



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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022**  
**(UNAUDITED)**

	Page No.
Contents	
Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes In Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Condensed Consolidated Interim Financial Report	5 - 9
Additional Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad	10 - 15

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Sep-2022 RM'000	Unaudited 30-Sep-2021 RM'000	Unaudited 30-Sep-2022 RM'000	Unaudited 30-Sep-2021 RM'000
Revenue	10,412	4,323	23,112	15,045
Cost of sales	(3,907)	(1,642)	(8,634)	(4,359)
<b>Gross profit</b>	<b>6,505</b>	<b>2,681</b>	<b>14,478</b>	<b>10,686</b>
Other operating income	1,152	(580)	3,158	1,444
Administrative expenses	(7,985)	(6,444)	(19,115)	(17,110)
Selling and distribution expenses	(1,740)	(912)	(2,732)	(976)
Other operating expenses	(9,094)	(5,149)	(22,898)	(24,881)
<b>Loss from operations</b>	<b>(11,162)</b>	<b>(10,404)</b>	<b>(27,109)</b>	<b>(30,837)</b>
Finance costs	(32)	(6)	(152)	(17)
<b>Loss before tax</b>	<b>(11,194)</b>	<b>(10,410)</b>	<b>(27,261)</b>	<b>(30,854)</b>
Tax expenses	-	-	-	-
<b>Loss after tax</b>	<b>(11,194)</b>	<b>(10,410)</b>	<b>(27,261)</b>	<b>(30,854)</b>
<b>Other comprehensive loss, net of tax</b>				
- Currency translation difference	(1,196)	531	(2,110)	406
<b>Total comprehensive loss for the financial period</b>	<b>(12,390)</b>	<b>(9,879)</b>	<b>(29,371)</b>	<b>(30,448)</b>
<b>Loss net of tax attributable to :</b>				
Owners of the Company	(9,928)	(8,184)	(22,469)	(24,764)
Non-controlling interests	(1,266)	(2,226)	(4,792)	(6,090)
	(11,194)	(10,410)	(27,261)	(30,854)
<b>Total comprehensive loss attributable to :</b>				
Owners of the Company	(10,291)	(7,631)	(22,295)	(24,277)
Non-controlling interests	(2,099)	(2,248)	(7,076)	(6,171)
	(12,390)	(9,879)	(29,371)	(30,448)
<b>Loss per share attributable to owners of the Company:</b>				
Basic loss per share (cent per share)	(0.58)	(0.66)	(1.31)	(2.00)
Diluted loss per share (cent per share)	(0.58)	(0.66)	(1.31)	(2.00)

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 2021 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

