



**DGB ASIA BERHAD (721605-K)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The Period Ended 30 June 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2018**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	THREE(3) MONTHS 30-Jun-2018 RM'000	THREE(3) MONTHS 30-Jun-2017 RM'000	CURRENT YEAR TO DATE ENDED 15 MONTHS 30-Jun-2018 RM'000	PRECEDING CORRESPONDING YEAR TO DATE ENDED 15 MONTHS ( RESTATED) 30-Jun-2017 RM'000
Revenue	302	341	3,753	12,441
Operating expenses	(1,302)	(960)	(5,835)	(14,969)
Other operating income	289	6	2,346	1,961
(Loss) / Profit from operations	(711)	(613)	264	(567)
Finance expenses	-	-	-	-
(Loss) / Profit before tax expenses	(711)	(613)	264	(567)
Tax expenses	-	-	-	-
(Loss) / Profit after tax expenses	(711)	(613)	264	(567)
Other comprehensive income / (expense)				
- Foreign exchange translation from the foreign operations	695	98	516	(1,251)
Total comprehensive (expense) / Income	(16)	(515)	780	(1,818)
(Loss) / Profit attributable to :				
Equity holders of the company	(711)	(613)	76	(567)
Minority shareholders	-	-	188	-
	(711)	(613)	264	(567)
Total comprehensive (expense) / income :				
Equity holders of the company	(16)	(515)	592	(1,844)
Minority shareholders	-	-	188	26
	(16)	(515)	780	(1,818)
(Loss) / Profit per share attributable to the equity holders of the Company (sen)	(0.10)	(0.13)	0.01	(0.13)
Diluted (loss) / profit per share attributable to the equity holders of the Company (sen)	(0.11)	(0.08)	0.01	(0.08)

**Note:-**

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 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.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 30-Jun-2018  RM'000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31-Mar-2017  RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	2,507	3,528
	2,507	3,528
<b>Current Assets</b>		
Inventories	6,467	6,448
Trade receivables	102	7,470
Other receivables, deposits and prepayments	6,918	6,987
Other investments	5,854	491
Tax recoverable	9	9
Cash and bank balances	43,356	14,792
	62,706	36,197
<b>TOTAL ASSETS</b>	<b>65,213</b>	<b>39,725</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	45,410	19,560
Translation reserve	(1,683)	(1,167)
Warrants reserve	9,780	9,780
Accumulated profits/(losses)	9,514	9,250
Shareholders' funds	63,021	37,423
Minority interests	(49)	(46)
<b>Total Equity</b>	<b>62,972</b>	<b>37,377</b>
<b>Current Liabilities</b>		
Trade payables	1,423	475
Other payables and accruals	818	1,873
	2,241	2,348
<b>Total Liabilities</b>	2,241	2,348
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>65,213</b>	<b>39,725</b>
Net assets per share (RM)	0.11	0.08

**Note:-**

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018**

	<----- 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					
<b>At 30 September 2015</b>								
At 1 October 2015	48,900	3,605	738	9,780	(24,196)	38,827	(114)	38,713
Par value deduction	(29,340)	(3,605)	-	-	32,945	-	-	-
Total comprehensive income / expense for the financial period	-	-	(1,905)	-	501	(1,404)	68	(1,336)
<b>At 31 March 2017 (audited)</b>	<u>19,560</u>	<u>-</u>	<u>(1,167)</u>	<u>9,780</u>	<u>9,250</u>	<u>37,423</u>	<u>(46)</u>	<u>37,377</u>
At 1 April 2017	19,560	-	(1,167)	9,780	9,250	37,423	(46)	37,377
Issuance of private placement shares	1,840	-	-	-	-	1,840	-	1,840
Conversion of warrants	24,010	-	-	-	-	24,010	-	24,010
Total comprehensive expense for the financial period	-	-	(516)	-	264	(252)	(3)	(255)
<b>At 30 June 2018 (Unaudited)</b>	<u>45,410</u>	<u>-</u>	<u>(1,683)</u>	<u>9,780</u>	<u>9,514</u>	<u>63,021</u>	<u>(49)</u>	<u>62,972</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 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018**

