



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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED
30 SEPTEMBER 2023
(UNAUDITED)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Sep-2023 RM'000	Unaudited 30-Sep-2022 RM'000	Unaudited 30-Sep-2023 RM'000	Unaudited 30-Sep-2022 RM'000
Revenue	13,142	10,412	43,149	23,112
Cost of sales	(5,468)	(3,907)	(14,375)	(8,634)
Gross profit	7,674	6,505	28,774	14,478
Other operating income	(788)	1,152	1,747	3,158
Administrative expenses	(7,171)	(7,985)	(21,208)	(19,115)
Selling and distribution expenses	(710)	(1,740)	(3,569)	(2,732)
Other operating expenses	(3,474)	(9,094)	(15,548)	(22,898)
Loss from operations	(4,469)	(11,162)	(9,804)	(27,109)
Finance costs	(183)	(32)	(583)	(152)
Loss before tax	(4,652)	(11,194)	(10,387)	(27,261)
Tax expenses	(95)	-	(95)	-
Loss after tax	(4,747)	(11,194)	(10,482)	(27,261)
Other comprehensive loss, net of tax				
- Currency translation difference	516	(1,196)	1,991	(2,110)
Total comprehensive loss for the financial period	(4,231)	(12,390)	(8,491)	(29,371)
Loss net of tax attributable to :				
Owners of the Company	(3,574)	(9,928)	(9,976)	(22,469)
Non-controlling interests	(1,174)	(1,266)	(506)	(4,792)
	(4,748)	(11,194)	(10,482)	(27,261)
Total comprehensive loss attributable to :				
Owners of the Company	(2,845)	(10,291)	(7,606)	(22,295)
Non-controlling interests	(1,387)	(2,099)	(886)	(7,076)
	(4,232)	(12,390)	(8,492)	(29,371)
Loss per share attributable to owners of the Company:				
Basic loss per share (cent per share)	(0.19)	(0.58)	(0.53)	(1.31)
Diluted loss per share (cent per share)	(0.19)	(0.58)	(0.53)	(1.31)

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 2022 and the accompanying explanatory notes to the interim financial report.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Unaudited As At 30-Sep-2023 RM'000	Audited As At 31-Dec-2022 RM'000
<u>Assets</u>		
Non-current assets		
Property, plant and equipment	43,617	45,061
Right-of-use assets	116,940	126,007
Investment property	9,536	9,573
Intangible assets	11,886	12,908
Total non-current assets	181,979	193,549
Current assets		
Inventories	1,264	903
Trade receivables	3,231	2,382
Other receivables, deposits and prepayments	60,648	40,420
Other investments	13,662	6,292
Current tax assets	58	81
Deposits with financial institution	8,464	38,399
Cash and bank balances	16,938	21,846
Total current assets	104,265	110,323
Total assets	286,244	303,872
<u>Equity and Liabilities</u>		
Equity		
Share capital	221,844	220,519
Reserves	(71,274)	(63,667)
	150,570	156,852
Non-controlling interests	(13,216)	(12,331)
Total equity	137,354	144,521
Liabilities		
Non-current liabilities		
Finance lease liability	71	71
Lease liabilities	116,819	115,767
Total non-current liabilities	116,890	115,838
Current liabilities		
Trade payables	3,933	3,244
Other payables and accruals	13,752	16,651
Amount due to directors	7,898	7,464
Amount due to related party	3,210	3,210
Current tax liabilities	-	10
Finance lease liability	14	75
Lease liabilities	3,193	12,859
Total current liabilities	32,000	43,513
Total liabilities	148,890	159,351
Total equity and liabilities	286,244	303,872
Net assets per shares attributable to Owners of the Company (cent per share)	0.07	0.08

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 2022 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 2023