	<b>Unaudited As At 30-Sep-2022 RM'000</b>	<b>Audited As At 31-Dec-2021 RM'000</b>
<b><u>Assets</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	44,344	44,032
Right-of-use assets	131,983	154,759
Investment property	5,586	-
Intangible assets	13,219	13,636
<b>Total non-current assets</b>	<b>195,132</b>	<b>212,427</b>
<b>Current assets</b>		
Inventories	893	2,320
Trade receivables	2,600	2,357
Other receivables, deposits and prepayments	22,334	17,990
Other investments	6,833	11,477
Current tax assets	43	36
Deposits with financial institution	67,733	91,859
Cash and bank balances	17,274	19,843
<b>Total current assets</b>	<b>117,710</b>	<b>145,882</b>
<b>Total assets</b>	<b>312,842</b>	<b>358,309</b>
<b><u>Equity and Liabilities</u></b>		
<b>Equity</b>		
Share capital	220,519	216,334
Reserves	(60,388)	(38,093)
	160,131	178,241
Non-controlling interests	(13,693)	(6,617)
<b>Total equity</b>	<b>146,438</b>	<b>171,624</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease liability	153	153
Lease liabilities	131,037	142,594
<b>Total non-current liabilities</b>	<b>131,190</b>	<b>142,747</b>
<b>Current liabilities</b>		
Trade payables	1,353	1,846
Other payables and accruals	18,788	19,262
Amount due to directors	8,352	7,613
Amount due to related party	3,210	1,205
Finance lease liability	13	79
Lease liabilities	3,498	13,933
<b>Total current liabilities</b>	<b>35,214</b>	<b>43,938</b>
<b>Total liabilities</b>	<b>166,404</b>	<b>186,685</b>
<b>Total equity and liabilities</b>	<b>312,842</b>	<b>358,309</b>
<b>Net assets per shares attributable to Owners of the Company (cent per share)</b>	<b>0.18</b>	<b>0.22</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 2021 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	<----- Attributable to owners of the Company ----->						
	<----- Non-distributable ----->			Distributable			
	Share capital	Translation reserve	Warrants reserve	Accumulated losses	Sub-total	Non controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Audited</u></b>							
<b>Balance at 1 January 2021</b>	83,499	(1,529)	-	(20,076)	61,894	(3,714)	58,180
Transaction with owners:							
Issuance of ordinary shares pursuant to:							
- right issues with warrants	102,507	-	12,259	-	114,766	-	114,766
- exercise of shares issuance scheme	20,029	-	-	-	20,029	-	20,029
- private placement	10,299	-	-	-	10,299	-	10,299
Total transaction with owners	132,835	-	12,259	-	145,094	-	145,094
Acquisition of subsidiary company	-	-	-	-	-	4,500	4,500
Loss for the financial year	-	-	-	(29,181)	(29,181)	(7,478)	(36,659)
Other comprehensive loss:							
Currency translation differences	-	434	-	-	434	75	509
Total comprehensive loss for the financial year	-	434	-	(29,181)	(28,747)	(7,403)	(36,150)
<b>Balance at 31 December 2021</b>	216,334	(1,095)	12,259	(49,257)	178,241	(6,617)	171,624
<b><u>Unaudited</u></b>							
<b>Balance at 1 January 2022</b>	216,334	(1,095)	12,259	(49,257)	178,241	(6,617)	171,624
Transaction with owners:							
Issuance of ordinary shares pursuant to:							
- exercise of shares issuance scheme	4,185	-	-	-	4,185	-	4,185
Total transaction with owners	4,185	-	-	-	4,185	-	4,185
Loss for the financial year	-	-	-	(22,469)	(22,469)	(4,792)	(27,261)
Other comprehensive loss:							
Currency translation differences	-	174	-	-	174	(2,284)	(2,110)
Total comprehensive loss for the financial year	-	174	-	(22,469)	(22,295)	(7,076)	(29,371)
<b>Balance at 30 September 2022</b>	220,519	(921)	12,259	(71,726)	160,131	(13,693)	146,438

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 2021 and the accompanying explanatory notes to the interim report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	<b>Year-To-Date Ended</b>	
	<b>Unaudited 30-Sep-22 RM'000</b>	<b>Unaudited 30-Sep-21 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(27,261)	(30,854)
Adjustments for:		
Amortisation of intangible assets	965	258
Amortisation of investment property	14	-
Depreciation of property, plant and equipment	4,087	3,210
Depreciation of right of use assets	10,046	10,780
Employee benefit expenses	1,237	-
Fair value adjustment of other investments	4,871	7,590
Fair value adjustment of investment in money market fund	(1,652)	237
Interest expense	147	400
Interest income	(88)	(1,119)
Impairment of inventory	1,676	-
Impairment of receivables	-	3,297
Rental concessions	(480)	(726)
Operating (loss) before working capital changes	<u>(6,438)</u>	<u>(6,927)</u>
Changes in working capital:		
Inventories	(249)	(3,006)
Receivables	(3,975)	14,343
Payables	(967)	(30,114)
Cash used in operations	<u>(11,629)</u>	<u>(25,704)</u>
Tax paid	11	15
Tax refunded	(19)	(11)
<b>Net cash used in operating activities</b>	<u>(11,637)</u>	<u>(25,700)</u>
<b>Cash flow from investing activities</b>		
Acquisition of intangible asset	(549)	(123)
Acquisition of investment property	(5,600)	-
Acquisition of other investments	-	(10,464)
Acquisition of property, plant and equipment	(5,769)	(4,947)
Withdrawal of money market fund	94,749	20,000
Placement of money market fund	(69,500)	(100,000)
<b>Net cash from/(used in) investing activities</b>	<u>13,331</u>	<u>(95,534)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(147)	(400)
Financing from related party	2,005	126
Proceeds from issuance of shares	2,948	149,593
Advance from directors	-	245
Repayment of finance lease liability	(66)	(159)
Repayment of lease liabilities	(9,311)	(9,758)
<b>Net cash (used in)/from financing activities</b>	<u>(4,571)</u>	<u>139,647</u>
<b>Net (decrease)/increase in cash and bank balances</b>	<u>(2,877)</u>	<u>18,413</u>
Effects of exchange rate changes	307	(1,864)
Cash and bank balances at the beginning of financial year	<u>19,844</u>	<u>16,625</u>
<b>Cash and bank balances at the end of financial year</b>	<u>17,274</u>	<u>33,174</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 2021 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 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 2021 (“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 2022:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018 - 2020 Cycle)
Amendments to MFRS 3	Business Combination - Reference to the Conceptual Framework
Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRSs 2018 - 2020 Cycle)
Amendments to MFRS 116	Property, plant and equipment - Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture (Annual Improvements to MFRSs 2018 - 2020 Cycle)

