



DGB ASIA BERHAD (721605-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2016

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31-Dec-2015	PRECEDING CORRESPONDING QUARTER ENDED 31-Dec-2014	CURRENT YEAR TO DATE ENDED 31-Dec-2015	PRECEDING CORRESPONDING YEAR TO DATE ENDED 31-Dec-2014
	RM'000	RM'000	RM'000	RM'000
Revenue	2,437	1,888	2,437	1,888
Operating expenses	(1,531)	(1,847)	(1,531)	(1,847)
Other operating income	111	97	111	97
Profit from operations	<u>1,017</u>	<u>138</u>	<u>1,017</u>	<u>138</u>
Finance expenses	-	-	-	-
Profit before tax expenses	<u>1,017</u>	<u>138</u>	<u>1,017</u>	<u>138</u>
Tax expenses	-	-	-	-
Profit after tax expenses	<u>1,017</u>	<u>138</u>	<u>1,017</u>	<u>138</u>
Other comprehensive expense / income				
- Foreign exchange translation from the foreign operations	(465)	25	(465)	25
Total comprehensive income	<u><u>552</u></u>	<u><u>163</u></u>	<u><u>552</u></u>	<u><u>163</u></u>
Profit attributable to :				
Equity holders of the company	1,017	139	1,017	139
Minority shareholders	-	(1)	-	(1)
	<u>1,017</u>	<u>138</u>	<u>1,017</u>	<u>138</u>
Total comprehensive income :				
Equity holders of the company	506	160	506	160
Minority shareholders	46	3	46	3
	<u>552</u>	<u>163</u>	<u>552</u>	<u>163</u>
Earning per share attributable to the equity holders of the Company (sen)	<u>0.21</u>	<u>0.09</u>	<u>0.21</u>	<u>0.09</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 2015 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.

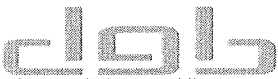


**DGB ASIA BERHAD (721605-K)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2016**

	UNAUDITED AS AT END OF CURRENT QUARTER 31-Dec-2015  RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 30-Sep-2015  RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,267	1,356
	<u>1,267</u>	<u>1,356</u>
<b>Current Assets</b>		
Inventories	6,684	6,837
Trade receivables	5,273	3,328
Other receivables, deposits and prepayments	3,360	3,311
Other investments	954	734
Tax recoverable	9	9
Cash and bank balances	25,114	26,999
	<u>41,394</u>	<u>41,218</u>
<b>TOTAL ASSETS</b>	<u>42,661</u>	<u>42,574</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	48,900	48,900
Share Premium	3,605	3,605
Translation reserve	227	737
Warrants reserve	9,780	9,780
Accumulated losses	(23,179)	(24,196)
Shareholders' funds	<u>39,333</u>	<u>38,826</u>
Minority interests	(69)	(115)
<b>Total Equity</b>	<u>39,264</u>	<u>38,711</u>
<b>Current Liabilities</b>		
Trade payables	2,534	2,952
Other payables and accruals	863	911
	<u>3,397</u>	<u>3,863</u>
<b>Total Liabilities</b>	<u>3,397</u>	<u>3,863</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>42,661</u>	<u>42,574</u>
 Net assets per share (RM)	 <u>0.08</u>	 <u>0.08</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 2015 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 FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2016

	Non-Distributable			Warrants Reserve RM'000	Distributable Accumulated losses RM'000	Shareholders' Fund RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000					
At 30 September 2014								
At 1 October 2014	16,300	379	138	-	(9,045)	7,772	(114)	7,658
Issuance of share capital pursuant to Right Issue	32,600	3,260	-	-	-	35,860	-	35,860
Issuance of warrants	-	-	-	9,780	(9,780)	-	-	-
Transaction costs for share issued	-	(34)	-	-	-	(34)	-	(34)
Total comprehensive income / expense for the financial period	-	-	599	-	(5,371)	(4,772)	(1)	(4,773)
At 30 September 2015 (audited)	<u>48,900</u>	<u>3,605</u>	<u>737</u>	<u>9,780</u>	<u>(24,196)</u>	<u>38,826</u>	<u>(113)</u>	<u>38,711</u>
At 1 October 2015	48,900	3,605	737	9,780	(24,196)	38,826	(115)	38,711
Issuance of share capital pursuant to Right Issue	-	-	-	-	-	-	-	-
Total comprehensive expense for the financial period	-	-	(510)	-	1,017	507	46	553
At 31 December 2015 (Unaudited)	<u>48,900</u>	<u>3,605</u>	<u>227</u>	<u>9,780</u>	<u>(23,179)</u>	<u>39,333</u>	<u>(69)</u>	<u>39,264</u>