	UNAUDITED CURRENT YEAR TO DATE ENDED 30-Jun-2018	( RESTATED ) AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED AT 30-Jun-2017
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	264	(613)
Adjustments for:		
Depreciation of property, plant and equipment	1,122	227
Impairment loss on trade receivables	-	-
Fair value gain of financial assets recognised in profit and loss	(1,225)	-
Inventories written off	-	-
Bad debts written-off	-	-
Interest income	(323)	(6)
Gain on disposal of plant and equipment	-	-
Unrealised gain on foreign exchange translation	-	-
Operating loss before working capital changes	(162)	(392)
Changes in working capital:		
(Increase) / Decrease in inventories	(19)	12
Decrease / (Increase) in receivables	3,299	281
(Increase) / Decrease in payables	(107)	(1,245)
Cash flows generated from / (absorbed by) operations	3,011	(1,344)
Tax refund	-	-
<b>Net cash generated from / (used in) operating activities</b>	<b>3,011</b>	<b>(1,344)</b>
<b>Cash flows from investing activities</b>		
Interest income received	323	6
Purchase of property, plant and equipment	(101)	-
<b>Net cash from investing activities</b>	<b>222</b>	<b>6</b>
<b>Cash flows from financing activities</b>		
Issuance of share capital	25,850	-
Dividend paid	-	-
<b>Net cash from financing activities</b>	<b>25,850</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>29,083</b>	<b>(1,338)</b>
<b>Foreign exchange fluctuation reserve</b>	<b>(519)</b>	<b>98</b>
Cash and cash equivalents at beginning of the financial period/year	14,792	14,792
<b>Cash and cash equivalents at end of the financial period/year</b>	<b>43,356</b>	<b>13,552</b>
<b><u>Cash and cash equivalents at the end of the financial period/year comprises the following :-</u></b>		
Fixed deposits with licensed banks	39,775	-
Cash and bank balances	3,581	13,552
	<b>43,356</b>	<b>13,552</b>

**Note:-**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.



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**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 31 March 2017.

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2017, except in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial year beginning 1 April 2017. The adoptions of new and revised MFRSs, and amendment to MFRS are not expected to have significant financial impact to the Group.

**A2. Auditors' report on preceding annual financial statements**

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

**A3. Seasonal or cyclical factors**

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

**A4. 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.

**A5. Material changes in estimates**

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

**A6. 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 except for the issuance of (1) 59,975,000 shares being converted to ordinary shares from warrants at a price of RM0.11 per share, (2) 4,371,400 shares being converted to ordinary shares from warrants at a price of RM0.11 per share, (3) 4,949,800 shares being converted to ordinary shares from warrants at a price of RM0.11 per share, (4) 5,091,525 shares being converted to ordinary shares from warrants at a price of RM0.11 per share, and (5) 12,305,000 shares being converted to ordinary shares from warrants at a price of RM0.11 per share.



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**A7. Dividend**

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

**A8. Segmental information**

(a) Analysis of revenue by geographical area

	<b>Three (3) Months Ended 30/06/2018</b>	<b>Three (3) Months Ended 30/06/2017</b>	<b>Current Year To Date Ended 30/06/2018</b>	<b>Preceding Corresponding Year To Date Ended 30/06/2017 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Singapore	-	-	48	209
Malaysia	3	41	106	6,833
Thailand	300	300	2,700	4,150
Indonesia	-	-	900	250
China	-	-	-	7,000
Others	-	-	-	-
	<b>303</b>	<b>341</b>	<b>3,754</b>	<b>18,442</b>
Less: Inter-company transactions	-	-	-	(6,001)
<b>Total revenue</b>	<b>303</b>	<b>341</b>	<b>3,754</b>	<b>12,441</b>

(b) Analysis of revenue by product categories

	<b>Three (3) Months Ended 30/06/2018</b>	<b>Three (3) Months Ended 30/06/2017</b>	<b>Current Year To Date Ended 30/06/2018</b>	<b>Preceding Corresponding Year To Date Ended 30/06/2017 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Proprietary software	-	1	5	674
Value added products & services	303	340	3,750	11,908
AIDC hardware / equipment	-	0	(1)	5,860
	<b>303</b>	<b>341</b>	<b>3,754</b>	<b>18,442</b>
Less: Inter-company transactions	-	-	-	(6,001)



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Total revenue	303	341	3,754	12,441
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**A9. Valuation of property, plant and equipment**

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

**A10. 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.

**A11. Changes in composition of the Group**

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

**A12. 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.

**A13. 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.

**A14. 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.

**A15. Cash and cash equivalents**

	<b>As at 30/06/2018 RM'000</b>	<b>As at 30/06/2017 RM'000</b>
Cash and bank balances	3,581	13,552
Fixed deposits with licensed banks	39,775	-
	<u>43,356</u>	<u>13,552</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 Quarter ended 30 June 2018 versus Previous Year Quarter ended 30 June 2017

	Individual period (period ended 30 June 2018)			Cumulative period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (in Amount)	Current Year-to-date	Preceding Year Corresponding Period (Restated)	Changes (in Amount)
	30 Jun 2018	30 Jun 2017		30 Jun 2018	30 Jun 2017	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	302	341	(39)	3,753	12,441	(8,688)
Operating profit / (loss)	(711)	(613)	(98)	264	(567)	831
Profit/(Loss) before interest and tax	(711)	(613)	(98)	264	(567)	831
Profit/(Loss) before tax	(711)	(613)	(98)	264	(567)	831
Profit/(Loss) after tax	(711)	(613)	(98)	264	(567)	831
Profit/(Loss) attributable to ordinary equity holders of the parent	(711)	(613)	(98)	76	(567)	643

For the quarter under review, the Group generated revenue of RM0.302 million and loss before tax expenses (“LBT”) of RM0.711 million respectively, compared with revenue of RM0.34 million and LBT of RM0.61 million in the corresponding quarter of the preceding year ended 30 June 2017. The lower in revenue for the quarter under review was mainly due to lower value added products sold. The increase in LBT for the quarter under review was mainly due to higher other operating cost in comparison with corresponding quarter of the preceding year ended 30 June 2017.





