeable limit to the period over which the licenses are expected to generate cash inflows. Gaming licenses were not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amounts may be impaired. The useful life of gaming licenses was also reviewed annually to determine whether the useful life assessment continues to be supportable.
- (d) Rights related to the use of Manny Pacman's design and theme in the development of games and jackpot display for gaming machines. The rights acquired have finite useful lives and were carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation was calculated using the unit of production method to allocate the cost of rights over its estimated useful lives.
- (e) Impairment tests for goodwill with indefinite useful lives

### Allocation of goodwill

The goodwill has been allocated to the Group's other segment CGU, which constitutes a separately reportable segment in Note 4 to the financial statements.

### Key assumptions used in value-in-use calculations

In prior years, the recoverable amount of the CGU have been determined based on value-in-use calculations using cash flow projections based on financial forecasts approved by management covering a five (5)-year period. Cash flows beyond the five (5)-year period are extrapolated assuming zero growth rates.

In the previous financial year, an impairment of RM870,512 relating to a subsidiary, Nex Gen Studio Limited had been recognised following the cessation of technical support and management operations in Vietnam.

- (f) Impairment tests for gaming licenses with indefinite useful lives

In prior years, the gaming licenses have been treated as a single CGU together with an investment property of the Group. It is allocated to the Group's other segment CGU, which constitutes a separately reportable segment in Note 4 to the financial statements.

In the previous financial year, gaming licenses have been written off due to the Group does not expect to continue using and generating future economic benefit from the gaming licenses.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**18. INVENTORIES**

	2023 RM	Group 2022 RM
<b>At cost</b>		
Spare parts, gaming and amusement machines and accessories, table game equipment and accessories	3,042,356	4,102,086
<b>At net realisable value</b>		
Gaming and amusement machines	402,963	125,219
Spare parts, gaming and amusement accessories, table game equipment and accessories	4,545,023	2,424,215
	4,947,986	2,549,434
	7,990,342	6,651,520

(a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the formula as follows:

Gaming and amusement machines	- specific identification
Spare parts, gaming and amusement accessories, table game equipment and accessories	- weighted average basis

(b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM522,318,331 (2022: RM129,481,037).

(c) Inventories where the net realisable value is expected to be below the carrying amount were written down. The amount written down during the financial year was RM676,658 (2022: RM35,965) for the Group.

**19. TRADE RECEIVABLES**

	2023 RM	Group 2022 RM
<b>Trade receivables</b>		
Third parties	150,416,659	160,999,130
Related parties	1,881,616	3,429,935
	152,298,275	164,429,065
Less: Impairment losses		
Third parties	(40,360,650)	(6,812,192)
Related parties	(67,675)	(13,917)
Trade receivables, net	111,869,950	157,602,956
Represented by:		
- Current	109,300,889	100,936,029
- Non-current	2,569,061	56,666,927
	111,869,950	157,602,956

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 19. TRADE RECEIVABLES (continued)

- (a) Trade receivables are classified as financial assets measured at amortised cost.
- (b) Normal trade credit terms granted to the customers range from one (1) month to three (3) months. Nevertheless, the management of the Group may give longer credit terms by discretion. Trade receivables are recognised at their original invoice amounts, which represent their fair values on initial recognition. Credit terms granted to related parties range from one (1) month to twelve (12) months.
- (c) "Trade receivables third parties" which will be paid by monthly instalments and interest-free are payable as follows:

	2023 RM	Group 2022 RM
Trade receivables	45,531,011	21,994,903
Less: Impairment losses	(4,310,071)	(1,705,122)
	41,220,940	20,289,781
Represented by:		
- Current	39,230,820	9,161,608
- Non-current	1,990,120	11,128,173
	41,220,940	20,289,781

- (d) "Trade receivables third parties" which will be paid by monthly instalments and borne interest at rates range from 6% to 12% (2022: 6% to 12%) per annum are payable as follows:

	2023 RM	Group 2022 RM
Trade receivables	49,938,196	70,399,182
Less: Impairment losses	(32,447,279)	(2,248,769)
	17,490,917	68,150,413
Represented by:		
- Current	16,911,976	22,611,659
- Non-current	578,941	45,538,754
	17,490,917	68,150,413

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 19. TRADE RECEIVABLES (continued)

(e) Foreign currency exposure of trade receivables are as follows:

	2023 RM	Group 2022 RM
United States Dollar	73,576,849	80,884,181
Philippine Peso	18,126,858	32,646,748
Ringgit Malaysia	16,856,788	36,042,972
Thai Baht	3,254,019	7,428,909
Singapore Dollar	55,436	600,146
	111,869,950	157,602,956

(f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses ("ECL").

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by geographical segment of the Group to estimate the amount of expected impairment loss. The methodology (roll rate method) and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (gross domestic product ("GDP")) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward-looking information and estimated cash flows recoverable in worst-case scenarios to assess expected credit losses.

Impairment for trade receivables that contain a significant financing component are recognised based on the general approach within MFRS 9 *Financial Instruments* using the forward-looking expected credit loss model as disclosed in Note 20(c) to the financial statements.

Credit impaired allowance refer to individually determined debtors who have adverse changes in the financial capability and default or significant delay in payments as at the end of the reporting period. The Group considers trade receivables to be in default when there is no reasonable expectation of recovery.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**19. TRADE RECEIVABLES (continued)**

(g) Lifetime expected loss provision for trade receivables is as follows:

Group	Less than 180 days past due	More than 180 days past due	Total
<b>31 December 2023</b>			
Expected loss rate	0.535%	79.807%	
Gross carrying amount (RM)	102,326,847	49,971,428	152,298,275
Impairment (RM)	547,662	39,880,663	40,428,325
<b>31 December 2022</b>			
Expected loss rate	0.304%	8.885%	
Gross carrying amount (RM)	90,702,426	73,726,639	164,429,065
Impairment (RM)	275,356	6,550,753	6,826,109

Trade receivables are not secured by any collateral or credit enhancement.

Subsequent to the end of the reporting period, two (2) of the credit-impaired debtors of the Group had defaulted their planned repayments. This resulted in accumulated impairment charges amounted to RM30,414,598 after recognising an additional impairment charge of RM28,906,570 in profit or loss during the financial year.

