



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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**  
**(UNAUDITED)**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

|   | 3 MONTHS ENDED                     |                                    | 12 MONTHS ENDED                    |                                    |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|   | UNAUDITED<br>31 DEC 2020<br>RM'000 | UNAUDITED<br>31 DEC 2019<br>RM'000 | UNAUDITED<br>31 DEC 2020<br>RM'000 | UNAUDITED<br>31 DEC 2019<br>RM'000 |
| Revenue   | 6,592                              | 311                                | 13,080                             | -                                  |
| Operating expenses  | (18,926)                           | (6,571)                            | (35,827)                           | -                                  |
| Other operating income  | 5,917                              | 23                                 | 11,918                             | -                                  |
| <b>Loss from operations</b>                                       | <b>(6,417)</b>                     | <b>(6,237)</b>                     | <b>(10,829)</b>                    | <b>-</b>                           |
| Share of loss in an associate company                             | (2,799)                            | 838                                | (2,799)                            | -                                  |
| Finance expenses  | (303)                              | (3)                                | (314)                              | -                                  |
| <b>Loss before tax expenses</b>                                   | <b>(9,519)</b>                     | <b>(5,402)</b>                     | <b>(13,942)</b>                    | <b>-</b>                           |
| Tax income  | -                                  | 15                                 | -                                  | -                                  |
| <b>Loss after tax expenses</b>                                    | <b>(9,519)</b>                     | <b>(5,387)</b>                     | <b>(13,942)</b>                    | <b>-</b>                           |
| <b>Other comprehensive loss, net of tax</b>                       |                                    |                                    |                                    |                                    |
| - Foreign currency translation differences for foreign operations | (4,549)                            | (52)                               | (2,737)                            | -                                  |
| <b>Total comprehensive loss for the period</b>                    | <b>(14,068)</b>                    | <b>(5,439)</b>                     | <b>(16,679)</b>                    | <b>-</b>                           |
| <b>Loss net of tax attributable to :</b>                          |                                    |                                    |                                    |                                    |
| Owners of the Company   | (9,316)                            | (5,387)                            | (13,623)                           | -                                  |
| Non-controlling interests   | (203)                              | -                                  | (319)                              | -                                  |
|   | <b>(9,519)</b>                     | <b>(5,387)</b>                     | <b>(13,942)</b>                    | <b>-</b>                           |
| <b>Total comprehensive loss attributable to :</b>                 |                                    |                                    |                                    |                                    |
| Owners of the Company   | (12,141)                           | (5,439)                            | (14,868)                           | -                                  |
| Non-controlling interests   | (1,927)                            | -                                  | (1,811)                            | -                                  |
|   | <b>(14,068)</b>                    | <b>(5,439)</b>                     | <b>(16,679)</b>                    | <b>-</b>                           |
| <b>Loss per share attributable to owners of the Company:</b>      |                                    |                                    |                                    |                                    |
| Basic loss per share (sen per share)                              | (0.79)                             | (0.70)                             | (1.16)                             | -                                  |
| Diluted loss per share (sen per share)                            | (0.77)                             | (0.44)                             | (1.12)                             | -                                  |

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 2019 and the accompanying explanatory notes to the interim financial report.

In view of the change in financial year end from 30 September 2019 to 31 December 2019, there were no comparative financial information available for the cumulative year to date 12 months financial period end to 31 December 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