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. Seasonal or cyclical factors**

There were no significant seasonal or cyclical factors affecting the operations of the Group in the current financial quarter under review.

**A3. 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.

**A4. Material changes in estimates**

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

**A5. Debts and equity securities**

There were no issuances, 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 and year, except for:

	3 Months Ended 30-Sep-22		12 Months Ended 30-Sep-22	
	No. of shares	RM'000	No. of shares	RM'000
Share Issuance Scheme (SIS)	86,026,634	1,548,479	163,804,412	2,948,479

**A6. Dividend**

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

**A7. Segmental information**

(a) Analysis of revenue by geographical area were as follows:

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Sep-22 RM'000	Unaudited 30-Sep-21 RM'000	Unaudited 30-Sep-22 RM'000	Unaudited 30-Sep-21 RM'000
Malaysia	3,459	1,178	6,406	3,994
Thailand	-	760	-	760
Taiwan	6,952	2,628	16,706	10,534
	10,411	4,566	23,112	15,288
Less: Inter-company transactions	-	(243)	-	(243)
Total revenue	10,411	4,323	23,112	15,045

**A7. Segmental information (cont'd)**

(b) Analysis of revenue, results, assets, and liabilities by operating segments were as follows:

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>30-Sep-22</b>	<b>30-Sep-21</b>	<b>30-Sep-22</b>	<b>30-Sep-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment revenue</b>				
Leisure and hospitality	6,952	2,628	16,706	10,534
Logistics services	230	145	453	377
Value added products and services	3,230	1,793	5,953	3,544
Others	-	-	-	833
<b>Total</b>	<b>10,412</b>	<b>4,566</b>	<b>23,112</b>	<b>15,288</b>
Less: Inter-company transactions	-	(243)	-	(243)
<b>Total revenue</b>	<b>10,412</b>	<b>4,323</b>	<b>23,112</b>	<b>15,045</b>
<b>Segment result</b>				
Leisure and hospitality	(2,483)	(4,563)	(9,687)	(13,729)
Logistics services	(1,971)	(2,907)	(3,420)	(3,210)
Value added products and services	(4,265)	(15)	(6,871)	(628)
Others	(2,475)	(2,925)	(7,283)	(13,287)
<b>Total</b>	<b>(11,194)</b>	<b>(10,410)</b>	<b>(27,261)</b>	<b>(30,854)</b>
<b>Segment assets</b>				
Leisure and hospitality			187,098	210,573
Logistics services			5,184	1,947
Value added products and services			19,855	29,478
Others			100,705	123,052
<b>Total</b>			<b>312,842</b>	<b>365,050</b>
<b>Segment liabilities</b>				
Leisure and hospitality			155,908	184,342
Logistics services			2,300	113
Value added products and services			6,977	1,136
Others			1,219	2,135
<b>Total</b>			<b>166,404</b>	<b>187,726</b>



**A8. Valuation of property, plant and equipment**

There were no valuation of the property, plant and equipment during the current quarter and year-to-date ended 30 September 2022.