(h) Movement in impairment accounts:

Group	Lifetime ECL allowance RM	Credit impaired RM	Total RM
<b>31 December 2023</b>			
At 1 January	331,885	6,494,224	6,826,109
Charge for the financial year	1,111,544	36,026,726	37,138,270
Reversal of impairment losses	(419,451)	(2,715,016)	(3,134,467)
Exchange differences	(646,355)	244,768	(401,587)
At 31 December	377,623	40,050,702	40,428,325
<b>31 December 2022</b>			
At 1 January	361,047	4,952,443	5,313,490
Charge for the financial year	1,131,497	1,486,545	2,618,042
Reversal of impairment losses	(1,183,222)	(180,968)	(1,364,190)
Exchange differences	22,563	236,204	258,767
At 31 December	331,885	6,494,224	6,826,109

(i) Information on financial risks of trade receivables is disclosed in Note 37 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 20. OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits	23,559,122	90,421,435	7,000	7,000
Interest receivables	73,292	53,223	-	-
Sundry receivables	19,875,228	4,990,693	-	-
	43,507,642	95,465,351	7,000	7,000
Less: Impairment losses	(1,726,789)	(1,456,722)	-	-
	41,780,853	94,008,629	7,000	7,000
Prepayments	2,568,519	5,340,236	-	-
	44,349,372	99,348,865	7,000	7,000

(a) Other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.

(b) Foreign currency exposure of other receivables excluding prepayments are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
United States Dollar	21,356,582	89,997,559	-	-
Thai Baht	11,339,383	8,668	-	-
Philippine Peso	5,926,522	2,336,515	-	-
Ringgit Malaysia	1,245,702	714,913	7,000	7,000
Hong Kong Dollar	634,684	753,104	-	-
Others	1,277,980	197,870	-	-
	41,780,853	94,008,629	7,000	7,000

(c) Impairment for trade receivables that contain a significant financing component, other receivables, lease receivables, amounts due from subsidiaries and associates and financial guarantee contracts are recognised based on the general approach within MFRS 9 using the expected credit loss model adjusted by forward-looking information (gross domestic product ("GDP")). The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12)-months expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 20. OTHER RECEIVABLES (continued)

(c) (continued)

The Group and the Company consider a financial asset to have experienced a significant increase in credit risk when one or more of the following criteria have been met:

- (i) Significant adverse changes in business, financial and/or economic conditions in which the financial asset operates;
- (ii) The financial asset is experiencing notable financial distress and liquidity issues;
- (iii) It is becoming probable that the financial asset will undergo a major financial reorganisation or enter bankruptcy;
- (iv) Delay in payment for more than one (1) year and the financial asset request for renegotiation of the payment terms; or
- (v) Significant change in the credit rating of the financial asset if the information is available.

Credit impaired allowance refer to individually determined debtors who have adverse changes in the financial capability and default or significant delay in payments as at the end of the reporting period. The Group considers other receivables to be in default when there is no reasonable expectation of recovery.

(d) Movement in Stage 2 impairment accounts:

	2023 RM	Group 2022 RM
At 1 January	1,456,722	2,086,351
Charge for the financial year	214,758	-
Reversal of impairment losses	-	(729,242)
Exchange differences	55,309	99,613
At 31 December	1,726,789	1,456,722

(e) Included in other receivables is an amount of RM1 (2022: RM1) secured by unquoted shares pledged to the Group, interest-free and not receivable within the next one (1) year.

(f) Information on financial risks of other receivables is disclosed in Note 37 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 21. LEASE RECEIVABLES

	<b>Group 2022 RM</b>
Future minimum lease receivables:	
- Not later than one (1) year	1,528,695
Total future minimum lease receivables	1,528,695
Less: Unearned finance income	(1,074)
Present value of finance lease receivables	1,527,621
Analysis of present value of finance lease receivables:	
Current	
- Not later than one (1) year	1,527,621

- (a) Lease receivables were classified as financial assets measured at amortised cost.
- (b) The Group had a contract for leasing of gaming machines. This contract was classified as finance lease as the arrangement transfer substantially all the risks and rewards incident to ownership of the gaming machines to the lessee.
- (c) Lease receivables were denominated in United States Dollar.
- (d) Movement in lease receivables were as follows:

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
At 1 January	1,527,621	4,476,834
Interest charged (Note 5)	1,050	116,299
Effect of lease modification	(891,252)	(958,100)
Lease payments	(650,535)	(2,299,049)
Exchange differences	13,116	191,637
At 31 December	-	1,527,621

- (e) No expected credit loss is recognised arising from lease receivables as it is negligible.
- (f) Information on financial risks of lease receivables is disclosed in Note 37 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 22. DUE FROM/(TO) SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Due from subsidiaries	24,023,669	401,066
Less: Impairment losses	(316,299)	(67,753)
	23,707,370	333,313
Representing amounts due from subsidiaries:		
- Current	23,656,019	100,000
- Non-current	51,351	233,313
	23,707,370	333,313
Current Due to a subsidiary	(2,325,251)	(240,113)

- (a) Amounts due from/(to) subsidiaries are classified as financial assets/(liabilities) measured at amortised cost.
- (b) Current amounts due from/(to) subsidiaries represent normal non-trade transactions and payments made on behalf, which are interest-free, unsecured and payable within the next twelve (12) months in cash and cash equivalents.
- (c) Non-current amount due from a subsidiary is unsecured, interest-free and not payable within the next twelve (12) months.
- (d) Foreign currency exposure of amounts due from/(to) subsidiaries are as follows:

	Company	
	2023 RM	2022 RM
United States Dollar	21,312,391	93,200
Ringgit Malaysia	69,728	-
	21,382,119	93,200

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 22. DUE FROM/(TO) SUBSIDIARIES (continued)

- (e) Impairment for amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 20(c) to the financial statements.

Movement in Stage 3 impairment accounts:

	Company	
	2023 RM	2022 RM
At 1 January	67,753	-
Charge for the financial year	248,546	67,753
At 31 December	316,299	67,753

- (f) Information on financial risks of amounts due from/(to) subsidiaries is disclosed in Note 37 to the financial statements.

## 23. DUE FROM/(TO) ASSOCIATES

	Group	
	2023 RM	2022 RM
Non-current		
Due from associates	7,078,263	6,827,526
Less: Impairment losses	(4,216,525)	(3,296,264)
	2,861,738	3,531,262
Current		
Due to associates	(98,388)	(94,482)

- (a) Amounts due from/(to) associates are classified as financial assets/(liabilities) measured at amortised cost.
- (b) Amounts due from/(to) associates represent normal non-trade transactions and payments made on behalf, which are interest-free and unsecured. Amounts due from associates are not payable within the next twelve (12) months whereas amounts due to associates are repayable within the next twelve (12) months in cash and cash equivalents.
- (c) Amounts due from/(to) associates are denominated in United States Dollar.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 23. DUE FROM/(TO) ASSOCIATES (continued)

- (d) Impairment for amounts due from associates are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 20(c) to the financial statements.