|  | <b>UNAUDITED<br/>AS AT<br/>31 DEC 2020<br/>RM'000</b> | <b>AUDITED<br/>AS AT<br/>31 DEC 2019<br/>RM'000</b> |
|--|---|---|
| <b>ASSETS</b>  |   |   |
| <b>Non-current assets</b>  |   |   |
| Intangible assets  | 8,187   | 200   |
| Intangible assets under development                                    | 4,000   | -   |
| Property, plant and equipment  | 39,376  | 1,738   |
| Right of use assets  | 161,588   | -   |
| Investments in an associate  | -   | 7,429   |
| Deposits   | 6,347   | -   |
| <b>Total non-current assets</b>  | <b>219,498</b>  | <b>9,367</b>  |
| <b>Current assets</b>  |   |   |
| Inventories  | 444   | 37  |
| Trade receivables  | 5,533   | 5,287   |
| Other receivables, deposits and prepayments                            | 7,231   | 9,228   |
| Other investments  | 2,357   | 3,700   |
| Tax recoverable  | 36  | 27  |
| Cash and bank balances   | 26,196  | 16,470  |
| <b>Total current assets</b>  | <b>41,797</b>   | <b>34,749</b>                                       |
| <b>TOTAL ASSETS</b>  | <b>261,295</b>  | <b>44,116</b>                                       |
| <b>EQUITY AND LIABILITIES</b>  |   |   |
| <b>Equity</b>  |   |   |
| Share Capital  | 83,499  | 48,179  |
| Translation reserve  | (4,405)   | (1,668)   |
| Accumulated losses   | (17,103)  | (4,972)   |
| <b>Equity attributable to Owners of the Company</b>                    | <b>61,991</b>   | <b>41,539</b>                                       |
| Non-controlling interests  | (3,822)   | (47)  |
| <b>Total equity</b>  | <b>58,169</b>   | <b>41,492</b>                                       |
| <b>Non-current liabilities</b>   |   |   |
| Finance lease liability  | 231   | 306   |
| Lease liabilities  | 149,433   | -   |
| Other payables   | 20,252  | -   |
| <b>Total non-current liabilities</b>                                   | <b>169,916</b>  | <b>306</b>  |
| <b>Current liabilities</b>   |   |   |
| Trade payables   | 3,108   | 698   |
| Other payables and accruals  | 16,871  | 1,547   |
| Finance lease liability  | 75  | 72  |
| Lease liability  | 13,156  | -   |
| <b>Total current liabilities</b>                                       | <b>33,210</b>   | <b>2,317</b>  |
| <b>Total liabilities</b>   | <b>203,126</b>  | <b>2,624</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | <b>261,295</b>  | <b>44,116</b>                                       |
| <b>Net Assets per share attributable to Owners of the Company (RM)</b> | <b>0.387</b>  | <b>0.053</b>  |

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 2019 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

|  | <-----Attributable to owners of the Company-----> |                                   |                                  |  |                 |  |                           |  |
|--|---|-----------------------------------|----------------------------------|--|-----------------|--|---------------------------|--|
|  | <-----Non-distributable----->                     |                                   |                                  | Distributable  |                 |  |                           |  |
|  | Share<br>Capital<br>RM'000                        | Share Option<br>Reserve<br>RM'000 | Translation<br>Reserve<br>RM'000 | Retained Earnings/<br>(Accumulated Losses)<br>RM'000 | Total<br>RM'000 | Non-Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |  |
| <b><u>Audited</u></b>  |   |                                   |                                  |  |                 |  |                           |  |
| <b>At 1 October 2018</b>   | 45,410  | -                                 | (1,682)                          | 12,115   | 55,843          | (47)                                   | 55,796                    |  |
| Transaction with owners:   |   |                                   |                                  |  |                 |  |                           |  |
| Issuance of ordinary shares pursuant to:                         |   |                                   |                                  |  |                 |  |                           |  |
| - conversion of warrant  | 2,770   | -                                 | -                                | -  | 2,770           | -                                      | 2,770                     |  |
| <b>Total transaction with owners</b>                             | 2,770   | -                                 | -                                | -  | 2,770           | -                                      | 2,770                     |  |
| Loss for the financial period                                    | -   | -                                 | -                                | (17,087)   | (17,087)        | -                                      | (17,087)                  |  |
| Other comprehensive loss:  |   |                                   |                                  |  |                 |  |                           |  |
| - Foreign currency translation difference for foreign operations | -   | -                                 | 13                               | -  | 13              | -                                      | 13                        |  |
| <b>Total comprehensive loss for the financial period</b>         | -   | -                                 | 13                               | (17,087)   | (17,074)        | -                                      | (17,074)                  |  |
| <b>At 31 December 2019</b>                                       | 48,179  | -                                 | (1,668)                          | (4,972)  | 41,539          | (47)                                   | 41,492                    |  |
| <b><u>Unaudited</u></b>  |   |                                   |                                  |  |                 |  |                           |  |
| <b>At 1 January 2020</b>   | 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                    |  |
| <b>Total transaction with owners</b>                             | 35,320  | -                                 | -                                | -  | 35,320          | -                                      | 35,320                    |  |
| Write off of subsidiary company                                  | -   | -                                 | (1,492)                          | 1,492  | -               | 47                                     | 47                        |  |
| Acquisition of subsidiary company                                | -   | -                                 | -                                | -  | -               | (2,011)                                | (2,011)                   |  |
| Loss for the financial year                                      | -   | -                                 | -                                | (13,623)   | (13,623)        | (319)                                  | (13,942)                  |  |
| Other comprehensive loss:  |   |                                   |                                  |  |                 |  |                           |  |
| - Foreign currency translation difference for foreign operations | -   | -                                 | (1,245)                          | -  | (1,245)         | (1,492)                                | (2,737)                   |  |
| <b>Total comprehensive loss for the financial year</b>           | -   | -                                 | (1,245)                          | (13,623)   | (14,868)        | (1,811)                                | (16,679)                  |  |
| <b>At 31 December 2020</b>                                       | 83,499  | -                                 | (4,405)                          | (17,103)   | 61,991          | (3,822)                                | 58,169                    |  |

