



DGB ASIA BERHAD (721605-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2015

| | UNAUDITED INDIVIDUAL QUARTER | | UNAUDITED CUMULATIVE QUARTER | |
|--|---|--|--|---|
| | CURRENT QUARTER ENDED 30-Jun-2015 | PRECEDING CORRESPONDING QUARTER ENDED 30-Jun-2014 | CURRENT YEAR TO DATE ENDED 30-Jun-2015 | PRECEDING CORRESPONDING YEAR TO DATE ENDED 30-Jun-2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 537 | 3,576 | 5,663 | 7,540 |
| Cost of sales | (391) | (3,242) | (4,236) | (6,769) |
| Gross profit | <u>146</u> | <u>334</u> | <u>1,427</u> | <u>771</u> |
| Other income | - | 22 | - | 55 |
| Interest income | 49 | 3 | 53 | 6 |
| Selling and distribution expenses | (115) | (14) | (191) | (136) |
| Administrative expenses | (737) | (731) | (1,534) | (2,668) |
| Depreciation and amortization | (124) | (28) | (366) | (105) |
| Foreign exchange (loss) / gain | (19) | (2) | 11 | (45) |
| Impairment of goodwill | (6) | - | (466) | - |
| Other operating income / (expenses) | 7 | - | (22) | - |
| Loss from operations | <u>(799)</u> | <u>(416)</u> | <u>(1,088)</u> | <u>(2,122)</u> |
| Interest expenses | - | (4) | - | (27) |
| Finance expenses | - | (10) | - | (40) |
| Loss before tax expenses | <u>(799)</u> | <u>(430)</u> | <u>(1,088)</u> | <u>(2,189)</u> |
| Tax expenses | - | - | - | - |
| Loss after tax expenses | <u>(799)</u> | <u>(430)</u> | <u>(1,088)</u> | <u>(2,189)</u> |
| Other comprehensive expense | | | | |
| - Foreign exchange translation from the foreign operations | (4) | (15) | (12) | (22) |
| Total comprehensive expense | <u>(803)</u> | <u>(445)</u> | <u>(1,100)</u> | <u>(2,211)</u> |
| Loss attributable to : | | | | |
| Equity holders of the company | (799) | (389) | (1,087) | (2,166) |
| Minority shareholders | - | (41) | (1) | (23) |
| | <u>(799)</u> | <u>(430)</u> | <u>(1,088)</u> | <u>(2,189)</u> |
| Total comprehensive loss : | | | | |
| Equity holders of the company | (808) | (404) | (1,112) | (2,188) |
| Minority shareholders | 5 | (41) | 12 | (23) |
| | <u>(803)</u> | <u>(445)</u> | <u>(1,100)</u> | <u>(2,211)</u> |
| Loss per share attributable to the equity holders of the Company (sen) | <u>(0.33)</u> | <u>(0.30)</u> | <u>(0.45)</u> | <u>(1.67)</u> |

Note:-

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2014 and the accompanying explanatory notes to the interim financial statements.

There was no income / expense in relation to gain or loss on disposal of quoted or unquoted investment or properties, and gain or loss on derivatives and exceptional items.



DGB ASIA BERHAD (721605-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2015

| | UNAUDITED AS AT END OF CURRENT QUARTER 30-Jun-2015 | AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 30-Sep-2014 |
|---|---|---|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 1,442 | 153 |
| Goodwill | 183 | 183 |
| Intangible assets | 1,805 | 2,408 |
| | <u>3,430</u> | <u>2,744</u> |
| Current Assets | | |
| Inventories | 6,302 | 500 |
| Trade receivables | 4,115 | 1,191 |
| Other receivables, deposits and prepayments | 2,922 | 156 |
| Tax recoverable | 9 | 9 |
| Fixed deposit with licensed banks | 15,003 | 3 |
| Cash and bank balances | 17,019 | 3,989 |
| | <u>45,370</u> | <u>5,848</u> |
| TOTAL ASSETS | <u>48,800</u> | <u>8,592</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share Capital | 48,900 | 16,300 |
| Share Premium | 3,639 | 379 |
| Foreign exchange fluctuation reserve | 113 | 138 |
| Accumulated losses | (10,133) | (9,045) |
| Shareholders' funds | <u>42,519</u> | <u>7,772</u> |
| Minority interests | (101) | (114) |
| Total Equity | <u>42,418</u> | <u>7,658</u> |
| Current Liabilities | | |
| Trade payables | 5,672 | 326 |
| Other payables and accruals | 706 | 604 |
| Dividend payable | 4 | 4 |
| | <u>6,382</u> | <u>934</u> |
| Total Liabilities | 6,382 | 934 |
| TOTAL EQUITY AND LIABILITIES | <u>48,800</u> | <u>8,592</u> |
| Net assets per share (RM) | <u>0.09</u> | <u>0.05</u> |

Note:-

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.