Movement in Stage 3 impairment accounts:

	Group	
	2023 RM	2022 RM
At 1 January	3,296,264	3,541,108
Charge for the financial year	829,583	-
Reversal of impairment losses	-	(426,152)
Exchange differences	90,678	181,308
At 31 December	4,216,525	3,296,264

- (e) Information on financial risks of amounts due from/(to) associates is disclosed in Note 37 to the financial statements.

## 24. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	56,824,892	42,274,150	3,871,265	1,002,676
Deposits with licensed banks	92,110,494	33,894,048	-	-
As reported in the statements of financial position	148,935,386	76,168,198	3,871,265	1,002,676
Less: Deposits pledged to licensed banks	(5,429,039)	(5,322,301)	-	-
Cash and cash equivalents included in the statements of cash flows	143,506,347	70,845,897	3,871,265	1,002,676

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.

- (b) Foreign currency exposure of cash and bank balances are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
United States Dollar	113,840,538	47,690,736	-	-
Ringgit Malaysia	19,754,471	10,795,759	3,871,265	1,002,676
Philippine Peso	11,183,640	3,619,573	-	-
Singapore Dollar	2,397,766	369,677	-	-
Thai Baht	942,885	12,533,888	-	-
Hong Kong Dollar	267,897	473,315	-	-
Others	548,189	685,250	-	-
	148,935,386	76,168,198	3,871,265	1,002,676

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 24. CASH AND BANK BALANCES (continued)

- (c) Included in deposits with licensed banks of the Group are amounts of RM5,429,039 (2022: RM5,322,301) pledged to licensed banks as security for the secured banking facilities of the Group.
- (d) No expected credit loss is recognised arising from cash and bank balances as it is negligible.
- (e) Information on financial risks of cash and bank balances is disclosed in Note 37 to the financial statements.

## 25. OTHER INVESTMENTS

	2023 RM	Group 2022 RM
Current		
Financial assets held at fair value through profit or loss:		
Investments in funds	19,010,352	2,000,000

- (a) Investments in funds of the Group are categorised as Level 1 in fair value hierarchy. Fair value of funds is determined by reference to closing price in an active market at the end of the reporting period.
- (b) Foreign currency exposure of other investments are as follows:

	2023 RM	Group 2022 RM
United States Dollar	14,010,352	-
Ringgit Malaysia	5,000,000	2,000,000
	19,010,352	2,000,000

- (c) An increase/(decrease) of 5% in net asset value, assuming all other variables constant, at the end of the reporting period would result in the profit of the Group to be higher/(lower) by RM909,526 (2022: RM51,700), arising as a result of higher/(lower) fair value gains on unit trusts classified at fair value through profit or loss.
- (d) There were no transfer between levels in the fair value hierarchy during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023	2022	2023 RM	2022 RM
<b>Issued and fully paid with no par value:</b>				
At 1 January/31 December	1,548,245,697	1,548,245,697	158,484,726	158,484,726

Owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

## 27. TREASURY SHARES

The shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase its own shares at the Annual General Meeting held on 26 May 2023.

In the previous financial year, the Company repurchased 2,608,200 of its issued share capital from the open market. The total consideration paid for the purchase was RM356,303 and was financed by internally generated funds.

The purchased shares are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016. There is no cancellation, resale or reissuance of treasury shares during the financial year. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

At the end of each reporting period, of the total 1,548,245,697 issued and fully paid ordinary shares, 7,393,000 are held as treasury shares by the Company. The number of outstanding ordinary shares in issue after the offset is therefore 1,540,852,697 ordinary shares as at 31 December 2023 and 31 December 2022 respectively.

The details of the treasury shares of the Group and of the Company are as follows:

	Total shares purchased in units unit	Total consideration paid RM	Highest price RM	Lowest price RM	Average price* RM
At 1 January/31 December 2023	7,393,000	1,198,144	0.180	0.130	0.162
At 1 January 2022	4,784,800	841,841	0.180	0.150	0.176
Buy-back of own shares	2,608,200	356,303	0.150	0.130	0.137
At 31 December 2022	7,393,000	1,198,144	0.180	0.130	0.162

\* Average price includes stamp duty, brokerage and clearing fees.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**28. RESERVES**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-distributable:</b>				
Foreign currency translation reserve	39,945,697	30,273,427	-	-
<b>Distributable:</b>				
Retained earnings	55,103,737	49,736,991	18,977,882	17,112,737
	95,049,434	80,010,418	18,977,882	17,112,737

**Foreign currency translation reserve**

Foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

**29. DEFERRED TAX LIABILITIES**

	Group	
	2023 RM	2022 RM
At 1 January	108,163	121,436
Recognised in profit or loss (Note 10)	(8,082)	(13,273)
At 31 December	100,081	108,163

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

**Deferred tax liabilities of the Group:**

	Development costs RM	Property, plant and equipment RM	Right-of-use assets RM	Total RM
At 1 January 2023	-	249,043	24,720	273,763
Recognised in profit or loss	-	42,558	720	43,278
At 31 December 2023	-	291,601	25,440	317,041
At 1 January 2022	86,120	356,226	25,680	468,026
Recognised in profit or loss	(86,120)	(107,183)	(960)	(194,263)
At 31 December 2022	-	249,043	24,720	273,763

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. DEFERRED TAX LIABILITIES (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (continued):

### Deferred tax assets of the Group:

	Unused tax losses, unabsorbed capital allowances and tax incentives RM	Accruals RM	Inventories, trade and other receivables RM	Property, plant and equipment expensed out RM	Total RM
At 1 January 2023	(114,720)	(43,200)	(7,680)	-	(165,600)
Recognised in profit or loss	(36,480)	19,200	(34,080)	-	(51,360)
At 31 December 2023	(151,200)	(24,000)	(41,760)	-	(216,960)
At 1 January 2022	(451,920)	68,850	45,360	(8,880)	(346,590)
Recognised in profit or loss	337,200	(112,050)	(53,040)	8,880	180,990
At 31 December 2022	(114,720)	(43,200)	(7,680)	-	(165,600)

