



DGB ASIA BERHAD
(Registration No.: 200601001857 (721605-K))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021
(UNAUDITED)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021

	3 MONTHS ENDED		12 MONTHS ENDED	
	UNAUDITED 31-Mar-2021 RM'000	UNAUDITED 31-Mar-2020 RM'000	UNAUDITED 31-Mar-2021 RM'000	UNAUDITED 31-Mar-2020 RM'000
Revenue	6,787	3,691	6,787	3,691
Operating expenses	(6,585)	(4,577)	(6,585)	(4,577)
Other operating expenses	(8,073)	(1,019)	(8,073)	(1,019)
Loss from operations	(7,871)	(1,905)	(7,871)	(1,905)
Share of loss in an associate company	-	-	-	-
Finance expenses	(5)	(5)	(5)	(5)
Loss before tax expenses	(7,876)	(1,910)	(7,876)	(1,910)
Tax income	-	-	-	-
Loss after tax expenses	(7,876)	(1,910)	(7,876)	(1,910)
Other comprehensive loss, net of tax				
- Foreign currency translation differences for foreign operations	(116)	-	(116)	-
Total comprehensive loss for the period	(7,992)	(1,910)	(7,992)	(1,910)
Loss net of tax attributable to :				
Owners of the Company	(6,152)	(1,910)	(6,152)	(1,910)
Non-controlling interests	(1,724)	-	(1,724)	-
	(7,876)	(1,910)	(7,876)	(1,910)
Total comprehensive loss attributable to :				
Owners of the Company	(6,131)	(1,910)	(6,131)	(1,910)
Non-controlling interests	(1,861)	-	(1,861)	-
	(7,992)	(1,910)	(7,992)	(1,910)
Loss per share attributable to owners of the Company:				
Basic loss per share (sen per share)	(0.64)	(0.24)	(0.64)	(0.24)
Diluted loss per share (sen per share)	(0.56)	(0.15)	(0.56)	(0.15)

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	UNAUDITED AS AT 31-Mar-2021 RM'000	AUDITED AS AT 31-Dec-2020 RM'000
ASSETS		
Non-current assets		
Intangible assets	8,291	8,187
Intangible assets under development	4,000	4,000
Property, plant and equipment	39,347	39,639
Right of use assets	160,653	161,588
Total non-current assets	212,291	213,414
Current assets		
Inventories	673	444
Trade receivables	4,456	5,533
Other receivables, deposits and prepayments	39,436	41,697
Other investments	5,942	2,955
Tax recoverable	39	36
Cash and bank balances	127,582	16,685
Total current assets	178,128	67,350
TOTAL ASSETS	390,419	280,764
EQUITY AND LIABILITIES		
Equity		
Share Capital	207,614	83,499
Reserves	(27,708)	(21,606)
Equity attributable to Owners of the Company	179,906	61,893
Non-controlling interests	(5,575)	(3,714)
Total equity	174,331	58,179
Non-current liabilities		
Finance lease liability	231	231
Lease liabilities	151,857	149,433
Total non-current liabilities	152,088	149,664
Current liabilities		
Trade payables	9,608	3,108
Other payables and accruals	44,299	56,582
Finance lease liability	57	75
Lease liability	10,036	13,156
Total current liabilities	64,000	72,921
Total liabilities	216,088	222,585
TOTAL EQUITY AND LIABILITIES	390,419	280,764
Net Assets per share attributable to Owners of the Company (RM)	0.147	0.386

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes to the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021