DGB ASIA BERHAD (721605-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2015

| | Non-Distributable | | Foreign Exchange Fluctuation Reserve | Distributable Accumulated losses | Shareholders' Fund | Non-controlling Interests | Total Equity |
|---|-------------------|---------------|---|-------------------------------------|-----------------------|------------------------------|-----------------|
| | Share Capital | Share Premium | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 30 September 2013 | | | | | | | |
| At 1 October 2013 | 11,440 | 207 | 217 | (3,933) | 7,931 | (70) | 7,861 |
| Issuance of share capital pursuant to SIS | 3,432 | 172 | - | - | 3,604 | - | 3,604 |
| Issuance of share capital pursuant to Private Placement | 1,428 | - | - | - | 1,428 | - | 1,428 |
| Total comprehensive expense for the financial period | - | - | (79) | (5,112) | (5,191) | (44) | (5,235) |
| At 30 September 2014 (audited) | 16,300 | 379 | 138 | (9,045) | 7,772 | (114) | 7,658 |
| At 1 October 2014 | 16,300 | 379 | 138 | (9,045) | 7,772 | (114) | 7,658 |
| Total comprehensive expense for the financial period | 32,600 | 3,260 | (25) | (1,088) | 34,747 | 13 | 34,760 |
| At 30 June 2015 (Unaudited) | 48,900 | 3,639 | 113 | (10,133) | 42,519 | (101) | 42,418 |

Note:-

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.



DGB ASIA BERHAD (721605-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2015

| | UNAUDITED CURRENT YEAR TO DATE ENDED 30-Jun-2015 | AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 30-Sep-2014 |
|--|---|--|
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Loss before tax | (1,088) | (5,159) |
| Adjustments for: | | |
| Amortisation of intangible assets | 311 | 843 |
| Depreciation of property, plant and equipment | 55 | 126 |
| Finance cost | - | 66 |
| Gain on disposal of plant and equipment | - | (4) |
| Impairment loss on trade receivables | - | 20 |
| Impairment loss on intellectual property | 466 | 1,556 |
| Inventories written off | - | 62 |
| Property, plant and equipment write-off | 12 | (70) |
| Interest income | (53) | (7) |
| Reversal of impairment loss on trade receivables | - | (20) |
| Unrealised gain on foreign exchange translation | - | 4 |
| Operating loss before working capital changes | (297) | (2,583) |
| Changes in working capital: | | |
| (Increase) / Decrease in inventories | (5,802) | 1,155 |
| (Increase) / Decrease in receivables | (5,866) | 690 |
| Decrease / (Increase) in payables | 5,448 | (702) |
| Cash flows absorbed by operations | (6,517) | (1,440) |
| Tax refund | - | 77 |
| Net cash used in operating activities | (6,517) | (1,363) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,354) | (43) |
| Proceed from disposal of property, plant and equipment | - | 269 |
| Interest income received | 53 | 7 |
| Net cash (used in) / from investing activities | (1,301) | 233 |
| Cash flows from financing activities | | |
| Finance and interest cost paid | - | (66) |
| Issuance of share capital | 35,860 | 5,032 |
| Repayment of term loan | - | (1,415) |
| Net cash from financing activities | 35,860 | 3,551 |
| Net (decrease) / increase in cash and cash equivalents | 28,042 | 2,421 |
| Foreign exchange fluctuation reserve | (12) | (1) |
| Cash and cash equivalents at beginning of the financial period/year | 3,992 | 1,572 |
| Cash and cash equivalents at end of the financial period/year | 32,022 | 3,992 |
| <u>Cash and cash equivalents at the end of the financial period/year comprises the following :-</u> | | |
| Fixed deposits with licensed banks (pledged) | 15,003 | 3 |
| Cash and bank balances | 17,019 | 3,989 |
| | 32,022 | 3,992 |

Note:-

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third Quarter Ended 30 June 2015

A NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the DGB Asia Berhad ("Group") for the financial year ended 30 September 2014.