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unused tax losses				
- No expiry date	7,003,000	7,277,000	-	-
- Expiring by 31 December 2023	-	300,000	-	-
- Expiring by 31 December 2024	215,000	215,000	-	-
- Expiring by 31 December 2025	1,540,000	1,540,000	-	-
- Expiring by 31 December 2026	1,782,000	1,782,000	-	-
- Expiring by 31 December 2027	3,130,000	3,130,000	-	-
- Expiring by 31 December 2028	9,192,000	-	-	-
Unabsorbed capital allowances	174,470,000	211,566,000	39,000	39,000
Unabsorbed reinvestment allowances	422,000	422,000	-	-
Other temporary differences	4,084,000	3,259,000	-	-
	201,838,000	229,491,000	39,000	39,000

The unabsorbed capital allowances of subsidiaries and the Company are available for offsetting against future taxable profits subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The deductible temporary differences do not expire under the current tax legislation except the unabsorbed reinvestment allowances up to the year of assessment 2019 shall be deductible until year of assessment 2026. Any new unabsorbed reinvestment allowances for the year of assessment 2020 onwards will expire in seven (7) years, subject to the agreement with the tax authority.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**30. TRADE PAYABLES**

	2023 RM	Group 2022 RM
<b>Trade payables</b>		
Third parties	69,269,049	73,943,103
Related parties	2,133,741	265,836
	71,402,790	74,208,939
Represented by:		
- Current	70,647,369	73,227,024
- Non-current	755,421	981,915
	71,402,790	74,208,939

- (a) Trade payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are interest-free and the normal trade credit terms granted to the Group range from one (1) month to three (3) months.
- (c) Amounts owing to related parties are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (d) Trade payables which will be paid by monthly instalments and interest-free are payable as follows:

	2023 RM	Group 2022 RM
Current	19,498,652	21,974,901
Non-current	129,056	981,915
	19,627,708	22,956,816

- (e) Trade payables which will be paid by variable instalment terms based on an agreed percentage on the gross collections generated from the machines purchased are interest-free and payable as follows:

	2023 RM	Group 2022 RM
Current	1,615,959	8,555,633
Non-current	626,365	-
	2,242,324	8,555,633

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**30. TRADE PAYABLES (continued)**

(f) Foreign currency exposure of trade payables are as follows:

	Group	
	2023 RM	2022 RM
United States Dollar	70,529,227	73,281,878
Euro	597,611	719,468
Ringgit Malaysia	275,952	183,740
Others	-	23,853
	71,402,790	74,208,939

(g) Information on financial risks of trade payables is disclosed in Note 37 to the financial statements.

**31. OTHER PAYABLES**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Accruals	26,191,293	21,049,204	387,830	317,108
Deposits received	506,274	1,869,327	-	-
Dividend payable	9,245,114	-	9,245,114	-
Sundry payables	896,766	2,876,466	-	21,764
	36,839,447	25,794,997	9,632,944	338,872

(a) Other payables are classified as financial liabilities measured at amortised cost.

(b) Foreign currency exposure of other payables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
United States Dollar	20,567,030	18,532,956	-	-
Ringgit Malaysia	10,645,943	2,838,156	9,632,944	338,872
Philippine Peso	5,067,501	3,938,338	-	-
Thai Baht	265,382	252,337	-	-
Hong Kong Dollar	124,352	90,160	-	-
Singapore Dollar	111,863	127,835	-	-
Others	57,376	15,215	-	-
	36,839,447	25,794,997	9,632,944	338,872

(c) Information on financial risks of other payables is disclosed in Note 37 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 32. CONTRACT LIABILITIES

	2023 RM	Group 2022 RM
Advances received from customers	43,334,159	100,703,635
Deferred income	1,042,759	537,929
	44,376,918	101,241,564

- (a) Contract liabilities include advances received from customers and deferred income where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers. The contract liabilities will be recognised as revenue when the performance obligations are satisfied. These performance obligations are part of contracts that have original expected duration of one (1) year or less.
- (b) Included in contract liabilities at the beginning of the financial year is an amount of RM99,218,800 (2022: RM7,487,504) being revenue recognised during the financial year.
- (c) Movement in contract liabilities are as follows:

	2023 RM	Group 2022 RM
At 1 January	101,241,564	7,487,504
Advances received during the year	189,155,845	177,229,327
Revenue recognised during the year	(248,522,544)	(79,897,269)
Exchange differences	2,502,053	(3,577,998)
At 31 December	44,376,918	101,241,564

- (d) Foreign currency exposure of contract liabilities are as follows:

	2023 RM	Group 2022 RM
United States Dollar	41,413,489	92,875,078
Ringgit Malaysia	2,963,429	8,366,486
	44,376,918	101,241,564

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 32. CONTRACT LIABILITIES (continued)

- (e) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at the end of the reporting period, are as follows:

	2023 RM	Group 2022 RM
31 December 2023	-	306,915,613
31 December 2024	89,344,158	6,252,606
31 December 2025	1,802,069	-

## 33. RELATED PARTY DISCLOSURES

- (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

- (b) The Group and the Company had the following transactions with related parties during the financial year:

	2023 RM	2022 RM
<b>Group</b>		
Related parties*:		
- Sales of products	611,967	5,673,547
- Maintenance charges received	290,098	303,605
- Technical service fee received	53,410	26,550
- Technical support and management income	5,662,355	7,436,196
- Purchase of products	4,872,512	1,379,321
- Rental income	72,000	72,000
- Purchase of property, plant and equipment	11,053,503	-
Associates:		
- Lease payments	15,043	14,510
<b>Company</b>		
Subsidiaries:		
- Dividend income	22,426,075	4,000,000
- Lease payments	42,000	42,000

\* 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 33. RELATED PARTY DISCLOSURES (continued)

### (c) Compensation of key management personnel

Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other members of key management personnel during the financial year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term employee benefits	3,690,424	2,739,313	354,256	285,250
Post-employment benefits:				
Defined contribution plans	244,287	166,868	-	-
	3,934,711	2,906,181	354,256	285,250

Included in total remuneration of key management personnel of the Group and of the Company are Directors' remuneration amounting to RM3,345,581 (2022: RM2,906,181) and RM354,256 (2022: RM285,250) respectively as further disclosed in Note 9 to the financial statements.

## 34. CAPITAL COMMITMENTS

	Group	
	2023 RM	2022 RM
Capital expenditure for property, plant and equipment		
Approved but not contracted for	30,794,000	10,060,000
Contracted but not provided for	3,366,000	18,110,000
	34,160,000	28,170,000

## 35. FINANCIAL GUARANTEE CONTRACTS

(a) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

- (i) the amount of the loss allowance; and
- (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

Impairment for financial guarantee contracts are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 20(c) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 35. FINANCIAL GUARANTEE CONTRACTS (continued)

- (b) (i) The Company has given unsecured corporate guarantees to certain financial institutions for banking facilities granted to its subsidiaries for a limit of up to RM35,888,000 (2022: RM35,605,310) of which RM134,430 (2022: RM228,886) was utilised at the end of the reporting period.
- (ii) The Company has given unsecured corporate guarantees to certain trade payables of its subsidiaries for a limit of up to RM101,112,000 (2022: RM97,097,000) of which RM63,360,532 (2022: RM60,345,129) was utilised at the end of the reporting period.
- (iii) The fair values of the above corporate guarantees are negligible as they are short term in nature and the corporate guarantees are unlikely to be called upon by the financial institutions.