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 2019 and the accompanying explanatory notes to the interim report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

|  | <b>12 MONTHS ENDED</b> |                    |
|--|------------------------|--------------------|
|  | <b>UNAUDITED</b>       | <b>UNAUDITED</b>   |
|  | <b>31 DEC 2020</b>     | <b>31 DEC 2019</b> |
|  | <b>RM'000</b>          | <b>RM'000</b>      |
| <b>Cash flows from operating activities</b>  |                        |                    |
| Loss before tax  | (13,942)               | -                  |
| Adjustments for:   |                        |                    |
| Amortisation of intangible asset   | 54                     | -                  |
| Depreciation of property, plant and equipment  | 1,382                  | -                  |
| Amortisation of right of use assets  | 3,623                  | -                  |
| Employee benefit expenses  | 1,810                  | -                  |
| Impairment in trade receivable   | 867                    | -                  |
| Reversal of impairment in receivable   | (5,997)                | -                  |
| Loss on disposal of other investment   | 3,029                  | -                  |
| Fair value adjustments other investments   | (185)                  | -                  |
| Impairment on inventory  | 36                     | -                  |
| Interest expenses  | 189                    | -                  |
| Interest income  | (5)                    | -                  |
| Loss on derecognition of investment in associate (group)   | 3,282                  | -                  |
| Write off of investment in subsidiaries (group)  | 47                     | -                  |
| Operating loss before tax  | <u>(5,810)</u>         | <u>-</u>           |
| Decrease in inventories  | (167)                  | -                  |
| Increase in receivables  | 3,939                  | -                  |
| Increase in payables   | (9,263)                | -                  |
| Cash used in operations  | <u>(11,301)</u>        | <u>-</u>           |
| Tax paid   | (316)                  | -                  |
| <b>Net cash used in operating activities</b>   | <u>(11,617)</u>        | <u>-</u>           |
| <b>Cash flows from investing activities</b>  |                        |                    |
| Interest received  | 5                      | -                  |
| Acquisition of subsidiary, net of CACE acquired  | (3,155)                | -                  |
| Acquisition of other investment  | (12,132)               | -                  |
| Acquisition of intangible assets   | (4,000)                | -                  |
| Proceeds from disposal of other investments  | 10,631                 | -                  |
| Proceed from disposal of property, plant and equipment   | 172                    | -                  |
| Share of loss of investment in subsidiary  | 2,799                  | -                  |
| <b>Net cash used in investing activities</b>   | <u>(5,681)</u>         | <u>-</u>           |
| <b>Cash flows from financing activities</b>  |                        |                    |
| Interest paid  | (186)                  | -                  |
| Lease liabilities  | (3,248)                | -                  |
| Proceeds from issuance of shares   | 33,510                 | -                  |
| <b>Net cash from financing activities</b>  | <u>30,076</u>          | <u>-</u>           |
| <b>Net increase in cash and cash equivalents</b>   | 12,778                 | -                  |
| <b>Effects on exchange rate on cash and cash equivalents</b>   | (3,052)                | -                  |
| Cash and cash equivalents at beginning of year   | 16,470                 | -                  |
| <b>Cash and cash equivalents at end of the financial period/year</b>                                       | <u>26,196</u>          | <u>-</u>           |
| <b><u>Cash and cash equivalents at the end of the financial period/year comprises the following :-</u></b> |                        |                    |
| Fixed deposits   | 60                     | -                  |
| Cash and bank balances   | 26,136                 | -                  |
|  | <u>26,196</u>          | <u>-</u>           |

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes to the interim financial report.

In view of the change in financial year end from 30 September 2019 to 31 December 2019, there were no comparative financial information available for the 12 months financial period end to 31 December 2020.

**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 2019 (“Audited Financial Statements”). The selected explanatory notes attached to these interim financial report 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.