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 2015 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 FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2016

	UNAUDITED CURRENT YEAR TO DATE ENDED 31-Dec-2015	UNAUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 31-Dec-2014
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	1,017	138
Adjustments for:		
Amortisation of intangible assets	-	101
Depreciation of property, plant and equipment	86	30
Impairment loss on intellectual property	-	455
Property, plant and equipment write-off	-	(10)
Interest income	(110)	(3)
Operating loss before working capital changes	993	711
Changes in working capital:		
(Increase) / Decrease in inventories	153	(2,743)
(Increase) / Decrease in receivables	(1,994)	(262)
Decrease / (Increase) in payables	(682)	649
Cash flows absorbed by operations	(1,530)	(1,645)
Tax refund	-	-
<b>Net cash used in operating activities</b>	<b>(1,530)</b>	<b>(1,645)</b>
<b>Cash flows from investing activities</b>		
Interest income received	110	3
<b>Net cash (used in) / from investing activities</b>	<b>110</b>	<b>3</b>
<b>Cash flows from financing activities</b>		
Repayment of term loan	-	(2)
<b>Net cash from financing activities</b>	<b>-</b>	<b>(2)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,420)</b>	<b>(1,644)</b>
Foreign exchange fluctuation reserve	(465)	(1)
Cash and cash equivalents at beginning of the financial period/year	26,999	3,992
<b>Cash and cash equivalents at end of the financial period/year</b>	<b>25,114</b>	<b>2,347</b>
<b>Cash and cash equivalents at the end of the financial period/year comprises the following :-</b>		
Fixed deposits with licensed banks	15,298	3
Cash and bank balances	9,816	2,344
	<b>25,114</b>	<b>2,347</b>

**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 2015 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 First Quarter Ended 30 September 2016

**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 2015.

**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 2015 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
MFRSs 2012-2014 Cycle	Annual Improvements

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.



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**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.

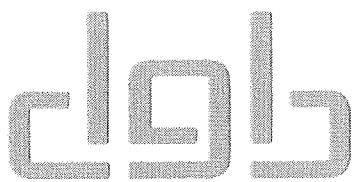
**A8. Dividend**

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

**A9. Segmental information**

(a) Analysis of revenue by geographical area

	<b>Current Quarter Ended 31/12/2015 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/12/2014 RM'000</b>	<b>Current Year To Date Ended 31/12/2015 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/12/2014 RM'000</b>
Singapore	104	27	104	27
Malaysia	321	188	321	188
Hong Kong	-	-	-	-
Indonesia	2,200	982	2,200	982
Others	-	742	-	742
	<u>2,625</u>	<u>1,939</u>	<u>2,625</u>	<u>1,939</u>
Less: Inter-company transactions	(188)	(51)	(188)	(51)
Total revenue	<u>2,437</u>	<u>1,888</u>	<u>2,437</u>	<u>1,888</u>



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**A9. Segmental information (Cont'd)**

(b) Analysis of revenue by product categories

	<b>Current Quarter Ended 31/12/2015 RM'000</b>	<b>Preceding Corresponding Quarter Ended 31/12/2014 RM'000</b>	<b>Current Year To Date Ended 31/12/2015 RM'000</b>	<b>Preceding Corresponding Year To Date Ended 31/12/2014 RM'000</b>
Proprietary software	29	779	29	779
Value added products & services	2,467	632	2,467	632
AIDC hardware / equipment	129	528	129	528
	<u>2,625</u>	<u>1,939</u>	<u>2,625</u>	<u>1,939</u>
Less: Inter-company transactions	(188)	(51)	(188)	(51)
Total revenue	<u>2,437</u>	<u>1,888</u>	<u>2,437</u>	<u>1,888</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**

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.