	<----- Attributable to owners of the Company ----->								
	<----- Non-distributable ----->				Distributable		Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Option Reserve RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000				
Audited									
At 1 January 2020	48,179	-	-	(1,668)	(4,972)	41,539	(47)	41,492	
Transaction with owners:									
Grant of shares issuance scheme	-	4,296	-	-	-	4,296	-	4,296	
Lapse of shares issuance scheme	-	(2,486)	-	-	-	(2,486)	-	(2,486)	
Issuance of ordinary shares pursuant to:									
- conversion of warrant	732	-	-	-	-	732	-	732	
- exercise of shares issuance scheme	12,565	(1,810)	-	-	-	10,755	-	10,755	
- private placement	22,023	-	-	-	-	22,023	-	22,023	
Total transaction with owners	35,320	-	-	-	-	35,320	-	35,320	
Write off of subsidiary company	-	-	-	1,668	(1,668)	-	47	47	
Acquisition of subsidiary company	-	-	-	-	-	-	(2,011)	(2,011)	
Loss for the financial year	-	-	-	-	(13,437)	(13,437)	(319)	(13,756)	
Other comprehensive loss:									
- Foreign currency translation difference for foreign operations	-	-	-	(1,529)	-	(1,529)	(1,384)	(2,913)	
Total comprehensive loss for the financial year	-	-	-	(1,529)	(13,437)	(14,966)	(1,703)	(16,669)	
At 31 December 2020	83,499	-	-	(1,529)	(20,077)	61,893	(3,714)	58,179	
Unaudited									
At 1 January 2021	83,499	-	-	(1,529)	(20,077)	61,893	(3,714)	58,179	
Transaction with owners:									
Issuance of ordinary shares pursuant to:									
- exercise of shares issuance scheme	9,350	-	-	-	-	9,350	-	9,350	
- private placement	114,765	-	12,259	-	(12,259)	114,765	-	114,765	
Total transaction with owners	124,115	-	12,259	-	(12,259)	124,115	-	124,115	
Loss for the financial year	-	-	-	-	(6,153)	(6,153)	(1,724)	(7,877)	
Other comprehensive loss:									
- Foreign currency translation difference for foreign operations	-	-	-	51	-	51	(137)	(86)	
Total comprehensive loss for the financial year	-	-	-	51	(6,153)	(6,102)	(1,861)	(7,963)	
At 31 March 2021	207,614	-	12,259	(1,478)	(38,489)	179,906	(5,575)	174,331	

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes to the interim report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2021

	12 MONTHS ENDED	
	UNAUDITED	UNAUDITED
	31-Mar-2021	31-Mar-2020
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(7,876)	(1,910)
Adjustments for:		
Amortisation of intangible asset	19	-
Depreciation of property, plant and equipment	378	166
Amortisation of right of use assets	935	-
Gain on disposal of other investment	(823)	-
Fair value adjustments other investments	4,175	-
Interest expenses	152	-
Interest income	(177)	-
Operating loss before tax	(3,217)	(1,744)
Decrease in inventories	(229)	2
Increase in receivables	3,333	(9,909)
Increase in payables	(6,128)	72
Cash used in operations	(6,241)	(11,579)
Tax paid	(3)	-
Net cash used in operating activities	(6,244)	(11,579)
Cash flows from investing activities		
Interest received	177	-
Acquisition of other investment	(8,830)	-
Acquisition of intangible assets	(123)	-
Proceeds from disposal of other investments	2,491	-
Purchase of property, plant and equipment	(86)	(197)
Net cash used in investing activities	(6,371)	(197)
Cash flows from financing activities		
Directors	460	-
Finance lease liabilities	(14)	-
Lease liabilities	(845)	-
Proceeds from issuance of shares	124,115	732
Net cash from financing activities	123,716	732
Net increase in cash and cash equivalents	111,101	(11,044)
Effects on exchange rate on cash and cash equivalents	(204)	-
Cash and cash equivalents at beginning of year	16,685	16,470
Cash and cash equivalents at end of the financial period/year	127,582	5,426
<u>Cash and cash equivalents at the end of the financial period/year comprises the following :-</u>		
Fixed deposits	100,119	5,489
Cash and bank balances	27,463	(63)
	127,582	5,426

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes to the interim financial report.

A NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the guidance and recommendations set out in Issues Communication – Guidance on Disclosures in Notes to Quarterly Report (“ICN 1/2017”) and Issuers Communication - Disclosure Guidance on COVID-19 Related Impacts and Investments (ICN 1/2020”) issued by Bursa Malaysia.