**A9. Events after the reporting period**

There was no material event after the current quarter and year-to-date ended 30 September 2022.

**A10. Changes in composition of the Group**

On 2 September 2022, the Company capitalised a debt owed by CLI Investment Limited (“CLI”) for an additional 50,000,000 new ordinary shares, amounting to USD 5.0 million (approximately RM22.25 million). The interest in CLI has increased from 61.60% to 87.20%.

**A11. Contingent assets or liabilities**

There were no contingent assets and contingent liabilities as at 30 September 2022.

**A12. Capital commitments**

Capital expenditure contracted for as at 30 September 2022 and 31 December 2021 but not recognised in the financial statements were as follow:

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30-Sep-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Contracted but not provided for		
Investment property	3,600	5,432
Intangible assets	80	113
Property, plant and equipment	1,047	-
	<u>4,727</u>	<u>5,545</u>

**A13. Related party transactions**

The related party transactions between the Group and the related party were as follows:

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>30-Sep-22</b>	<b>30-Sep-21</b>	<b>30-Sep-22</b>	<b>30-Sep-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Subsidiary				
Sales of vending machine	-	243	-	243
Related Party				
Sales of vending machine	1,850	1,542	4,009	1,542
Sales of vending machine subscription package	1	-	1	-
Sales of logistics services	4	-	4	-
Sales of advertising services	84	-	84	-
Purchases of networks subscription:	9	11	20	11

**A14. Cash and cash equivalents**

Total cash and cash equivalents as at 30 September 2022 and 31 December 2021 were as follows:

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30-Sep-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with financial institution	67,733	91,859
Cash and bank balances	17,274	19,843
	<u>85,007</u>	<u>111,702</u>

**A15. Fair value measurements**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Total financial instruments measured at Level 1 as at 30 September 2022 and 31 December 2021 were as follows:

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30-Sep-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Financial Assets</u></b>		
<b>Level 1</b>		
Other investments	6,833	11,477
Deposits with financial institution	67,733	91,859
	<u>74,566</u>	<u>103,336</u>

The Group does not have any financial instruments measured at Level 2 and Level 3 as at 30 September 2022 and 31 December 2021.

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

**B1. Review of performance**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	30-Sep-22	30-Sep-21		30-Sep-22	30-Sep-21	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	10,412	4,323	6,089	23,112	15,045	8,067
Gross profit	6,505	2,681	3,824	14,478	10,686	3,792
Loss from operations	(11,162)	(10,404)	(758)	(27,109)	(30,837)	3,728
Loss before tax	(11,194)	(10,410)	(784)	(27,261)	(30,854)	3,593
Loss after tax	(11,194)	(10,410)	(784)	(27,261)	(30,854)	3,593
Loss attributable to owners of the Company	(9,928)	(8,184)	(1,744)	(22,469)	(24,764)	2,295

Current Year Quarter ended 30 September 2022 versus Previous Year Quarter ended 30 September 2021

For the current financial quarter under review, the Group generated a higher revenue of RM10.4 million and loss before tax (“LBT”) of RM11.1 million, compared with revenue of RM4.3 million and LBT of RM10.4 million in the preceding corresponding financial quarter.

The increase in revenue and gross profit for the current financial quarter were due to higher revenue contribution from hotel rooms, logistics services and value-added products and services sold as compared to the preceding corresponding financial quarter. The average hotel occupancy rates increased from 25% to 57% occupancy. The current financial quarter’s LBT is higher than the preceding corresponding financial quarter due to higher operating expenses.