As announced on 21 January 2020, the Company changed its financial year end from 30 September to 31 December. As such, no comparative figures are presented as it is not comparable with any comparative period previously reported.

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 2020:

- Amendments/Improvements to MFRS 16 Leases
- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

The adoption of the above MFRS, amendments/improvements to MFRSs and IC Int did not have any material financial impact to the Group except for the adoption of MFRS 16, which is discussed below.

**MFRS 16 – Leases**

MFRS 16 replaces MFRS 117 Leases, IC Int 4 Determining whether an Arrangement contains a Lease, IC Int 115 Operating Lease-Incentives and IC Int 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to the accounting for finance leases under MFRS 117.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a “right of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 - Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in profit or loss.

In the Statements of Cash Flows under MFRS 16, the operating lease payments previously included in operating cash flows under MFRS 117 are separately presented as principal repayment within financing cash flows and interest payment within operating cash flows.

The Group has elected to apply MFRS 16 using the modified retrospective approach. Accordingly, the comparative information has not been restated.

**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:

- i. Share consolidation of every 10 existing ordinary shares into 1 ordinary share dated 24 November 2020

|                                   | <b>No. of shares</b> | <b>RM'000</b> |
|-----------------------------------|----------------------|---------------|
| <b>Before Share Consolidation</b> |                      |               |
| As at 30 September 2020           | 1,602,304,967        | 81,689,021    |
| <b>After Share Consolidation</b>  |                      |               |
| As at 31 December 2020            | 160,230,488          | 81,689,021    |

**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>3 MONTHS ENDED</b>                                   |   | <b>12 MONTHS ENDED</b>                                  |   |
|----------------------------------|---|---|---|---|
|                                  | <b>UNAUDITED</b><br><b>31 DEC 2020</b><br><b>RM'000</b> | <b>UNAUDITED</b><br><b>31 DEC 2019</b><br><b>RM'000</b> | <b>UNAUDITED</b><br><b>31 DEC 2020</b><br><b>RM'000</b> | <b>UNAUDITED</b><br><b>31 DEC 2019</b><br><b>RM'000</b> |
| Malaysia                         | 790   | 311   | 3,599   | -   |
| Thailand                         | -   | -   | 3,679   | -   |
| Taiwan                           | 5,802   | -   | 5,802   | -   |
|                                  | <u>6,592</u>  | <u>311</u>  | <u>13,080</u>   | <u>-</u>  |
| Less: Inter-company transactions | -   | -   | -   | -   |
| Total revenue                    | <u><u>6,592</u></u>                                     | <u><u>311</u></u>                                       | <u><u>13,080</u></u>                                    | <u><u>-</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 DEC 2020         | 31 DEC 2019       | 31 DEC 2020          | 31 DEC 2019     |
|                                  | RM'000              | RM'000            | RM'000               | RM'000          |
| Hotel Services                   | 5,802               | -                 | 5,802                | -               |
| Proprietary software             | -                   | -                 | 368                  | -               |
| Value added products & services  | 790                 | 311               | 3,599                | -               |
| AIDC hardware / equipment        | -                   | -                 | 3,311                | -               |
|                                  | <u>6,592</u>        | <u>311</u>        | <u>13,080</u>        | <u>-</u>        |
| Less: Inter-company transactions | <u>-</u>            | <u>-</u>          | <u>-</u>             | <u>-</u>        |
| Total revenue                    | <u><u>6,592</u></u> | <u><u>311</u></u> | <u><u>13,080</u></u> | <u><u>-</u></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 DEC 2020   | 31 DEC 2019   |
|                                    | RM'000        | RM'000        |
| Cash and bank balances             | 26,136        | 57            |
| Fixed deposits with licensed banks | 60            | 16,413        |
|                                    | <u>26,196</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 DEC 2020    | 31 DEC 2019 |         | 31 DEC 2020     | 31 DEC 2019 |         |
|  | RM'000         | RM'000      | RM'000  | RM'000          | RM'000      | RM'000  |
| Revenue                                    | 6,592          | 311         | 6,281   | 13,080          | -           | N/A     |
| Operating loss                             | (6,417)        | (6,237)     | (180)   | (10,829)        | -           | N/A     |
| Loss before interest and tax               | (6,417)        | (6,237)     | (180)   | (10,829)        | -           | N/A     |
| Loss before tax                            | (9,519)        | (5,402)     | (4,117) | (13,942)        | -           | N/A     |
| Loss after tax                             | (9,519)        | (5,387)     | (4,132) | (13,942)        | -           | N/A     |
| Loss attributable to owners of the Company | (9,316)        | (5,387)     | (3,929) | (13,623)        | -           | N/A     |