The interim financial report should be read in conjunction with the latest audited financial statements of the Company and its subsidiaries (“Group”) for the financial year ended 31 December 2020 (“Audited Financial Statements”). The selected explanatory notes attached to these interim financial reports provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest Audited Financial Statements except for the adoption of the following new MFRS, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) which are effective for the financial year beginning 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform – Phase 2

The adoption of the above MFRS, amendments/improvements to MFRSs and IC Int did not have any material financial impact to the Group.

The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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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

There were no significant seasonal or cyclical factors affecting the operations of the Group.

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 was 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 quarter and financial year except for:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Mar-21		31-Mar-21	
	No. of shares	RM'000	No. of shares	RM'000
(i) Rights Issue with Warrants (RIWW)	<u>956,377,178</u>	<u>114,765,261</u>	<u>956,377,178</u>	<u>114,765,261</u>
(ii) Share Issuance Scheme (SIS)	<u>110,000,000</u>	<u>9,350,000</u>	<u>110,000,000</u>	<u>9,350,000</u>

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

	3 MONTHS ENDED		12 MONTHS ENDED	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	RM'000	RM'000	RM'000	RM'000
Malaysia	965	12	965	12
Thailand	760	3,679	760	3,679
Taiwan	<u>5,062</u>	<u>-</u>	<u>5,062</u>	<u>-</u>
	<u>6,787</u>	<u>3,691</u>	<u>6,787</u>	<u>3,691</u>
Less: Inter-company transactions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u><u>6,787</u></u>	<u><u>3,691</u></u>	<u><u>6,787</u></u>	<u><u>3,691</u></u>

A8. Segmental information (cont'd)

(b) Analysis of revenue by product categories

	3 MONTHS ENDED		12 MONTHS ENDED	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	RM'000	RM'000	RM'000	RM'000
Hotel Services	5,062	-	5,062	-
Logistics Services	125	-	125	-
Proprietary software	834	368	834	368
Value added products (Fast-moving consumer goods)	766	12	766	12
AIDC hardware / equipment	-	3,311	-	3,311
	<u>6,787</u>	<u>3,691</u>	<u>6,787</u>	<u>3,691</u>
Less: Inter-company transactions	-	-	-	-
Total revenue	<u>6,787</u>	<u>3,691</u>	<u>6,787</u>	<u>3,691</u>

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 to the 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

	UNAUDITED	AUDITED
	AS AT	AS AT
	31-Mar-21	31-Dec-20
	RM'000	RM'000
Cash and bank balances	27,463	57
Fixed deposits with licensed banks	<u>100,119</u>	<u>16,413</u>
	<u>127,582</u>	<u>16,470</u>

B ADDITIONAL NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

	3 MONTHS ENDED			12 MONTHS ENDED		
	UNAUDITED	UNAUDITED	Changes	UNAUDITED	UNAUDITED	Changes
	31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	6,787	3,691	3,096	6,787	3,691	3,096
Operating loss	(7,871)	(1,905)	(5,966)	(7,871)	(1,905)	(5,966)
Loss before interest and tax	(7,871)	(1,905)	(5,966)	(7,871)	(1,905)	(5,966)
Loss before tax	(7,876)	(1,910)	(5,966)	(7,876)	(1,910)	(5,966)
Loss after tax	(7,876)	(1,910)	(5,966)	(7,876)	(1,910)	(5,966)
Loss attributable to owners of the Company	(6,152)	(1,910)	(4,242)	(6,152)	(1,910)	(4,242)

Current Year Quarter ended 31 March 2021 versus Previous Year Quarter ended 31 March 2020

For the current financial quarter under review, the Group generated revenue of RM6.8 million and loss before tax expenses (“LBT”) of RM7.9 million respectively, compared with revenue of RM3.7 million and LBT of RM1.9 million in the corresponding quarter of the preceding year ended 31 March 2020. The increase in revenue for the current financial quarter under review was mainly due to the revenue contribution from hotel operation in Taiwan and higher proprietary software and valued-added products sold as compared to preceding quarter 31 March 2020. The current financial quarter LBT of RM7.8 was higher than the preceding corresponding financial quarter of RM1.9 million mainly due to higher operating expenses, depreciation and amortisation from the hotel operation and unrealised loss on other investment incurred in the current financial quarter.