A2. Changes in accounting policies

The significant accounting policies, method of computation and basis of consolidation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the year ended 30 September 2014 except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRS") and amendment to MFRS that had been issued but not yet effective.

| | |
|-------------|--|
| MFRS 9 | Financial Instruments |
| MFRS 10 | Consolidated Financial Statements : Investment Entities; Sale or contribution of Assets between an Investor and its Associate or Joint Venture |
| MFRS 11 | Joint Arrangements (Accounting for Acquisitions of interests in Joint Operations) |
| MFRS 12 | Disclosure of Interest in Other Entities : Investment Entities (Applying the Consolidation Exception) |
| MFRS 14 | Regulatory Deferral Accounts |
| MFRS 15 | Revenue from Contracts with Customers |
| MFRS 101 | Presentation of Financial Statements : Disclosure Initiative |
| MFRS 116 | Property, Plant and Equipment (Clarification of Acceptable Methods of Depreciation) |
| MFRS 127 | Consolidated and Separate Financial Statements, Equity Method in Separate Financial Statement |
| MFRS 128 | Investment in Associates and Joint Ventures : Investment Entities |
| MFRS 138 | Intangible Assets (Clarification of Acceptable Methods of Amortisation) |
| MFRS 139 | Financial Instruments : Recognition and Measurement |
| MFRS 141 | Agriculture : Bearer Plants |
| New MFRS 14 | Regulatory Deferral Accounts |

The adoptions of new and revised MFRSs, and amendment to MFRS are not expected to have significant financial impact to the Group.

A3. Auditors' report on preceding annual financial statements

The preceding year's annual financial statements were not subject to any qualification.



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third Quarter Ended 30 June 2015

A4. Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6. Material changes in estimates

There were no changes in estimates that have had a material effect in the current financial quarter under review.

A7. Debts and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current financial quarter under review.

A8. Dividend

There were no dividends declared or paid during the current financial quarter under review.

A9. Segmental information

(a) Analysis of revenue by geographical area

| | Current Quarter Ended 30/06/2015 RM'000 | Preceding Corresponding Quarter Ended 30/06/2014 RM'000 | Current Year To Date Ended 30/06/2015 RM'000 | Preceding Corresponding Year To Date Ended 30/06/2014 RM'000 |
|----------------------------------|--|--|---|---|
| Singapore | 46 | 559 | 127 | 3,497 |
| Malaysia | 536 | 2,859 | 1,155 | 4,032 |
| Hong Kong | - | - | 2,800 | - |
| Indonesia | 17 | - | 1,035 | - |
| Others | (2) | 1 | 664 | 109 |
| | <u>597</u> | <u>3,419</u> | <u>5,781</u> | <u>7,638</u> |
| Less: Inter-company transactions | (60) | 157 | (118) | (98) |
| | <u>537</u> | <u>3,576</u> | <u>5,663</u> | <u>7,540</u> |
| Total revenue | <u>537</u> | <u>3,576</u> | <u>5,663</u> | <u>7,540</u> |



DGB ASIA BERHAD (721605-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third Quarter Ended 30 June 2015

A9. Segmental information (Cont'd)

(b) Analysis of revenue by product categories

| | Current Quarter Ended 30/06/2015 RM'000 | Preceding Corresponding Quarter Ended 30/06/2014 RM'000 | Current Year To Date Ended 30/06/2015 RM'000 | Preceding Corresponding Year To Date Ended 30/06/2014 RM'000 |
|----------------------------------|--|--|---|---|
| Proprietary software | 28 | 72 | 835 | 436 |
| Value added products & services | 534 | 2,982 | 4,330 | 5,426 |
| AIDC hardware / equipment | 35 | 365 | 616 | 1,776 |
| | <u>597</u> | <u>3,419</u> | <u>5,781</u> | <u>7,638</u> |
| Less: Inter-company transactions | (60) | 157 | (118) | (98) |
| | <u>(60)</u> | <u>157</u> | <u>(118)</u> | <u>(98)</u> |
| Total revenue | <u>537</u> | <u>3,576</u> | <u>5,663</u> | <u>7,540</u> |

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current financial quarter under review.

A12. Changes in composition of the Group

The Company had on 22 July 2015 acquired two (2) ordinary shares of RM1.00 each ("Shares") in DGB Asia Capital Sdn Bhd (Company No. 1150636-M) ("DGB Asia Capital"), representing the entire issued and paid up share capital of DGB Asia Capital. The intended principal activity of DGB Asia Capital shall be investment holding company.

Save and except the above, there were no changes in composition of the Group in the current financial quarter under review.

A13. Contingent assets or liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third Quarter Ended 30 June 2015

A14. Capital commitments

There were no material capital commitments in respect of property, plant and equipment as at the end of the current quarter under review.

A15. Significant related party transactions

During the current financial quarter, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

A16. Cash and cash equivalents

| | As at 30/06/2015 RM'000 | As at 30/09/2014 RM'000 |
|------------------------------------|--|--|
| Cash and bank balances | 17,019 | 3,989 |
| Fixed deposits with licensed banks | 15,003 | 3 |
| | <hr/> 32,022 <hr/> | <hr/> 3,992 <hr/> |



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third Quarter Ended 30 June 2015

ADDITIONAL NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1. Review of performance

Current Year 3rd Quarter versus Previous Year 3rd Quarter

For the quarter under review, the Group generated revenue of RM0.54 million and Loss before Tax expenses (“LBT”) of RM0.80 million respectively, compared with revenue of RM3.58 million and LBT of RM0.43 million in the corresponding quarter of the preceding year ended 30 June 2014. The decrease in revenue for the quarter under review was mainly due to lower sales secured in Malaysia and lower value added products and services provided in comparison with corresponding quarter of the preceding year ended 30 June 2014.