Current Year Quarter ended 31 December 2020 versus Previous Year Quarter ended 31 December 2019

For the current financial quarter under review, the Group generated revenue of RM6.6 million and loss before tax expenses (“LBT”) of RM9.5 million respectively, compared with revenue of RM0.3 million and LBT of RM5.4 million in the corresponding quarter of the preceding period ended December 2019. The increase in revenue for the current financial quarter under review was mainly due to the revenue contribution from the newly acquired subsidiary on 24 September 2020 and higher valued-added products sold as compared to preceding quarter 31 December 2019.

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

|  | 3 MONTHS ENDED |             |         |
|--|----------------|-------------|---------|
|  | 31 DEC 2020    | 30 SEP 2020 | Changes |
|  | RM'000         | RM'000      | RM'000  |
| Revenue                                    | 6,592          | 1,885       | 4,707   |
| Operating loss                             | (6,417)        | (3,549)     | (2,868) |
| Loss before interest and tax               | (6,417)        | (2,567)     | (3,850) |
| Loss before tax                            | (9,519)        | (2,567)     | (6,952) |
| Loss after tax                             | (9,519)        | (2,567)     | (6,952) |
| Loss attributable to owners of the Company | (9,316)        | (2,451)     | (6,865) |

The Group recorded a revenue and LBT for the current financial quarter under review of RM6.6 million and RM9.5 million respectively as compared with the preceding financial quarter’s revenue and LBT of RM1.9 million and RM2.6 million respectively. The increase revenue contribution from the newly acquired subsidiary on 24 September 2020 and higher valued-added products sold as compared to preceding quarter 31 December 2019.

### **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 2020 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 DEC 2020    | 31 DEC 2019 | 31 DEC 2020     | 31 DEC 2019 |
|                                 | RM'000         | RM'000      | RM'000          | RM'000      |
| Income tax:                     |                |             |                 |             |
| - Current year tax              | -              | (15)        | -               | N/A         |
| - Over provision in prior years | -              | -           | -               | N/A         |
| - Deferred tax expense          | -              | -           | -               | N/A         |
| Net income tax expense/(income) | -              | (15)        | -               | N/A         |

**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 proposes to undertake shares consolidation of every 10 ordinary shares in DGB (“DGB Shares” or “Shares”) into 1 DGB Share (“Consolidated Share”) (“Proposed Share Consolidation”); and renounceable rights issue of up to 1,202,508,216 new Shares (“Rights Shares”) together with up to 601,254,108 free detachable warrants in DGB (“Warrants C”) on the basis of 6 Rights Shares together with 3 free Warrants C for every 1 existing Consolidated Share held by the entitled shareholders on an entitlement date to be determined (“Proposed Rights Issue with Warrants”). Please refer to announcements dated 1 September 2020, 25 September 2020, 14 October 2020, 10 November 2020, 24 November 2020, 7 December 2020, 8 December 2020, 22 December 2020, 15 January 2021, 20 January 2021 and 22 January 2021 for further details.
- ii. The Board of Directors of DGB wishes to announce that DGB Networks Sdn. Bhd. (“DGB Networks”), a wholly owned subsidiary of DGB had on 9 October 2020 entered into a Collaboration Agreement with GEM Pay Sdn. Bhd. (“GEM Pay”) for the purposes of getting supply from GEM Pay for the contactless payment terminals and/or cashless e-wallet payment solutions for DGB Networks’s smart vending machine. Please refer to announcements dated 9 October 2020 and 14 October 2020 for further details.
- iii. 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.
- iv. 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: -

| <b>Purpose</b>  | <b>Proposed<br/>Amount<br/>RM'000</b> | <b>Amount<br/>Utilised<br/>RM'000</b> | <b>Amount<br/>Unutilised<br/>RM'000</b> | <b>Timeframe for<br/>Utilisation</b> |
|---|---------------------------------------|---------------------------------------|---|--------------------------------------|
| Investment in the business of smart vending machines      | 13,460                                | 6,144                                 | 7,316                                   | Within 24 months                     |
| Working capital   | 5,945                                 | 5,122                                 | 823                                     | Within 24 months                     |
| Estimated expenses in relation to the corporate exercises | 400                                   | 400                                   | -                                       | Immediate                            |
| <b>Total</b>  | <b>19,805</b>                         | <b>11,666</b>                         | <b>8,139</b>                            |                                      |