B2. Comparison with preceding quarter’s results

	3 MONTHS ENDED		
	31-Mar-21	31-Dec-20	Changes
	RM'000	RM'000	RM'000
Revenue	6,787	6,592	195
Operating loss	(7,871)	(6,417)	(1,454)
Loss before interest and tax	(7,871)	(6,417)	(1,454)
Loss before tax	(7,876)	(9,519)	1,643
Loss after tax	(7,876)	(9,519)	1,643
Loss attributable to owners of the Company	(6,152)	(9,316)	3,164

The Group recorded a revenue and LBT for the current financial quarter under review of RM6.8 million and RM7.8 million respectively as compared with the preceding financial quarter’s revenue and LBT of RM6.6 million and RM9.5 million respectively. Revenue generated was fairly consistent between the two quarters. The LBT for the quarter under review, however, was lower mainly due to lower impairment loss charged as compared with preceding quarter ended 31 December 2020.

B3. Prospects

The Group has embarked on several initiatives to mitigate the challenging business and economic conditions during this trying period. These include: -

i. Expansion of Ping-U, an e-commerce last mile fulfillment solutions provider

E-commerce has experienced a rapid growth and adoption in year 2020, in part due to the strict Government containment measures. The Group believes that moving forward the demand for logistics services will continue to grow with the advancement of technology, increased adoption, and improved accessibility to consumers.

The Group intends to further expand its e-commerce logistics services nationwide by expanding our network and delivery coverage as well as increasing the number of Ping-U Points up to 600 locations. Concurrently, the Group also intends to further expand its services to serve the supply chain requirements of small and medium e-commerce companies with limited in-house capabilities as well as under-served and remote areas with no or limited number of courier options. The expansion of Ping-U points and delivery coverage will encourage more users to utilise Ping-U.

ii. Expansion of smart vending machine business

The COVID-19 outbreak, period of containment and economic uncertainty have changed the way consumers behave and shop. Since the onset of the pandemic, individual and household buying behavior and pattern have prioritize consumers' products that are useful in reducing COVID-19 infection risks.

The use and growing acceptance of smart vending machines is a growing phenomenon brought about in part by the need to avoid crowded places, social distancing, travel restrictions and the multi functionality that smart vending machines can offer to users.

The Group had started venturing into the smart vending machines business as part of the Group's expansion plans in August 2020 in light of the opportunities presented by the COVID-19 outbreak. The investment in the smart vending machines business is also expected to provide additional revenue stream to the Group via the sale of fast-moving consumer goods and rental of digital advertisement space that these machines provide.

The Group is in the midst of implementing the roll out of the smart vending machines business in stages. In addition to conventional products, these machines will also sell products such as face masks and gloves which are high demand items.

iii. Hotel business in Taiwan

In October 2020, the Group increased its equity stake in CLI Investment Limited ("CLI") which owns the Kimpton Hotel in Taipei, Taiwan. CLI is now a subsidiary of the Group. This is a strategic investment that is intended to provide a recurring source of revenue and earnings to the Group.

Although the COVID-19 outbreak had adversely impacted the global tourism industry, Taiwan has been widely regarded as one of the first countries to successfully contain the outbreak with less than 1,000 total cases as of December 2020. The Taiwanese government has also been very proactive in supporting its local tourism sector with a subsidy package of NT\$3.9 billion (US\$1.3 billion) for their local tourism sector.