	<----- 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
<u>Audited</u>							
Balance at 1 January 2022	216,334	(1,095)	12,259	(49,257)	178,241	(6,617)	171,624
Transaction with owners:							
Issuance of ordinary shares pursuant to:							
- right issues with warrants	-	-	-	-	-	-	-
- exercise of shares issuance scheme	4,185	-	-	-	4,185	-	4,185
- private placement	-	-	-	-	-	-	-
Total transaction with owners	4,185	-	-	-	4,185	-	4,185
Acquisition of subsidiary company	-	-	-	-	-	-	-
Loss for the financial year	-	-	-	(24,963)	(24,963)	(3,732)	(28,695)
Other comprehensive loss:							
Currency translation differences	-	(611)	-	-	(611)	(1,982)	(2,593)
Total comprehensive loss for the financial year	-	(611)	-	(24,963)	(25,574)	(5,714)	(31,288)
Balance at 31 December 2022	220,519	(1,706)	12,259	(74,220)	156,852	(12,331)	144,521
<u>Unaudited</u>							
Balance at 1 January 2023	220,519	(1,706)	12,259	(74,220)	156,852	(12,331)	144,521
Transaction with owners:							
Issuance of ordinary shares pursuant to:							
- exercise of shares issuance scheme	1,325	-	-	-	1,325	-	1,325
Total transaction with owners	1,325	-	-	-	1,325	-	1,325
Loss for the financial year	-	-	-	(9,977)	(9,977)	(506)	(10,483)
Other comprehensive loss:							
Currency translation differences	-	2,370	-	-	2,370	(379)	1,991
Total comprehensive loss for the financial year	-	2,370	-	(9,977)	(7,607)	(885)	(8,492)
Balance at 30 September 2023	221,844	664	12,259	(84,197)	150,570	(13,216)	137,354

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 2022 and the accompanying explanatory notes to the interim report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Year-To-Date Ended	
	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000
Cash flows from operating activities		
Loss before tax	(10,387)	(27,261)
Adjustments for:		
Amortisation of intangible assets	1,022	965
Amortisation of investment property	38	14
Depreciation of property, plant and equipment	4,558	4,087
Depreciation of right of use assets	10,150	10,046
Employee benefit expenses	358	1,237
Fair value adjustment of other investments	(939)	4,871
Fair value adjustment of investment in money market fund	(737)	(1,652)
Interest expense	610	147
Interest income	-	(88)
Impairment of inventory	275	1,676
PPE written off	25	-
Reversal of impairment losses on receivables	(2)	-
Rental concessions	(1)	(480)
Operating profit/(loss) before working capital changes	4,970	(6,438)
Changes in working capital:		
Inventories	(636)	(249)
Receivables	(20,171)	(3,975)
Payables	(3,142)	(967)
Cash used in operations	(18,979)	(11,629)
Tax paid	(72)	11
Tax refunded	-	(19)
Net cash from/(used in) operating activities	(19,051)	(11,637)
Cash flow from investing activities		
Acquisition of intangible asset	-	(549)
Acquisition of investment property	-	(5,600)
Acquisition of other investments	(4,135)	-
Acquisition of property, plant and equipment	(2,795)	(5,769)
Withdrawal of money market fund	28,400	94,749
Placement of money market fund	-	(69,500)
Net cash from investing activities	21,470	13,331

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)

	Year-To-Date Ended	
	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000
Cash flows from financing activities		
Interest paid	(610)	(147)
Financing from related party	-	2,005
Proceeds from issuance of shares	967	2,948
Repayment of finance lease liability	(61)	(66)
Repayment of lease liabilities	(9,717)	(9,311)
Net cash used in financing activities	(9,421)	(4,571)
Net increase in cash and bank balances	(7,002)	(2,877)
Effects of exchange rate changes	2,094	307
Cash and bank balances at the beginning of financial year	21,846	19,844
Cash and bank balances at the end of financial year	16,938	17,274

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2022 (“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 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17, Initial Application of MFRS 17 and MFRS 9	Comparative Information (Amendment to MFRS 17)
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 Estimates
Amendments to MFRS 112	Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2024

Amendments to MFRS 16	Leases – Lease Liability in a sale and leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants

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 and the financial year-to-date.