## 36. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to maintain a strong capital base, good credit rating and healthy capital ratios to support its businesses and maximise its shareholders' value.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives or policies during the financial years ended 31 December 2023 and 31 December 2022.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt and lease liabilities less cash and bank balances. Capital represents equity attributable to the owners of the parent.

The net debt-to-equity ratios as at 31 December 2023 and 31 December 2022 are as follows:

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Lease liabilities (current and non-current)	16	3,481,781	2,593,696	214,219	243,377
Less: Cash and bank balances	24	(148,935,386)	(76,168,198)	(3,871,265)	(1,002,676)
Net cash		(145,453,605)	(73,574,502)	(3,657,046)	(759,299)
Total capital		252,336,016	237,297,000	176,264,464	174,399,319
Net debt-to-equity ratio		*	*	*	*

\* Net debt-to-equity ratio is not presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity more than the twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial years ended 31 December 2023 and 31 December 2022.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 37. FINANCIAL RISK MANAGEMENT

The overall financial risk management objective of the Group is to optimise its shareholders' value and not to engage in speculative transactions.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, market risk and foreign currency risk. Information on the management of the related exposures is detailed below.

### (a) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks, which requires loss to be recognised if a counter party fails to perform as contracted. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

#### Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

The maximum exposure to credit risk of financial guarantees issued is disclosed in Note 35(b) to the financial statements.

#### Credit risk concentration profile

As at 31 December 2023, other than the amounts owing by subsidiaries constituting 99% (2022: 98%) of the total receivables of the Company, the Group also has a significant concentration of credit risk that may arise from exposure to groups of receivables which contributed approximately 91% (2022: 85%) of the total trade receivables at the end of the reporting period. These customers contributed approximately 79% (2022: 46%) of the total revenue of the Group. The Group and the Company do not anticipate the carrying amounts recorded at the end of each reporting period to be significantly different from the values that would eventually be received.

### (b) Liquidity and cash flow risk

The exposure of the Group to liquidity and cash flow risk arises primarily from the mismatch of the maturities of financial assets and liabilities. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 37. FINANCIAL RISK MANAGEMENT (continued)

### (b) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations:

	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
<b>2023</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	107,486,816	755,421	-	108,242,237
Lease liabilities	1,540,209	1,978,018	529,574	4,047,801
Due to associates	98,388	-	-	98,388
<b>Total undiscounted financial liabilities</b>	<b>109,125,413</b>	<b>2,733,439</b>	<b>529,574</b>	<b>112,388,426</b>
<b>Company</b>				
<b>Financial liabilities:</b>				
Other payables	9,632,944	-	-	9,632,944
Lease liabilities	42,000	168,000	42,000	252,000
Due to a subsidiary	2,325,251	-	-	2,325,251
Financial guarantee contracts *	63,494,962	-	-	63,494,962
<b>Total undiscounted financial liabilities</b>	<b>75,495,157</b>	<b>168,000</b>	<b>42,000</b>	<b>75,705,157</b>
<b>2022</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	99,022,021	981,915	-	100,003,936
Lease liabilities	1,131,696	1,367,143	548,792	3,047,631
Due to associates	94,482	-	-	94,482
<b>Total undiscounted financial liabilities</b>	<b>100,248,199</b>	<b>2,349,058</b>	<b>548,792</b>	<b>103,146,049</b>
<b>Company</b>				
<b>Financial liabilities:</b>				
Other payables	338,872	-	-	338,872
Lease liabilities	42,000	168,000	84,000	294,000
Due to a subsidiary	240,113	-	-	240,113
<b>Total undiscounted financial liabilities</b>	<b>620,985</b>	<b>168,000</b>	<b>84,000</b>	<b>872,985</b>

\* Carrying amount of financial guarantee contracts as at the reporting date is RM nil. The disclosure represents the maximum amount that is required to be settled in the event of a default by the subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 37. FINANCIAL RISK MANAGEMENT (continued)

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company will fluctuate because of changes in market interest rates.

The following table sets out the carrying amounts, the weighted average effective interest rates/incremental borrowing rates as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

At 31 December 2023	Note	Weighted average effective interest rate/incremental borrowing rate (%)	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	More than five (5) years RM	Total RM
<b>Group</b>									
<b>Fixed rates</b>									
Trade receivables	19(d)	9.0	16,911,976	578,941	-	-	-	-	17,490,917
Deposits with licensed banks	24	5.3	92,110,494	-	-	-	-	-	92,110,494
Lease liabilities	16	5.5	(1,388,084)	(1,019,098)	(682,473)	(75,794)	(48,150)	(268,182)	(3,481,781)
<b>Company</b>									
<b>Fixed rate</b>									
Lease liabilities	16	5.5	(30,854)	(32,649)	(34,547)	(36,556)	(38,682)	(40,931)	(214,219)
<b>At 31 December 2022</b>									
<b>Group</b>									
<b>Fixed rates</b>									
Trade receivables	19(d)	7.2	22,611,659	16,186,414	16,088,015	11,821,348	1,442,977	-	68,150,413
Lease receivables	21	0.3	1,527,621	-	-	-	-	-	1,527,621
Deposits with licensed banks	24	3.3	33,894,048	-	-	-	-	-	33,894,048
Lease liabilities	16	4.2	(1,053,146)	(664,014)	(451,529)	(86,536)	(52,596)	(285,875)	(2,593,696)
<b>Company</b>									
<b>Fixed rates</b>									
Lease liabilities	16	5.7	(29,158)	(30,854)	(32,648)	(34,547)	(36,556)	(79,614)	(243,377)

Sensitivity analysis for interest rate risk is not disclosed because there are no floating rate instruments as at the end of the reporting period.

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in quoted prices (other than interest or exchange rates).

The Group is exposed to equity risk arising from other investments held by the Group. These investments are classified as financial assets designated at fair value through profit or loss. To manage its price risk arising from its investments, the Group diversifies its portfolio in accordance with the limits set by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 37. FINANCIAL RISK MANAGEMENT (continued)

### (d) Market risk (continued)

Sensitivity analysis of market risk has been disclosed in Note 25(c) to the financial statements.