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

	Current Quarter 30/06/2018 RM'000	Preceding Quarter 31/03/2018 RM'000	Variance RM'000
Revenue	302	916	(614)
Operating Profit	(711)	1,235	(1,946)
(Loss) / Profit before Interest and tax	(711)	1,235	(1,946)
(Loss) / Profit before tax	(711)	1,235	(1,946)
(Loss) / Profit after tax	(711)	1,235	(1,946)
(Loss) / Profit attributable to ordinary equity holders of the parent	(711)	1,047	(1,758)

The Group reported a revenue and LBT for the quarter under review of RM0.30 million and RM0.71 million respectively as compared with the preceding quarter's revenue and profit before taxation ("PBT") of RM0.916 million and RM1.24 million respectively. The higher PBT in preceding quarter was mainly due to unrealized profit on investment in quoted shares and realized gain on quoted shares recorded.

**B3. Prospects**

The prospects ahead for the Group remain challenging due to increased competition and weaker demand from local and overseas markets. These factors will continue to affect DGB's operating environment. The Group will focus on expanding its footprint overseas and expand its product range. It is expected that the expansion to logistic services would yield a better return to the Group in the near future. Notwithstanding these challenges the Group will continue to strive for efficient cost management and expand its revenue portfolio to reduce its overall overheads and improve performance. The success of the Group will rely heavily on the capabilities of the management team to successfully implement these strategies. The Group is studying opportunities for diversification to new business.

**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.



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**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 1 Nov 2017)</b>
Working capital	29,910	29,754	156	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
<b>Total estimated proceeds</b>	<b>35,860</b>	<b>30,204</b>	<b>5,656</b>	

**B8. Borrowings and debt securities**

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

**B9. Trade receivables**

The Group's normal trade credit terms granted to trade receivables ranged from 1 month to 5 months (2016: 1 month to 5 months). Other credit terms are assessed and approved on a case by case basis. There are no trade receivables from related parties.

	As at quarter ended 30 June 2018				
	Current	1 – 3 months	3 – 6 months	More than 6 months	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Denominated in RM	-	-	-	102	102
Denominated in Currency	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102</b>	<b>102</b>

**B10. Material litigation**

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



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**B11. Dividends**

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

**B12. 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	Three (3) Months Ended	Current Year To Date Ended	Preceding Corresponding Year To Date Ended (Restated)
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Net (loss) / profit attributable to ordinary equity holders of the Company (RM'000)	(711)	(613)	76	(567)
Weighted average number of ordinary shares in issue ('000)	721,896	489,000	721,896	489,000
Basic (loss) / profit per share (sen)	(0.10)	(0.13)	0.01	(0.13)

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 31 March 2018.

	Individual Quarter		Cumulative Quarter	
	Three (3) Months Ended	Three (3) Months Ended	Current Year To Date Ended	Preceding Corresponding Year To Date Ended (Restated)
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Net (loss) / profit attributable to ordinary equity holders of the Company (RM'000)	(711)	(613)	76	(567)
Weighted average number of ordinary shares in issue ('000)	721,896	489,000	721,896	489,000
Effect of dilution after conversion	378,086	244,500	378,086	244,500



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of all outstanding Warrants ('000)

Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share

1,099,982	733,500	1,099,982	733,500
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Diluted basic (loss) / profit per share (sen)

(0.06)	(0.08)	0.01	(0.08)
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**B14. Comprehensive Income Disclosure**

	Individual Quarter		Cumulative Quarter	
	Three (3) Months Ended 30/06/2018	Three (3) Months Ended 30/06/2017	Current Year To Date Ended 30/06/2018	(Restated) Preceding Year To Date Ended 30/06/2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Interest Income	(309)	(6)	(323)	(219)
Depreciation and amortisation	222	227	1122	1,099
Forex (gain)/loss	-	-	-	(116)
Bad debts written-off	-	-	-	24
Impairment loss on trade receivables	-	-	-	48
(Gain)/Loss on disposal of quoted shares	-	-	(818)	3,481
Inventories written-off	-	-	-	480
Unrealised (gain)/loss on quoted shares	-	-	(1,225)	(679)
Loss/(Gain) on disposal of PPE	-	-	-	2