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 and the financial year-to-date.

A4. Material changes in estimates

There were no changes in estimates that have had a material effect in the current financial quarter under review and the financial year-to-date.

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 under review and the financial year-to-date except for :

	3 Months Ended		12 Months Ended	
	30-Sep-23		30-Sep-23	
	No. of shares	RM'000	No. of shares	RM'000
(i) Share Issuance Scheme (SIS)	-	-	96,700,000	967,000
(ii) Share Consolidation	(1,694,189,799)	-	(1,694,189,799)	-

A6. Dividend

There were no dividends declared or paid during the current financial quarter under review and the financial year-to-date.

A7. Segmental information

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

	Quarter Ended		Year-To-Date Ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,659	3,525	11,891	6,561
Taiwan	10,484	6,952	31,262	16,706
	13,143	10,477	43,153	23,267
Less: Inter-company transactions	(1)	(65)	(4)	(155)
Total revenue	13,142	10,412	43,149	23,112

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.

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000
Segment revenue				
Leisure and hospitality	10,484	6,952	31,262	16,706
Logistics services	159	230	653	453
Value added products and services	2,500	3,295	11,238	6,108
Total	13,143	10,477	43,153	23,267
Less: Inter-company transactions	(1)	(65)	(4)	(155)
Total revenue	13,142	10,412	43,149	23,112
Segment result				
Leisure and hospitality	(1,548)	(2,483)	(5,093)	(9,687)
Logistics services	(551)	(1,971)	(4,546)	(3,420)
Value added products and services	(2,568)	(4,265)	(58)	(6,871)
Others	(80)	(2,475)	(785)	(7,283)
Total	(4,747)	(11,194)	(10,482)	(27,261)
Segment assets				
Leisure and hospitality			173,839	187,098
Logistics services			7,154	5,184
Value added products and services			16,809	19,855
Others			88,442	100,705
Total			286,244	312,842
Segment liabilities				
Leisure and hospitality			142,199	155,908
Logistics services			642	2,300
Value added products and services			3,809	6,977
Others			2,240	1,219
Total			148,890	166,404

A8. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment during the current financial quarter under review and the financial year-to-date.

A9. Events after the reporting period

There was no material event after the current financial quarter under review.

A10. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review and the financial year-to-date.

A11. Contingent assets or liabilities

There were no contingent assets and contingent liabilities during the current financial quarter under review and the financial year-to-date.

A12. Capital commitments

Capital expenditure contracted for but not recognised in the financial statements were as follow:

	Unaudited 30-Sep-23 RM'000	Audited 31-Dec-22 RM'000
Contracted but not provided for		
Intangible assets	126	80
Property, plant and equipment	2,529	178
	<u>2,655</u>	<u>257</u>

A13. Related party transactions

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

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000
Related Party				
Sales of vending machine	-	1,850	-	4,009
Sales of vending machine subscription package	1	1	3	1
Sales of vending machine maintenance and support	-	-	3	-
Sales of logistics services	25	4	148	4
Sales of advertising services	11	84	11	84
Purchases of networks subscription	8	9	27	20

A14. Cash and cash equivalents

Total cash and cash equivalents were as follows:

	Unaudited 30-Sep-23 RM'000	Audited 31-Dec-22 RM'000
Deposits with financial institution	8,464	38,399
Cash and bank balances	16,938	21,846
	<u>25,402</u>	<u>60,245</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 were as follows:

	Unaudited 30-Sep-23 RM'000	Audited 31-Dec-22 RM'000
<u>Financial Assets</u>		
Level 1		
Other investments	13,662	6,292
Deposits with financial institution	8,464	38,399
	<u>22,126</u>	<u>44,691</u>

The Group does not have any financial instruments measured at Level 2 and Level 3 as at 30 September 2023 and 31 December 2022.