### (e) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

Subsidiaries operating in overseas have assets and liabilities together with expected cash flows from anticipated transactions denominated in those foreign currencies.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the profit after tax and equity of the Group and of the Company to a reasonably possible change in the United States Dollar ("USD"), Philippine Peso ("Peso"), Thai Baht ("THB") and Hong Kong Dollar ("HKD") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Profit after tax</b>				
<u>Strengthen by 5%</u>				
USD/RM	9,332	(583,055)	1,064,446	4,660
RM/USD	171,203	8,001	-	-
USD/HKD	2,813,457	347,028	-	-
Peso/USD	1,400,829	1,693,658	-	-
THB/USD	753,684	980,120	-	-
<u>Weaken by 5%</u>				
USD/RM	(9,332)	583,055	(1,064,446)	(4,660)
RM/USD	(171,203)	(8,001)	-	-
USD/HKD	(2,813,457)	(347,028)	-	-
Peso/USD	(1,400,829)	(1,693,658)	-	-
THB/USD	(753,684)	(980,120)	-	-
<b>Equity</b>				
<u>Strengthen by 5%</u>				
USD/RM	2,456,964	2,041,886	-	-
HKD/RM	373,790	239,064	-	-
<u>Weaken by 5%</u>				
USD/RM	(2,456,964)	(2,041,886)	-	-
HKD/RM	(373,790)	(239,064)	-	-

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**38. DIVIDENDS**

	<b>Group and Company RM</b>
In respect of financial year ended 31 December 2022:	
Final single-tier dividend of RM0.001 per ordinary share, paid on 14 July 2023	1,540,858
In respect of financial year ended 31 December 2023:	
Special single-tier interim dividend of RM0.006 per ordinary share, paid on 18 October 2023	9,245,114
First interim single-tier dividend of RM0.006 per ordinary share, paid on 16 January 2024	9,245,114
	20,031,086

On 29 February 2024, the Directors have declared a second interim single-tier dividend of RM0.008 per ordinary share in respect of the financial year ended 31 December 2023. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for as an appropriation of retained earnings for the financial year ending 31 December 2024.

**39. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs****39.1 New MFRSs adopted during the financial year**

The Group and the Company adopted the following Amendments to the Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

<b>Title</b>	<b>Effective Date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

Adoption of the above Amendments to the Standards did not have any material effect on the financial performance or position of the Group and of the Company.

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*

MFRS 17 establishes the principles for recognition, measurement, presentation and disclosure of insurance contracts and supersedes MFRS 4 *Insurance Contracts*.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 39. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### 39.1 New MFRSs adopted during the financial year (continued)

MFRS 17 outlines three measurement approaches for different types of insurance contracts – general measurement model, premium allocation approach and variable fee approach. The general measurement model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of options and guarantees of policyholders. The general measurement model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. Variable fee approach is applicable for insurance contracts with direct participation features.

Amendments to MFRS 17 adds a new transition option to MFRS 17 (the 'classification overlay') to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of MFRS 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with MFRS 9.

The Group and the Company do not have any contracts that meet the definition of an insurance contract under MFRS 17, except for corporate guarantee provided to subsidiaries, which are financial guarantee contracts that the Group and the Company had previously explicitly asserted under MFRS 4. The Group and the Company made an irrevocable choice to apply MFRS 9 on a contract-by-contract basis to these financial guarantee contracts as at the date of transition to MFRS 17.

### 39.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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 and the Company are in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for the future financial years.

# LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2023

Registered Owner/ Address/Location	Description	Use	Tenure	Approximate Age of Building (Years)	Built-up Area (Sq. Metres)	Audited Net Book Value (RM)	Date of Last Revaluation
<b>RGBSB</b>							
1. No. 65 Sims Avenue #08-04 Yi Xiu Factory Building Singapore	Building	Rental	Freehold	41	113	643,774	1 January 2011
2. No. 2017 Solok Perusahaan 3 Kawasan Perusahaan Perai 13600 Perai Penang, Malaysia	Land & Building	Factory	Leasehold – 99 years expiring on 12 December 2074	50	1,035.03	1,226,789	1 January 2011
3. No. 2018 Solok Perusahaan 3 Kawasan Perusahaan Perai 13600 Perai Penang, Malaysia	Land & Building	Factory	Leasehold – 99 years expiring on 12 December 2074	50	1,109.71	1,308,649	1 January 2011
4. J-05-09, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Malaysia	Building	Office	Freehold	15	197	1,691,500	12 July 2023
<b>Data Touch Sdn. Bhd.</b>							
5. No. 8 Green Hall 10200 George Town Penang, Malaysia	Land & Building	Office	In Perpetuity	45	2,387.16	3,796,972	1 January 2011
<b>Chateau De Bavet Club Co., Ltd.</b>							
6. No. 1 National Road Bavet Commune Chantrea District Svay Rieng Province Cambodia	Building	Rental for Hotel & Casino	Freehold	15	23,727	30,265,548	27 December 2023

# LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2023

Registered Owner/ Address/Location	Description	Use	Tenure	Approximate Age of Building (Years)	Built-up Area (Sq. Metres)	Audited Net Book Value (RM)	Date of Last Revaluation
<b>RGB Ltd.</b>							
7. Monterrace Lake Condo Condo-1: L3 1501 Clark Sun Valley Resort Jose Abad Santos Avenue Clark Freeport Zone Pampanga, the Philippines	Building	Rental	Leasehold – 40 years expiring on 2 December 2060	4	86	581,023	9 February 2020
8. Monterrace Lake Condo Condo-1: L3 1502 Clark Sun Valley Resort Jose Abad Santos Avenue Clark Freeport Zone Pampanga, the Philippines	Building	Rental	Leasehold – 40 years expiring on 2 December 2060	4	63	428,152	9 February 2020
9. Monterrace Lake Condo Condo-1: L3 1503 Clark Sun Valley Resort Jose Abad Santos Avenue Clark Freeport Zone Pampanga, the Philippines	Building	Rental	Leasehold – 40 years expiring on 2 December 2060	4	63	428,152	9 February 2020
10. Monterrace Lake Condo Condo-1: L3 1505 Clark Sun Valley Resort Jose Abad Santos Avenue Clark Freeport Zone Pampanga, the Philippines	Building	Rental	Leasehold – 40 years expiring on 2 December 2060	4	86	581,023	9 February 2020
11. Alpha Grandview Condo B-3203, M.H. Del Pilar Street Malate, Manila The Philippines	Building	Rental	Freehold	24	58	429,576	30 September 2022
<b>Total</b>						<b>41,381,158</b>	

The Group does not have a formal revaluation policy for its landed properties.