B2. Comparison with preceding quarter’s results

| | Current Quarter 30/06/2015 RM'000 | Preceding Quarter 31/03/2015 RM'000 | Variance RM'000 |
|-----------------|--|--|----------------------------|
| Revenue | 537 | 3,238 | (2,701) |
| Loss before tax | 799 | 427 | 372 |

The Group’s revenue and LBT for the quarter under review were RM0.54 million and RM0.80 million respectively as compared with the preceding quarter’s revenue and LBT of RM3.24 million and RM0.43 million respectively. The lower revenue was due to lower sales secured in current quarter as compared with the preceding quarter especially less contribution from value added products and services. The higher in LBT was mainly due to higher operation cost including staff cost and professional fee paid during the quarter under review.

B3. Prospects

The prospects ahead for the Group will be challenging due to the rising costs of materials brought about by the depreciation of the Malaysian Ringgit and the implementation of the Goods and Services Tax (GST). Notwithstanding these challenges the Group will continue to focus on undertaking cost reduction to improve overall overheads.

B4. Tax expenses

There was no provision of tax liability for the quarter under review.

B5. Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee during the current financial quarter under review.



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third Quarter Ended 30 June 2015

B6. Status of corporate proposals announced and not completed

There were no corporate proposal announced but not completed as at the date of this report.

B7. Status of utilisation of proceeds raised from previous corporate proposals

(i.) Right Issue of shares

The utilisation of the proceeds of RM35,860,000 from the Rights Issues of 326,000,000 new ordinary shares of RM0.11 each as of the date of this report is as follows:-

| | Proposed | Amount | Amount | Timeframe for |
|---|-----------------|-----------------|-------------------|-----------------------------------|
| | Amount | Utilised | Unutilised | Utilisation |
| Purpose | RM'000 | RM'000 | RM'000 | (from the date of listing) |
| Working capital | 29,910 | 6,117 | 23,793 | Within 18 months |
| Capital expenditure | 5,500 | - | 5,500 | Within 18 months |
| Estimated expenses in relation to the corporate exercises | 450 | 395 | 55 | Within 2 weeks |
| Total estimated proceeds | 35,860 | 6,512 | 29,348 | |

(ii.) Shares issuance scheme

The gross proceeds of RM3,603,600 from the SIS had been fully utilized as at 30 June 2015.

(iii.) Private placement

The gross proceeds of RM1,428,000 from the Private Placement had been fully utilized as at 30 June 2015.

B8. Borrowings and debt securities

There were no borrowings as at the end of the current quarter under review.

B9. Material litigation

The Group has not been involved in any material litigation since the last statement of financial position dated as at 30 June 2015.

B10. Dividends

The Board of Directors does not recommend any dividends for the current financial quarter under review and the financial year-to-date.



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third Quarter Ended 30 June 2015

B11. Earnings per share

1) Basic earnings per ordinary shares

Basic earnings per share amounts were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

| | Individual Quarter | | Cumulative Quarter | |
|--|---|--|---|--|
| | Current Quarter Ended 30/06/2015 | Preceding Corresponding Quarter Ended 30/06/2014 | Current Year To Date Ended 30/06/2015 | Preceding Corresponding Year To Date Ended 30/06/2014 |
| Net loss attributable to ordinary equity holders of the Company (RM'000) | (799) | (389) | (1,087) | (2,166) |
| Weighted average number of ordinary shares in issue ('000) | 243,830 | 129,989 | 243,830 | 129,989 |
| Basic loss per share (sen) | (0.33) | (0.30) | (0.45) | (1.67) |

2) Diluted Earnings per ordinary shares

The diluted earnings per share is calculated by dividing the loss of attributable to equity holders of the Company by the weighted average number of ordinary shares in issues and issuable during the financial period ended 30 June 2015. There is no diluted effect for current financial quarter as all Right Issue of shares, SIS and private placement issuance had duly completed.

B12. Disclosure of Realised and Unrealised Profits / (Losses)

| | As at 30/06/2015 | As at 30/9/2014 |
|--------------------------------|---------------------|--------------------|
| | RM'000 | RM'000 |
| Realised | (9,934) | (8,232) |
| Unrealised | - | 4 |
| | (9,934) | (8,228) |
| Less: Consolidation adjustment | (199) | (817) |
| Accumulated losses | (10,133) | (9,045) |



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Third Quarter Ended 30 June 2015

B13. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 August 2015.

DGB Asia Berhad

27 August 2015