



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Period 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. Change of financial year end

The Company has change the financial year from 30 September to 31 March. The next audited financial statements shall be for a period of eighteen (18) months from 1 October 2015 to 31 March 2017 and thereafter, the financial year end shall be 31 March for each subsequent year.



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Period Ended 30 September 2016

A4. Auditors' report on preceding annual financial statements

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

A5. Seasonal or cyclical factors

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

A6. 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.

A7. Material changes in estimates

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

A8. 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.

A9. Dividend

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



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Period Ended 30 September 2016

A10. Segmental information

(a) Analysis of revenue by geographical area

	Three (3) Months Ended 30/09/2016 RM'000	Three (3) Months Ended 30/09/2015 RM'000	Current Year To Date Ended 30/09/2016 RM'000	Preceding Corresponding Year To Date Ended 30/09/2015 RM'000
Singapore	48	144	493	271
Malaysia	85	183	558	1,338
Hong Kong	-	-	-	2,800
Indonesia	-	37	2,450	1,072
China	7,000	-	7,000	-
Others	-	16	-	680
	7,133	380	10,501	6,161
Less: Inter-company transactions	10	13	(209)	(105)
	7,123	393	10,292	6,056

(b) Analysis of revenue by product categories

	Three (3) Months Ended 30/09/2016 RM'000	Three (3) Months Ended 30/09/2015 RM'000	Current Year To Date Ended 30/09/2016 RM'000	Preceding Corresponding Year To Date Ended 30/09/2015 RM'000
Proprietary software	8	22	98	857
Value added products & services	7,127	297	10,009	4,627
AIDC hardware / equipment	(2)	61	394	677
	7,133	380	10,501	6,161
Less: Inter-company transactions	10	13	(209)	(105)
	7,123	393	10,292	6,056

A11. Valuation of property, plant and equipment

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



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Period Ended 30 September 2016

A12. 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.

A13. Changes in composition of the Group

There were no changes in composition of the Group in the current financial quarter under review.

A14. 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.

A15. 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.

A16. 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.

A17. Cash and cash equivalents

	As at 30/09/2016 RM'000	As at 30/09/2015 RM'000
Cash and bank balances	2,743	11,810
Fixed deposits with licensed banks	10,013	15,189
	<hr/> 12,756	<hr/> 26,999



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Period Ended 30 September 2016

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

B1. Review of performance

Current Year Quarter ended 30 Sep 2016 versus Previous Year Quarter ended 30 Sep 2015

For the quarter under review, the Group generated revenue of RM0.12 million and loss before tax expenses (“LBT”) of RM1.39 million respectively, compared with revenue of RM0.39 million and LBT of RM4.32 million in the corresponding quarter of the preceding year ended 30 September 2015. The decrease in revenue for the quarter under review was mainly due to lower sales of value added products and services secured in Malaysia in comparison with corresponding quarter of the preceding year ended 30 September 2015.

B2. Comparison with preceding quarter’s results

	Three (3) Months 30/09/2016 RM'000	Three (3) Months 30/06/2016 RM'000	Variance RM'000
Revenue	7,123	343	6,780
Profit/(Loss) before tax (“PBT”/“LBT”)	7	(528)	535

The Group reported a revenue and PBT for the quarter under review of RM7.12 million and RM0.007 million respectively as compared with the preceding quarter’s revenue and LBT of RM0.34 million and RM0.53 million respectively. The increased in revenue was due to higher sales secured in current quarter as compared with the preceding quarter especially the increased contribution from value added products and services in China.

B3. Prospects

The prospects ahead for the Group will be challenging due to the increased competition and weaker demand 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 its overall overheads and performances.

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 Period Ended 30 September 2016

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 except for:-

The High Court had on 25 August 2016, granted an order confirming the Proposed Par Value Reduction and Proposed Share Premium Reduction pursuant to Sections 60(2) and 64 of the Act (“**Court Order**”).

On 13 September 2016, an office copy of the sealed Court Order has been lodged with the Registrar of Companies. Accordingly, the Proposed Par Value Reduction and Proposed Share Premium Reduction shall take effect and the Proposals are deemed completed on 13 September 2016.

The shareholders of the Company should note that the par value reduction and share premium reduction do not affect the number of and/or the rights attached to the existing ordinary shares in DGB held by them. All ordinary shares of DGB held in the securities account of the shareholders shall be unaffected, except for the reduction in their par value from RM0.10 to RM0.04 per share.

For further details, please refer to announcements dated 26 May 2016, 9 June 2016, 1 July 2016, 25 Aug 2016 and 13 Sept 2016.

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 RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation (from 1 Nov 2016)
Working capital	29,910	18,463	11,447	Within 12 months
Capital expenditure	5,500	-	5,500	Within 12 months
Estimated expenses in relation to the corporate exercises	450	450	-	Within 2 weeks
Total estimated proceeds	35,860	18,913	16,947	

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.



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Period Ended 30 September 2016

B10. Dividends

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

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	
	Three (3) Months Ended 30/09/2016	Three (3) Months Ended 30/09/2015	Current Year To Date Ended 30/09/2016	Preceding Corresponding Year To Date Ended 30/09/2015
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	5	(4,285)	(66)	(5,372)
Weighted average number of ordinary shares in issue ('000)	489,000	306,797	489,000	306,797
Basic earnings / (losses) per share (sen)	0.001	(1.40)	(0.01)	(1.75)

(The rest of the page had left intentionally blank)



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Period Ended 30 September 2016

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	
	Three (3) Months Ended 30/09/2016	Three (3) Months Ended 30/09/2015	Current Year To Date Ended 30/09/2016	Preceding Corresponding Year To Date Ended 30/09/2015
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	5	(4,285)	(66)	(5,372)
Weighted average number of ordinary shares in issue ('000)	489,000	306,797	489,000	306,797
Effect of dilution after conversion of all outstanding Warrants ('000)	244,500	244,500	244,500	244,500
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	733,500	551,297	733,500	551,297
Diluted basic earnings / (loss) per share (sen)	0.001	(0.78)	(0.009)	(0.97)

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

	As at 30/09/2016	As at 30/9/2015
	RM'000	RM'000
Realised	4,163	(41,395)
Unrealised	(10)	(100)
	4,153	(41,495)
Add: Consolidation adjustment	4,532	17,299
Accumulated profits/(losses)	8,685	(24,196)



DGB ASIA BERHAD (721605-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Period Ended 30 September 2016

B13. Comprehensive Income Disclosure

	Individual Quarter		Cumulative Quarter	
	Three (3) Months Ended 30/09/2016	Three (3) Months Ended 30/09/2015	Current Year To Date Ended 30/09/2016	Preceding Corresponding Year To Date Ended 30/09/2015
Interest Income	12	(190)	(204)	(243)
Depreciation and amortisation	130	617	422	983
Forex Loss /(gain)	(80)	111	(60)	100
Impairment of goodwill	-	1,451	-	1,917
Impairment loss on trade receivables	48	372	48	372
Reversal of inventories written-down	-	(55)	-	(55)
Inventories written-off	479	33	479	33
PPE written-off	-	13	-	13
Bad debts written-off	-	98	-	98
Loss on disposal of quoted shares	0	543	0	543
Unrealised loss on quoted shares	68	201	68	201
Gain on disposal of PPE	-	(78)	-	(78)