**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.



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**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**

	<b>As at</b>	<b>As at</b>
	<b>31/12/2015</b>	<b>30/09/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	9,816	11,810
Fixed deposits with licensed banks	15,298	15,189
	<u>25,114</u>	<u>26,999</u>





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

**B1. Review of performance**

Current Year 1st Quarter versus Previous Year 1st Quarter

For the quarter under review, the Group generated revenue of RM2.44 million and Profit before Tax expenses (“PBT”) of RM1.02 million respectively, compared with revenue of RM1.89 million and Profit before Tax expenses (“PBT”) of RM0.14 million in the corresponding quarter of the preceding year ended 31 December 2014. The increase in revenue for the quarter under review was mainly due to higher sales of Proprietary software, value added products and services secured in Indonesia and other countries in comparison with corresponding quarter of the preceding year ended 31 December 2014.

**B2. Comparison with preceding quarter’s results**

	<b>Current Quarter 31/12/2015 RM'000</b>	<b>Preceding Quarter 30/09/2015 RM'000</b>	<b>Variance RM'000</b>
Revenue	2,437	393	2,044
Profit/(Loss) before tax	1,017	(4,228)	5,245

The Group’s revenue and PBT for the quarter under review were RM2.44 million and RM1.02 million respectively as compared with the preceding quarter’s revenue and LBT of RM0.39 million and RM4.23 million respectively. The higher revenue was due to higher sales secured in current quarter as compared with the preceding quarter especially significant increased contribution from value added products and services. The higher LBT in immediate preceding quarter was mainly due to higher operation and non-cash item cost including impairment loss on trade receivables, depreciation and amortization and foreign exchange loss incurred.

**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 and improve performances.

**B4. Tax expenses**

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



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**B5. Profit forecast and profit guarantee**

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

**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:-

	<b>Proposed</b>	<b>Amount</b>	<b>Amount</b>	<b>Timeframe for</b>
	<b>Amount</b>	<b>Utilised</b>	<b>Unutilised</b>	<b>Utilisation</b>
<b>Purpose</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>(from the date of listing)</b>
Working capital	29,910	10,396	19,514	Within 18 months
Capital expenditure	5,500	-	5,500	Within 18 months
Estimated expenses in relation to the corporate exercises	450	450	-	Within 2 weeks
<b>Total estimated proceeds</b>	<b>35,860</b>	<b>10,846</b>	<b>25,014</b>	

**B8. Borrowings and debt securities**

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

**B9. Material litigation**

There was no material litigation as at the date of this report.

**B10. Dividends**

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



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**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	Preceding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,017	138	1,017	138
Weighted average number of ordinary shares in issue ('000)	489,000	163,000	489,000	163,000
Basic earnings per share (sen)	0.21	0.09	0.21	0.09

2) Diluted Earnings per ordinary shares

The diluted earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue and issuable after the conversion of all outstanding warrants during the financial period ended 30 September 2015.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,017	138	1,017	138
Weighted average number of ordinary shares in issue ('000)	489,000	163,000	489,000	163,000
Effect of dilution after conversion of all outstanding Warrants ('000)	244,500	-	244,500	-
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	733,500	163,000	733,500	163,000
Diluted basic earnings per share (sen)	0.14	0.09	0.14	0.09



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

	As at 31/12/2015	As at 30/9/2015
	RM'000	RM'000
Realised	(24,707)	(41,395)
Unrealised	(12)	(100)
	<u>(24,719)</u>	<u>(41,495)</u>
Add: Consolidation adjustment	1,540	17,299
Accumulated losses	<u>(23,179)</u>	<u>(24,196)</u>

**B13. Comprehensive Income Disclosure**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/12/2015	Preceding Corresponding Quarter Ended 31/12/2014	Current Year To Date Ended 31/12/2015	Preceding Corresponding Year To Date Ended 31/12/2014
Interest Income	(110)	(3)	(110)	(3)
Depreciation and amortisation	86	205	86	205
Forex Loss /(gain)	2	(94)	2	(94)
Impairment of goodwill	-	455	-	455

**B14. 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 25 February 2016.

**DGB Asia Berhad**  
 25 February 2016