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

	Quarter Ended		
	Unaudited	Unaudited	Changes
	30-Sep-22	30-Jun-22	
	RM'000	RM'000	RM'000
Revenue	10,412	7,198	3,214
Gross profit	6,505	3,953	2,552
Loss from operations	(11,162)	(8,314)	(2,848)
Loss before tax	(11,194)	(8,319)	(2,875)
Loss after tax	(11,194)	(8,319)	(2,875)
Loss attributable to owners of the Company	(9,928)	(6,548)	(3,380)

For the current financial quarter under review, the Group generated a higher revenue of RM10.4 million and LBT of RM11.1 million, compared with revenue of RM7.1 million and LBT of RM8.3 million in the preceding financial quarter. The increase in revenue for the current financial quarter was due to higher revenue in logistics services and value-added products and services sold and hotel monthly occupancy rates from an average 42% to 57%. The LBT for the current financial quarter is higher than the preceding financial quarter due to higher operating expenses, depreciation and amortisation, unrealised loss on other investment and impairment on inventory.

**B3. Prospects**

The Group is of the view that the business environment remains challenging due to the continued pressure from global supply chain disruptions, ongoing geopolitical conflicts, rising input cost, and weakening ringgit that could impact consumer purchasing power.

The Group will continue to enhance operational efficiencies to moderate the impact of external economic headwinds.

These include: -

- Addition of new warehouse for fulfilment and warehousing services to accommodate the increased volume of transactions
- Collaboration with outdoor billboard agency and leveraging on their expertise and customer base to promote and boost vending machine advertising
- Upgrading the hotel with additions of conference room, restaurant and private club lounge to generate additional sources of revenue

The above initiatives are intended to diversify the Group's business risks by reducing dependence on any single business in the Group. The Group is cautiously optimistic, with a focus on strengthening the Group's core ecosystems by adopting a proactive stance.

The financial performance of the Group for FYE 2022 will depend on the results of our business plans and initiatives stated above. Where necessary adjustments will be made to suit the operating environment when required to improve the Group financial position. 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.

**B4. Income tax expenses**

There was no provision of tax for the current financial quarter and year-to-date ended 30 September 2022.

**B5. Profit forecast and profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

**B6. Status of corporate proposals**

There was no corporate proposal announced by the Group that remained uncompleted as at the date of this report.

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

i. 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: -

<b>Purpose</b>	<b>Proposed Amount RM'000</b>	<b>Amount Utilised RM'000</b>	<b>Amount Unutilised RM'000</b>	<b>Timeframe for Utilisation</b>
Expansion of Ping-U, an e-commerce last mile fulfilment solutions provider in Malaysia	60,000	14,033	45,967	Within 24 months
Expansion of the smart vending machines business	15,000	6,710	8,290	Within 24 months
Marketing expenses	20,000	2,118	17,882	Within 24 months
Working capital	8,865	8,865	-	Within 24 months
Acquisition and/or investment in other complementary businesses and/or assets	10,000	10,000	-	Within 24 months
Expenses in relation to the corporate exercises	900	900	-	Immediate
<b>Total</b>	<b>114,765</b>	<b>42,626</b>	<b>72,139</b>	

ii. Private placement

The utilisation of the proceeds of RM10,299,230 from the private placement of 270,321,000 new ordinary shares of RM0.0381 each as of the date of this report is as follows: -

<b>Purpose</b>	<b>Proposed Amount RM'000</b>	<b>Amount Utilised RM'000</b>	<b>Amount Unutilised RM'000</b>	<b>Timeframe for Utilisation</b>
Upgrading of the Kimpton Da An Hotel	10,194	4,692	5,502	Within 24 months
Expenses in relation to the corporate exercises	105	105	-	Immediate
<b>Total</b>	<b>10,299</b>	<b>4,797</b>	<b>5,502</b>	

**B8. Borrowings and debt securities**

Total group borrowings and debt securities as at 30 September 2022 and 31 December 2021 were as follows:

	<b>Unaudited</b> <b>As At</b> <b>30-Sep-22</b> <b>RM'000</b>	<b>Audited</b> <b>As At</b> <b>31-Dec-21</b> <b>RM'000</b>
<u>Short Term Borrowing (Secured)</u>		
Finance lease liability	13	79
<u>Long Term Borrowings (Secured)</u>		
Finance lease liability	153	153
Total	<u>166</u>	<u>232</u>