# LIST OF ASSOCIATE'S PROPERTIES

AS AT 31 DECEMBER 2023

Registered Owner/ Address/Location	Description	Use	Tenure	Approximate Age of Building (Years)	Built-up Area (Sq. Metres)	Audited Net Book Value (RM)	Date of Last Revaluation
<b>Dreamgate Holding Co., Ltd.</b>							
1. No. 13 & 14, Block C E0, E1, Chantrea Bavet Svay Rieng Cambodia	Shoplot	Office	Freehold	17	128	349,207	-
2. No. 1 National Road Bavet Commune Chantrea District Svay Rieng Province Cambodia	Land	Rental for Hotel & Casino	Freehold	-	-	4,162,138	27 December 2023
<b>Total</b>						<b>4,511,345</b>	

## ADDITIONAL COMPLIANCE INFORMATION

### Recurrent Related Party Transactions ("RRPT")

The summary of the RRPT which have been entered by the Company and its subsidiaries which are involved in the RRPT namely RGBSB, RGBL, RGBPL, RGBML, Retro Solutions Sdn. Bhd. ("RTSSB"), Retro Solutions Pte. Ltd. ("RTSPL") and Macrocept Sdn. Bhd. ("MCSB") [collectively referred to as "RGBI Group"] during the FYE 31 December 2023 pursuant to the shareholders' mandate obtained by the Company at the AGM held on 26 May 2023 are as follows:

Provider of goods and services	Purchaser/ Recipient of goods and services	Nature of Transaction	Actual value transacted <sup>(i)</sup> (RM)	Related Parties
RGBI Group	Timor Holding, S.A. ("THSA")	Sale of products <sup>(ii)</sup> , technical support management <sup>(iii)</sup> , leasing of products <sup>(ii)</sup> and management fee <sup>(iv)</sup>	5,662,355	<p>Dato' Seri Chuah Kim Seah is a director and major shareholder of RGBI and THSA via his interest in 1 Georgetown Ltd. ("1GL"). 1GL is a major shareholder of THSA. He is also a director of RGBSB, RGBL, RGBML and 1GL.</p> <p>Datuk Lim Tow Boon is a director of RGBI, RGBSB, RGBL, RGBML, RGBPL, RTSSB, RTSPL, THSA and 1GL. He is also a major shareholder of THSA.</p>
RGBI Group	Channel Paradise Sdn. Bhd. ("CPSB")	Sale of products <sup>(ii)</sup> , maintenance charges and technical fee <sup>(v)</sup>	1,027,475	<p>Dato' Seri Chuah Kim Seah is a director of RGBI, RGBSB, RGBL and RGBML. He is a major shareholder of RGBI and CPSB. He is also a person connected to Datin Tok Moy, Dato' Chuah Kim Chiew, Chuah Eng Hwa and Chuah Eng Meng.</p> <p>Dato' Chuah Kim Chiew is a director of RGBSB, RGBL and MCSB. He is a person connected to Datin Tok Moy and Dato' Seri Chuah Kim Seah.</p> <p>Chuah Eng Hwa is a director of RGBML, MCSB, RTSSB and CPSB. He is a person connected to Dato' Seri Chuah Kim Seah and Chuah Eng Meng.</p> <p>Datin Tok Moy is a director and major shareholder of CPSB. She is a person connected to Dato' Seri Chuah Kim Seah, Dato' Chuah Kim Chiew and Chuo Ah Ngau.</p> <p>Chuah Eng Meng is a director of CPSB and a person connected to Dato' Seri Chuah Kim Seah and Chuah Eng Hwa.</p> <p>Chuo Ah Ngau is a director of RGBSB and a person connected to Datin Tok Moy.</p>

## ADDITIONAL COMPLIANCE INFORMATION

Provider of goods and services	Purchaser/ Recipient of goods and services	Nature of Transaction	Actual value transacted <sup>(i)</sup> (RM)	Related Parties
CPSB	RGBI Group	Sales of products <sup>(ii)</sup> , technical support management <sup>(iii)</sup> and leasing of products <sup>(ii)</sup>	57,200	<p>Dato' Seri Chuah Kim Seah is a director of RGBI, RGBSB, RGBL and RGBML. He is a major shareholder of RGBI and CPSB. He is also a person connected to Datin Tok Moy, Dato' Chuah Kim Chiew, Chuah Eng Hwa and Chuah Eng Meng.</p> <p>Dato' Chuah Kim Chiew is a director of RGBSB, RGBL and MCSB. He is a person connected to Datin Tok Moy and Dato' Seri Chuah Kim Seah.</p> <p>Chuah Eng Hwa is a director of RGBML, MCSB, RTSSB and CPSB. He is a person connected to Dato' Seri Chuah Kim Seah and Chuah Eng Meng.</p> <p>Datin Tok Moy is a director and major shareholder of CPSB. She is a person connected to Dato' Seri Chuah Kim Seah, Dato' Chuah Kim Chiew and Chuo Ah Ngau.</p> <p>Chuah Eng Meng is a director of CPSB and a person connected to Dato' Seri Chuah Kim Seah and Chuah Eng Hwa.</p> <p>Chuo Ah Ngau is a director of RGBSB and a person connected to Datin Tok Moy.</p>
Channel Paradise Pte. Ltd. ("CPPL")	RGBI Group	Sales of products <sup>(ii)</sup> , technical support management <sup>(iii)</sup> and leasing of products <sup>(ii)</sup>	6,113,866	<p>Dato' Seri Chuah Kim Seah is a director of RGBI, RGBSB, RGBL and RGBML. He is a major shareholder of RGBI and CPPL. He is also a person connected to Dato' Chuah Kim Chiew, Chuah Eng Hwa and Chuah Eng Meng.</p> <p>Datuk Lim Tow Boon is a director of RGBI, RGBSB, RGBL, RGBML, RGBPL, RTSSB, RTSPL and CPPL.</p> <p>Dato' Chuah Kim Chiew is a director of RGBSB, RGBL, MCSB and CPPL. He is also a major shareholder of CPPL and a person connected to Dato' Seri Chuah Kim Seah.</p> <p>Chuah Eng Hwa is a director of RGBML, RTSSB and MCSB. He is also a person connected to Dato' Seri Chuah Kim Seah and Chuah Eng Meng.</p> <p>Chuah Eng Meng is a director of CPPL and a person connected to Dato' Seri Chuah Kim Seah and Chuah Eng Hwa.</p>

### Notes:

- (i) The actual value transacted of RRPT during the FYE 31 December 2023.
- (ii) Products include gaming and amusement machines, gaming system, spare parts, casino equipment and accessories, gaming equipment and accessories.
- (iii) Provision of technical support management comprises technical support, maintenance and management of gaming and amusement machines and equipment.
- (iv) Provision of management services encompassing advisory works.
- (v) Technical fee includes fee charged on repair and maintenance of gaming and amusement machines.