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-23	30-Sep-22		30-Sep-23	30-Sep-22	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	13,142	10,412	2,730	43,149	23,112	20,037
Gross profit	7,674	6,505	1,169	28,774	14,478	14,296
Loss from operations	(4,469)	(11,162)	6,693	(9,804)	(27,109)	17,305
Loss before tax	(4,652)	(11,194)	6,542	(10,387)	(27,261)	16,874
Loss after tax	(4,747)	(11,194)	6,447	(10,482)	(27,261)	16,779
Loss attributable to owners of the Company	(3,574)	(9,928)	6,354	(9,976)	(22,469)	12,493

Quarter Ended 30 September 2023 (Q3 2023) compared to Quarter Ended 30 September 2022 (Q3 2022), and Year-To-Date Ended 30 September 2023 (YTD 2023) compared to Year-To-Date Ended 30 September 2022 (YTD 2022)

For Q3 2023 vs Q3 2022, the Group's revenue increased from RM 10.4 million to RM 13.1 million and loss before tax (LBT) decreased from RM 11.1 million to RM 4.6 million. For YTD 2023 vs YTD 2022, the Group's revenue increased from RM 23.1 million to RM 43.1 million and LBT decreased from RM 27.2 million to RM 10.3 million.

Leisure and Hospitality

In Q3 2023 vs Q3 2022, the revenue increased from RM 6.9 million to RM 10.4 million, which was attributed to the increase in hotel's average occupancy rate from 57% to 74%. As a result, the LBT decreased from RM 2.4 million to RM 1.5 million.

Similarly, in YTD 2023 vs YTD 2022, the revenue increased from RM 16.7 million to RM 31.2 million, which was attributed to the increase in hotel's average occupancy rate from 48% to 72%. As a result, the LBT decreased from RM 9.6 million to RM 5.0 million.

Value-Added Products and Services

In Q3 2023 vs Q3 2022, the revenue decreased from RM 3.2 million to RM 2.5 million was due to lower digital advertisement revenue. The LBT decreased from RM 4.2 million to RM 2.5 million was mainly due to lower operating and advertising expenses.

In YTD 2023 vs YTD 2022, the revenue increased from RM 6.0 million to RM 11.2 million. The increase in YTD 2023 was driven by higher revenue from products through vending machines and direct sales, and digital advertisement. The LBT decreased from RM 6.8 million to RM 58.0 thousand was mainly due to lower operating expenses for digital advertisement revenue.

Logistics Services

In Q3 2023 vs Q3 2022, the revenue decreased from RM 230.0 thousand to RM 159.0 thousand and decreased in the average number of items packed per month from 23,000 to 19,000. The LBT decreased from RM 1.9 million to RM 551.0 thousand was mainly due to lower advertising expenses.

In YTD 2023 vs YTD 2022, the revenue increased from RM 453.0 thousand to RM 653.0 thousand and the average number of items packed per month increased from 13,000 to 27,000. The LBT increase from RM 3.4 million to RM 4.5 million was due to additional operating expenses incurred from opening the new warehouse and higher advertising expenses aimed at promoting the business.

Others

In Q3 2023 vs Q3 2022, the LBT decreased from RM 2.4 million to RM 80.0 thousand. In YTD 2023 vs YTD 2022, the LBT decreased from RM 7.2 million to RM 785.0 thousand. The decrease was attributed to lower unrealised losses in other investments and share option expenses.

B2. Comparison with preceding quarter's results

	Quarter Ended		
	Unaudited	Unaudited	Changes
	30-Sep-23	30-Jun-23	
	RM'000	RM'000	RM'000
Revenue	13,142	15,158	(2,016)
Gross profit	7,674	10,747	(3,073)
Loss from operations	(4,469)	(3,038)	(1,431)
Loss before tax	(4,652)	(3,215)	(1,437)
Loss after tax	(4,747)	(3,215)	(1,532)
Loss attributable to owners of the Company	(3,574)	(3,535)	(39)

Quarter Ended 30 September 2023 (Q3 2023) versus Quarter Ended 30 June 2023 (Q2 2023)

The Group's revenue decreased from RM 15.1 million to RM 13.1 million and LBT increased from RM 3.2 million to RM 4.6 million.