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

**B9. Trade receivables**

	<b>Unaudited</b> <b>As at</b> <b>30-Sep-22</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31-Dec-21</b> <b>RM'000</b>
Trade receivables	7,221	6,978
Less: Accumulated impairment losses	<u>(4,621)</u>	<u>(4,621)</u>
	<u>2,600</u>	<u>2,357</u>

The ageing analysis of the Group's trade receivables were as follows:

	<b>Unaudited</b> <b>As at</b> <b>30-Sep-22</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31-Dec-21</b> <b>RM'000</b>
Not past due	112	1,871
Past due but not impaired		
- 0 to 30 days	1,187	79
- 31 to 90 days	532	-
- more than 90 days	5,390	5,028
	7,109	5,107
Allowance for impairment	<u>(4,621)</u>	<u>(4,621)</u>
	<u>2,600</u>	<u>2,357</u>

The Group's normal trade credit terms granted to trade receivables ranged from 1 month to 5 months (2021: 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.

**B10. Material litigation**

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

**B11. Dividends**

The Board 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 financial period ended 30 September 2022.

	<u>Quarter Ended</u>		<u>Year-To-Date Ended</u>	
	<u>Unaudited 30-Sep-22</u>	<u>Unaudited 30-Sep-21</u>	<u>Unaudited 30-Sep-22</u>	<u>Unaudited 30-Sep-21</u>
Net loss attributable to				
Owners of the Company (RM'000)	(9,928)	(8,184)	(22,469)	(24,764)
Weighted average number of ordinary shares in issue ('000)	<u>1,711,554</u>	<u>1,238,986</u>	<u>1,711,554</u>	<u>1,238,986</u>
Basic loss per share (cent)	<u>(0.58)</u>	<u>(0.66)</u>	<u>(1.31)</u>	<u>(2.00)</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 and options during the financial period ended 30 September 2022.

	<u>Quarter Ended</u>		<u>Year-To-Date Ended</u>	
	<u>Unaudited 30-Sep-22</u>	<u>Unaudited 30-Sep-21</u>	<u>Unaudited 30-Sep-22</u>	<u>Unaudited 30-Sep-21</u>
Net loss attributable to				
Owners of the Company (RM'000)	(9,928)	(8,184)	(22,469)	(24,764)
Weighted average number of ordinary shares in issue ('000)	<u>1,711,554</u>	<u>1,238,986</u>	<u>1,711,554</u>	<u>1,238,986</u>
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted loss per share	<u>1,711,554</u>	<u>1,238,986</u>	<u>1,711,554</u>	<u>1,238,986</u>
Diluted basic loss per share (cent)	<u>(0.58)</u>	<u>(0.66)</u>	<u>(1.31)</u>	<u>(2.00)</u>

**B13. Comprehensive Income Disclosure**

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>Unaudited 30-Sep-22 RM'000</b>	<b>Unaudited 30-Sep-21 RM'000</b>	<b>Unaudited 30-Sep-22 RM'000</b>	<b>Unaudited 30-Sep-21 RM'000</b>
<i>Loss before tax is derived after charging:</i>				
Amortisation of intangible assets	337	219	965	258
Depreciation of investment property	6	-	14	-
Depreciation of property, plant and equipment	1,466	1,160	4,087	3,210
Depreciation of right of use assets	3,361	3,685	10,046	10,780
Fair value adjustment of other investments	1,603	671	4,871	7,590
Fair value adjustment of investment in money market fund	(583)	38	(1,652)	237
Interest expense	27	114	147	400
Interest income	(12)	(429)	(88)	(1,119)
Impairment of inventory	1,676	-	1,676	-
Impairment of receivables	-	3,297	-	3,297
Reversal of impairment losses on receivable	-	-	-	-
Short-term leases or leases of low value assets	1,298	72	1,656	168

**B14. Auditors' report on preceding annual financial statements**

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

By Order of the Board  
Company Secretary