The Hotel provides an alternative source of recurring income and allow the Group to diversify its earnings base to reduce its reliance on existing core businesses. The Group expects the hotel's business to further recover with the roll-out of vaccines in the coming months. This will ease travel restrictions for local and international travelers and increase occupancy for the Hotel.

The availability of adequate working capital, minimal gearing and the implementation of the business initiatives stated above will help to sustain the Group in the year ahead.

ICN1 2020 Disclosure Guidance on Covid-19 Related Impacts and Investments

The Coronavirus "COVID-19" pandemic has had an impact on the Group's operations and business as well as the Group's customers and suppliers to some extent. As the pandemic has not ended the Group is still assessing the financial impact of Covid 19 as the Group have investment overseas and need to assess the pandemic in the foreign jurisdiction which differs than Malaysia. The overall financial effect cannot be reliably estimated as of the approval date of these interim financial report. The Group will closely monitor the development of the COVID-19 outbreak and continue to evaluate its impact on the business, the financial position, and operating results of the Group. The Group will only recognise the financial impact in the financial statements for the financial year ending 31 December 2021 as when it could be reliably measured.

B4. Income tax expenses

Taxation comprises the following: -

	3 MONTHS ENDED		12 MONTHS ENDED	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current year tax	-	-	-	-
- Over provision in prior years	-	-	-	-
- Deferred tax expense	-	-	-	-
Net income tax expense/(income)	-	-	-	-
In respect of the previous period:-				
Taxation	-	-	-	-
Overprovision	-	-	-	-
Deferred taxation	-	-	-	-
Net tax charge/(credit)	-	-	-	-

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

The following are the corporate proposals previously announced by the Company that remained uncompleted as at the date of this report:-

- i. The Company wishes to announce that DGB Networks Sdn. Bhd. (“DGB Networks”), a wholly owned subsidiary of the Company, had on 16 April 2020 entered into a memorandum of understanding (“MOU”) with XOX Media Sdn. Bhd. (“XOX Media”) for the purpose of collaboration to deploy next generation digital vending machines. Please refer to announcements dated 16 April 2020 and 15 June 2020 for further details. The Board of Directors of the Company wishes to announce that DGB Networks had on 28 December 2020 entered into a Supplemental Letter to the JVA with XOX Media (“Supplemental Letter”), whereby the Parties have acknowledged and agreed that the JVA shall be amended and varied in the manner as set out below and the Supplemental Letter shall be construed as one with the JVA. Please refer to announcement dated 28 December 2020 for further details.
- ii. The Board of Directors of DGB Asia Berhad (“Board”) wishes to announce that the Company had on 5 January 2021 executed a Letter of Intent (“LOI”) with Pei Lai Choon (“Vendor”) for the proposed acquisition of 150,000 ordinary shares in Infostrike Sdn. Bhd. (Registration No. 201001040805 (924730-P)) (“Infostrike”), representing 30% of the issued and paid-up share capital of Infostrike, for a consideration of up to RM30.0 million, subject to the due diligence exercise to be undertaken by the Company (“Proposed Acquisition”). Infostrike was incorporated in Malaysia as a private limited company, a leading mobile technology solution provider, pioneering mobile gaming platform and Enterprise Digitalization Solutions. Infostrike’s capabilities ranging from proprietary technology platforms and ready infrastructure such as Digital Asset Management System (DAMS), Infostrike Asset Management System (IAMS) and Infostrike Game Publishing Platform (IGPP) provide businesses with scalable, secure and highly adaptable mobile solutions to their clients’ needs. Please refer to announcement dated 5 January 2021 for further details.