Leisure and Hospitality

The revenue of the leisure and hospitality segment slightly decreased from RM 10.6 million to RM 10.4 million. This decline in revenue was attributed to a decrease in the average daily rate, which dropped from RM 979 to RM 904, despite an increase in the hotel's average occupancy rate from 71% to 74%. The LBT decreased from RM 1.9 million to RM 1.5 million due to lower operating expenses and supplies.

Value-Added Products and Services

The revenue of the value-added products and services segment decreased from RM 4.3 million to RM 2.5 million was due to lower digital advertising revenue. As a result, the PBT decreased from RM 1.2 million to LBT RM 2.5 million.

Logistics Services

The revenue of the logistics services segment remained consistent at RM 171.0 thousand and RM 159.0 thousand in Q2 2023 and Q3 2023, respectively. The decrease in LBT from RM 2.20 million to RM 0.5 million was due to lower operating expenses.

Others

The LBT of the others segment decreased from RM 327.0 thousand to RM 80.0 thousand. The decrease in LBT was due to higher unrealised gain in other investments.

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 the weakening of ringgit that which could impact consumer purchasing power.

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

These include: -

- To review fulfillment business strategies; recognizing the fierce competitive landscape within the fulfillment segment, the Group is embarking on a comprehensive evaluation of its existing business strategies.
- To expand vending machine presence and enhance its prominence among advertising platforms; the Group is strategically expanding the placement of vending machine across the Klang Valley and Malaysia.
- To offer competitive hotel room rates; the Group is set to introduce compelling hotel room rates to attract more bookings in response to the Taiwan Government's target of attracting 6 million visitors in Year 2023.

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 2023 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

	3 Months Ended		12 Months Ended	
	Unaudited		Unaudited	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current year tax	60	-	60	-
- Under provision in prior years	35	-	35	-
- Deferred tax expense	-	-	-	-
	<u>95</u>	<u>-</u>	<u>95</u>	<u>-</u>

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 were no corporate proposals announced by the Company that remained uncompleted as at the date of this report, except for the following:

- i. On 26 June 2023, TA Securities Holdings Berhad had, on behalf of the Board of Directors of DGB Asia Berhad announced that the Company proposed to undertake the following proposals:- (i) proposed consolidation of every 10 ordinary shares in DGB ("DGB Shares") into 1 DGB Share ("Proposed Share Consolidation"); and (ii) proposed private placement of up to 66,000,000 new DGB Shares after the Proposed Share Consolidation to independent third-party investor(s) to be identified later and at an issue price to be determined later ("Proposed Private Placement").

On 18 August 2023, Bursa Securities has vided its letter approved the proposals. On 28 August 2023, the Proposals was tabled at the Extraordinary General Meeting and subsequently approved by the shareholders. On 18 September 2023, the Proposed Share Consolidation has been completed following the listing and quotation of 188,243,279 Consolidated Shares and 47,818,848 Consolidated Warrants C on the ACE Market of Bursa Securities.