**B8. Borrowings and debt securities**

Total group borrowings and debt securities as at 31 December 2020 and 31 December 2019 were as follows:

|                                       | <b>UNAUDITED<br/>AS AT<br/>31 DEC 2020<br/>RM'000</b> | <b>AUDITED<br/>AS AT<br/>31 DEC 2019<br/>RM'000</b> |
|---------------------------------------|---|---|
| <u>Short Term Borrowing (Secured)</u> |   |   |
| Finance lease liability               | 75  | 72  |
| <u>Long Term Borrowings (Secured)</u> |   |   |
| Finance lease liability               | 231   | 306   |
| <b>Total</b>                          | <b>306</b>  | <b>378</b>  |

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 (2019: 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.

|                         | <b>UNAUDITED<br/>AS AT 31 DEC 2020</b> |                                |                                |                         |
|-------------------------|--|--------------------------------|--------------------------------|-------------------------|
|                         | <b>Current<br/>RM'000</b>              | <b>1 – 3 months<br/>RM'000</b> | <b>3 – 6 months<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| Denominated in RM       | 223                                    | 349                            | 3,703                          | 4,275                   |
| Denominated in Currency | 282                                    | 215                            | 760                            | 1,257                   |
| <b>Total</b>            | <b>505</b>                             | <b>564</b>                     | <b>4,463</b>                   | <b>5,532</b>            |

**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<br>31 DEC 2020 | UNAUDITED<br>31 DEC 2019 | UNAUDITED<br>31 DEC 2020 | UNAUDITED<br>31 DEC 2019 |
| Net loss attributable to<br>Owners of the Company (RM'000)    | (9,316)                  | (5,387)                  | (13,623)                 | -                        |
| Weighted average number of<br>ordinary shares in issue ('000) | <u>1,177,341</u>         | <u>765,777</u>           | <u>1,177,341</u>         | <u>-</u>                 |
| Basic loss per share (sen)                                    | <u>(0.79)</u>            | <u>(0.70)</u>            | <u>(1.16)</u>            | <u>-</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 December 2020.

|   | 3 MONTHS ENDED           |                          | 12 MONTHS ENDED          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | UNAUDITED<br>31 DEC 2020 | UNAUDITED<br>31 DEC 2019 | UNAUDITED<br>31 DEC 2020 | UNAUDITED<br>31 DEC 2019 |
| Net loss attributable to<br>Owners of the Company (RM'000)  | (9,316)                  | (5,387)                  | (13,623)                 | -                        |
| Weighted average number of<br>ordinary shares in issue ('000)   | <u>1,177,341</u>         | <u>765,777</u>           | <u>1,177,341</u>         | <u>-</u>                 |
| Effect of dilution after conversion of<br>all outstanding Warrants ('000)                                     | <u>34,890</u>            | <u>458,707</u>           | <u>34,890</u>            | <u>-</u>                 |
| Adjusted weighted average number of<br>ordinary shares in issue ('000)<br>for the purpose of diluted loss per | <u>1,212,232</u>         | <u>1,224,484</u>         | <u>1,212,232</u>         | <u>-</u>                 |
| Diluted basic loss per share (sen)  | <u>(0.77)</u>            | <u>(0.44)</u>            | <u>(1.12)</u>            | <u>-</u>                 |

**B14. Comprehensive Income Disclosure**

|   | <b>3 MONTHS ENDED</b> |                    | <b>12 MONTHS ENDED</b> |                    |
|---|-----------------------|--------------------|------------------------|--------------------|
|   | <b>UNAUDITED</b>      | <b>UNAUDITED</b>   | <b>UNAUDITED</b>       | <b>UNAUDITED</b>   |
|   | <b>31 DEC 2020</b>    | <b>31 DEC 2019</b> | <b>31 DEC 2020</b>     | <b>31 DEC 2019</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>      | <b>RM'000</b>          | <b>RM'000</b>      |
| Interest income                           | (5)                   | (198)              | (5)                    | -                  |
| Interest expense                          | 170                   | -                  | 189                    | -                  |
| Depreciation and amortisation             | 4,558                 | 131                | 5,059                  | -                  |
| Unrealised loss / (gain) on quoted shares | 5,950                 | -                  | (185)                  | -                  |
| Realised loss on quoted shares            | 2,886                 | 827                | 3,029                  | -                  |
| Impairment loss on trade receivable       | 867                   | 5,536              | 867                    | -                  |

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