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

i. Private placement

The utilisation of the proceeds of RM19,805,246 from the private placement of 349,916,000 new ordinary shares of RM0.0566 each as of the date of this report is as follows: -

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation
Investment in the business of smart vending machines	13,460	7,042	6,418	Within 24 months
Working capital	5,945	5,945	-	Within 24 months
Estimated expenses in relation to the corporate exercises	400	400	-	Immediate
Total	19,805	13,387	6,418	

ii. Renounceable Rights Issue with Warrants C

The utilisation of the proceeds of RM114,765,292 from the renounceable rights issue of 956,377,178 new ordinary shares of RM0.12 each as of the date of this report is as follows: -

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation
Expansion of Ping-U, an e-commerce last mile fulfilment solutions provider in Malaysia	60,000	390	59,610	Within 24 months
Expansion of the smart vending machines business	15,000	-	15,000	Within 24 months
Marketing expenses	20,000	-	20,000	Within 24 months
Working capital	8,865	7,392	1,473	Within 24 months
Acquisition and/or investment in other complementary businesses and/or assets	10,000	-	10,000	Within 24 months
Estimated expenses in relation to the corporate exercises	900	900	-	Immediate
Total	114,765	8,682	106,083	

B8. Borrowings and debt securities

Total group borrowings and debt securities as at 31 March 2021 and 31 December 2020 were as follows:

	UNAUDITED	AUDITED
	AS AT	AS AT
	31-Mar-21	31-Dec-20
	RM'000	RM'000
<u>Short Term Borrowing (Secured)</u>		
Finance lease liability	57	75
<u>Long Term Borrowings (Secured)</u>		
Finance lease liability	231	231
Total	288	306

The Group does not have any foreign borrowings and debt securities as at the date of this report.

B9. Trade receivables

The Group's normal trade credit terms granted to trade receivables ranged from 1 month to 5 months (2020: 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.

	UNAUDITED				
	AS AT 31-Mar-2021				
	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	8	-	-	4,066	4,074
Denominated in Currency	209	79	-	95	383
Total	217	79	-	4,161	4,457

B10. Material litigation

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

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. Loss per share

i. Basic loss per ordinary shares

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

	3 MONTHS ENDED		12 MONTHS ENDED	
	UNAUDITED 31-Mar-21	UNAUDITED 31-Mar-20	UNAUDITED 31-Mar-21	UNAUDITED 31-Mar-20
Net loss attributable to Owners of the Company (RM'000)	(6,152)	(1,910)	(6,152)	(1,910)
Weighted average number of ordinary shares in issue ('000)	<u>956,181</u>	<u>783,684</u>	<u>956,181</u>	<u>783,684</u>
Basic loss per share (sen)	<u>(0.64)</u>	<u>(0.24)</u>	<u>(0.64)</u>	<u>(0.24)</u>

ii. 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 2021.

	3 MONTHS ENDED		12 MONTHS ENDED	
	UNAUDITED 31-Mar-21	UNAUDITED 31-Mar-20	UNAUDITED 31-Mar-21	UNAUDITED 31-Mar-20
Net loss attributable to Owners of the Company (RM'000)	(6,152)	(1,910)	(6,152)	(1,910)
Weighted average number of ordinary shares in issue ('000)	<u>956,181</u>	<u>783,684</u>	<u>956,181</u>	<u>783,684</u>
Effect of dilution after conversion of all outstanding Warrants ('000)	<u>34,890</u>	<u>468,252</u>	<u>34,890</u>	<u>468,252</u>
Effect of dilution after conversion of all outstanding Options ('000)	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted loss per	<u>1,091,071</u>	<u>1,251,936</u>	<u>1,091,071</u>	<u>1,251,936</u>
Diluted basic loss per share (sen)	<u>(0.56)</u>	<u>(0.15)</u>	<u>(0.56)</u>	<u>(0.15)</u>

B14. Comprehensive Income Disclosure

	3 MONTHS ENDED		12 MONTHS ENDED	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	RM'000	RM'000	RM'000	RM'000
Interest income	(177)	-	(177)	-
Interest expense	152	-	152	-
Depreciation and amortisation	1,332	166	1,332	166
Unrealised loss on other investments	4,175	1,019	4,175	1,019
Realised gain on other investments	(823)	-	(823)	-

By Order of the Board
Tea Sor Hua (MACS 01324)
Company Secretary