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: -

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	23,002	36,998	Within 36 months
Expansion of the smart vending machines business	15,000	15,000	-	Within 24 months
Marketing expenses	20,000	9,275	10,725	Within 36 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
Total	114,765	67,042	47,723	

- 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: -

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation
Upgrading of the Kimpton Da An Hotel	10,194	8,999	1,195	Within 24 months
Expenses in relation to the corporate exercises	105	105	-	Immediate
Total	10,299	9,104	1,195	

B8. Borrowings and debt securities

Total group borrowings and debt securities were as follows:

	Unaudited 30-Sep-23 RM'000	Audited 31-Dec-22 RM'000
<u>Short Term Borrowing (Secured)</u>		
Finance lease liability	14	75
<u>Long Term Borrowings (Secured)</u>		
Finance lease liability	71	71
Total	<u>85</u>	<u>146</u>

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

B9. Trade receivables

	Unaudited 30-Sep-23 RM'000	Audited 31-Dec-22 RM'000
Trade receivables	7,708	6,859
Less: Accumulated impairment losses	(4,477)	(4,477)
	<u>3,231</u>	<u>2,382</u>

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

	Unaudited 30-Sep-23 RM'000	Audited 31-Dec-22 RM'000
Not past due	99	542
Past due but not impaired		
- 0 to 30 days	1,069	1,387
- 31 to 90 days	1,090	122
- more than 90 days	5,450	4,808
	7,609	6,317
Allowance for impairment	(4,477)	(4,477)
	<u>3,231</u>	<u>2,382</u>

The Group's normal trade credit terms granted to trade receivables ranged from 7 days to 5 months (2022: 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 current financial quarter under review and the financial year-to-date.

	<u>Quarter Ended</u>		<u>Year-To-Date Ended</u>	
	<u>Unaudited</u> <u>30-Sep-23</u>	<u>Unaudited</u> <u>30-Sep-22</u>	<u>Unaudited</u> <u>30-Sep-23</u>	<u>Audited</u> <u>30-Sep-22</u>
Net loss attributable to Owners of the Company (RM'000)	(3,574)	(9,928)	(9,976)	(22,469)
Weighted average number of ordinary shares in issue ('000)	<u>1,882,433</u>	<u>1,711,554</u>	<u>1,882,433</u>	<u>1,711,554</u>
Basic loss per share (cent)	<u>(0.19)</u>	<u>(0.58)</u>	<u>(0.53)</u>	<u>(1.31)</u>

ii. Diluted Earnings per ordinary shares

The diluted earnings per share is calculated by dividing the loss attributable to Owners 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 current financial quarter under review and the financial year-to-date.

	<u>Quarter Ended</u>		<u>Year-To-Date Ended</u>	
	<u>Unaudited</u> <u>30-Sep-23</u>	<u>Unaudited</u> <u>30-Sep-22</u>	<u>Unaudited</u> <u>30-Sep-23</u>	<u>Audited</u> <u>30-Sep-22</u>
Net loss attributable to Owners of the Company (RM'000)	(3,574)	(9,928)	(9,976)	(22,469)
Weighted average number of ordinary shares in issue ('000)	<u>1,882,433</u>	<u>1,711,554</u>	<u>1,882,433</u>	<u>1,711,554</u>
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted loss per share	<u>1,882,433</u>	<u>1,711,554</u>	<u>1,882,433</u>	<u>1,711,554</u>
Diluted basic loss per share (cent)	<u>(0.19)</u>	<u>(0.58)</u>	<u>(0.53)</u>	<u>(1.31)</u>

B13. Comprehensive Income Disclosure

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000	Unaudited 30-Sep-23 RM'000	Unaudited 30-Sep-22 RM'000
<i>Loss before tax is derived after charging:</i>				
Amortisation of intangible assets	341	337	1,022	965
Depreciation of investment property	13	6	38	14
Depreciation of property, plant and equipment	1,608	1,466	4,558	4,087
Depreciation of right of use assets	3,364	3,361	10,150	10,046
Fair value adjustment of other investments	(2,149)	1,603	(939)	4,871
Fair value adjustment of investment in money market fund	(125)	(583)	(737)	(1,652)
Interest expense	180	27	610	147
Interest income	458	(12)	-	(88)
Impairment of inventory	275	1,676	275	1,676
Reversal of impairment losses on receivables	-	-	(2)	-
Short-term leases or leases of low value assets	341	1,298	823	1,656

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