## ADDITIONAL COMPLIANCE INFORMATION

### Utilisation of Proceeds

There were no proceeds raised from any corporate proposals during the financial year.

### Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable to the external auditors and their affiliate corporation by the Company and the Group for the FYE 31 December 2023 were as follows:

<b>Fees</b>	<b>Company (RM)</b>	<b>Group (RM)</b>
Audit	79,200	363,357
Non-audit	9,800	30,500

### Material Contracts

During the year under review, there were no material contracts of the Company and its subsidiaries involving the interests of major shareholders and/or directors.

### Contract Relating to Loans

During the year, there were no contracts relating to loans entered into by the Company involving the interests of major shareholders and/or directors.

# STATISTICS OF SHAREHOLDINGS

as at 1 April 2024

## Issued shares of the Company

Total number of issued shares : 1,548,245,697 (including 7,393,000 treasury shares)  
 Class of shares : Ordinary shares  
 Voting rights : One vote per ordinary share

## Distribution of Shareholdings

Size of Holdings	No. of Holders	% of Holders	No. of Shares <sup>(a)</sup>	% of Shares
1 - 99	1,707	17.490	78,067	0.005
100 - 1,000	571	5.850	248,055	0.016
1,001 - 10,000	2,376	24.344	13,438,604	0.872
10,001 - 100,000	3,947	40.441	144,520,180	9.379
100,001 - 77,042,633 <sup>(b)</sup>	1,158	11.865	920,010,318	59.708
77,042,634 and above <sup>(c)</sup>	1	0.010	462,557,473	30.020
<b>Total</b>	<b>9,760</b>	<b>100.000</b>	<b>1,540,852,697</b>	<b>100.000</b>

<sup>(a)</sup> Excluding 7,393,000 treasury shares

<sup>(b)</sup> Less than 5% of issued shares

<sup>(c)</sup> 5% and above of issued shares

## Substantial Shareholders holding 5% or more in the share capital

Name	Direct Interest		Indirect Interest	
	No. of Shares	% of Shares <sup>(a)</sup>	No. of Shares	% of Shares <sup>(a)</sup>
Dato' Seri Chuah Kim Seah	462,557,473	30.02	5,504,342 <sup>(b)</sup>	0.36

<sup>(a)</sup> After netting off 7,393,000 treasury shares.

<sup>(b)</sup> Deemed interested by virtue of holding more than 20% in the shares of Manju Sdn. Bhd.

## Directors' interests in the ordinary shares of the Company

Name	Direct Interest		Indirect Interest	
	No. of Shares	% of Shares <sup>(a)</sup>	No. of Shares	% of Shares <sup>(a)</sup>
Dato' Seri Chuah Kim Seah	462,557,473	30.02	5,504,342 <sup>(b)</sup>	0.36
Datuk Lim Tow Boon	7,089,142	0.46	-	-
Ms. Lam Voon Kean	3,428,571	0.22	-	-
Tan Sri Norazman Hamidun	3,048,571	0.20	-	-
Ms. Lung Sai Mei	40,000	0.00	-	-
Ms. Chuah Hui Jing	-	-	-	-

<sup>(a)</sup> After netting off 7,393,000 treasury shares.

<sup>(b)</sup> Deemed interested by virtue of holding more than 20% in the shares of Manju Sdn. Bhd., 171,428 ordinary shares held by his spouse, Datin Seri Tan Soon Kim and 229,371 ordinary shares held by his son, Mr. Chuah Eng Meng.

By virtue of his interest in the shares of the Company, Dato' Seri Chuah Kim Seah is also deemed to have an interest in the shares of the subsidiaries to the extent the Company has an interest.

## THIRTY LARGEST SHAREHOLDERS

as at 1 April 2024

NO.	NAME	HOLDINGS	%
1	CHUAH KIM SEAH	327,993,896	21.29
2	CHUAH KIM SEAH	127,263,577	8.26
3	MAZLAN BIN ISMAIL	37,142,857	2.41
4	CHUAH KIM CHIEW	31,730,507	2.06
5	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	21,768,000	1.41
6	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AHAM SELECT DIVIDEND FUND	21,688,000	1.41
7	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR KUMPULAN SENTIASA CEMERLANG SDN BHD (TSTAC/CLNT)	19,545,000	1.27
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TANG VEE MUN (DATUK)	18,429,000	1.20
9	LEE WAI YUEN	17,750,000	1.15
10	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHUN HAU	15,450,000	1.00
11	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR METTIZ CAPITAL SDN BHD (MY3831)	13,544,700	0.88
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG CHUN HAU (PB)	13,000,000	0.84
13	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE JOE EE (MY3357)	11,500,000	0.75
14	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD AHAM ASSET MANAGEMENT BERHAD FOR MALAYSIAN TIMBER COUNCIL (EF-EQ)	11,023,400	0.72
15	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR KSC (S) PTE LTD (LEE HAU HIAN)	10,095,000	0.65
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	9,575,800	0.62
17	CITIGROUP NOMINEES (ASING) SDN BHD MERRILL LYNCH INTERNATIONAL	8,477,700	0.55
18	MEP ENVIRO TECHNOLOGY SDN. BHD.	8,060,000	0.52
19	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (BJSSSGBR-CL LCL)	8,000,000	0.52
20	NG CHUN HAU	7,655,000	0.50
21	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	7,326,100	0.48
22	CHUAH KIM SEAH	7,300,000	0.47
23	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD AHAM ASSET MANAGEMENT BERHAD FOR MALAYSIAN TIMBER COUNCIL (OF-EQ)	7,300,000	0.47
24	LIM TOW BOON	7,089,142	0.46
25	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	7,024,200	0.46
26	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR THAN KOK ANG (MY2061)	7,000,000	0.45
27	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM GUAN SHIUN (MY2691)	7,000,000	0.45
28	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YAT KIANG (MY1469)	6,566,000	0.43
29	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOK HUEY MING	6,500,000	0.42
30	FIRST GENESIS SDN BHD	6,028,571	0.39
		<b>808,826,450</b>	<b>52.49</b>

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