



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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED
30 JUNE 2024
(UNAUDITED)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Quarter Ended		Year-To-Date Ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Jun-2024	30-Jun-2023	30-Jun-2024	30-Jun-2023
	RM'000	RM'000	RM'000	RM'000
Revenue	14,105	15,158	28,902	30,007
Cost of sales	(6,269)	(4,411)	(12,475)	(8,907)
Gross profit	7,836	10,747	16,427	21,100
Other operating income	289	1,938	1,606	2,534
Administrative expenses	(6,958)	(7,656)	(13,803)	(14,037)
Selling and distribution expenses	(356)	(1,374)	(727)	(2,859)
Other operating expenses	(5,130)	(6,693)	(11,880)	(12,073)
Loss from operations	(4,319)	(3,038)	(8,377)	(5,335)
Finance costs	(98)	(177)	(243)	(400)
Loss before tax	(4,417)	(3,215)	(8,620)	(5,735)
Tax expenses	(21)	-	(44)	-
Loss after tax	(4,438)	(3,215)	(8,664)	(5,735)
Other comprehensive loss, net of tax				
- Currency translation difference	(447)	1,056	22	1,474
Total comprehensive loss for the financial period	(4,885)	(2,159)	(8,642)	(4,261)
Loss net of tax attributable to :				
Owners of the Company	(3,342)	(3,535)	(6,913)	(6,402)
Non-controlling interests	(1,096)	320	(1,751)	667
	(4,438)	(3,215)	(8,664)	(5,735)
Total comprehensive loss attributable to :				
Owners of the Company	(3,720)	(2,214)	(6,727)	(4,761)
Non-controlling interests	(1,165)	55	(1,915)	500
	(4,885)	(2,159)	(8,642)	(4,261)
Loss per share attributable to owners of the Company:				
Basic loss per share (cent per share)	(1.91)	(0.19)	(3.45)	(0.35)
Diluted loss per share (cent per share)	(1.91)	(0.19)	(3.45)	(0.35)

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 2023 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 JUNE 2024

	Unaudited As At 30-Jun-2024 RM'000	Audited As At 31-Dec-2023 RM'000
<u>Assets</u>		
Non-current assets		
Property, plant and equipment	49,038	42,874
Right-of-use assets	107,705	116,940
Investment property	9,520	9,539
Intangible assets	10,798	11,452
Total non-current assets	177,061	180,805
Current assets		
Inventories	562	407
Trade receivables	2,888	4,657
Other receivables, deposits and prepayments	67,763	62,626
Other investments	13,189	12,067
Current tax assets	47	46
Deposits with financial institution	5,264	8,047
Cash and bank balances	14,588	18,590
Total current assets	104,301	106,440
Total assets	281,362	287,245
<u>Equity and Liabilities</u>		
Equity		
Share capital	239,297	221,844
Reserves	(90,794)	(71,808)
	148,503	150,036
Non-controlling interests	(15,650)	(13,735)
Total equity	132,853	136,301
Liabilities		
Non-current liabilities		
Lease liabilities	104,475	107,080
Term loan	6,866	-
Total non-current liabilities	111,341	107,080
Current liabilities		
Trade payables	1,879	1,977
Other payables and accruals	17,400	17,759
Amount due to directors	7,966	7,744
Amount due to related party	3,200	3,200
Current tax liabilities	37	8
Finance lease liability	21	71
Lease liabilities	6,528	13,105
Term loan	137	-
Total current liabilities	37,168	43,864
Total liabilities	148,509	150,944
Total equity and liabilities	281,362	287,245
Net assets per shares attributable to Owners of the Company (cent per share)	0.68	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 2023 and the accompanying explanatory notes to the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	<----- 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 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	-	-	-	(11,242)	(11,242)	(1,332)	(12,574)
Other comprehensive loss:							
Currency translation differences	-	3,101	-	-	3,101	(72)	3,029
Total comprehensive loss for the financial year	-	3,101	-	(11,242)	(8,141)	(1,404)	(9,545)
Balance at 31 December 2023	221,844	1,395	12,259	(85,462)	150,036	(13,735)	136,301
<u>Unaudited</u>							
Balance at 1 January 2024	221,844	1,395	12,259	(85,462)	150,036	(13,735)	136,301
Transaction with owners:							
Issuance of ordinary shares pursuant to:							
- expiration of warrants	12,259	-	(12,259)	-	-	-	-
- private placement	5,194	-	-	-	5,194	-	5,194
Total transaction with owners	17,453	-	(12,259)	-	5,194	-	5,194
Loss for the financial year	-	-	-	(6,913)	(6,913)	(1,751)	(8,664)
Other comprehensive loss:							
Currency translation differences	-	186	-	-	186	(164)	22
Total comprehensive loss for the financial year	-	186	-	(6,913)	(6,727)	(1,915)	(8,642)
Balance at 30 June 2024	239,297	1,581	-	(92,375)	148,503	(15,650)	132,853

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 2023 and the accompanying explanatory notes to the interim report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Year-To-Date Ended	
	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000
Cash flows from operating activities		
Loss before tax	(8,620)	(5,735)
Adjustments for:		
Amortisation of intangible assets	638	681
Amortisation of investment property	19	25
Depreciation of property, plant and equipment	3,098	2,950
Depreciation of right of use assets	6,796	6,786
Employee benefit expenses	-	358
Fair value adjustment of other investments	1,257	1,210
Fair value adjustment of investment in money market fund	(116)	(612)
Interest expense	282	430
Interest income	-	(458)
Written off of property, plant and equipment	12	25
Written off of intangible asset	16	-
Reversal of impairment losses on receivables	-	(2)
Reversal of impairment losses on inventories	(949)	-
Rental concessions	(1)	(1)
Operating profit before working capital changes	2,432	5,657
Changes in working capital:		
Inventories	794	(809)
Receivables	(3,367)	(1,730)
Payables	(425)	(3,560)
Cash used in operations	(566)	(442)
Tax paid	(45)	(48)
Net cash used in operating activities	(611)	(490)
Cash flow from investing activities		
Acquisition of other investments	(2,818)	(3,867)
Acquisition of property, plant and equipment	(3,128)	(1,514)
Withdrawal of money market fund	7,900	8,400
Placement of money market fund	(5,000)	-
Proceeds from disposal of investment in quoted shares	375	-
Net cash (used in)/generated from investing activities	(2,671)	3,019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONT'D)

	Year-To-Date Ended	
	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000
Cash flows from financing activities		
Interest paid	(267)	(430)
Proceeds from issuance of shares	5,194	967
Repayment of finance lease liability	(49)	(41)
Repayment of lease liabilities	(6,656)	(6,475)
Repayment of term loan	(38)	-
Net cash used in financing activities	(1,816)	(5,979)
Net decrease in cash and bank balances	(5,098)	(3,450)
Effects of exchange rate changes	1,096	549
Cash and bank balances at the beginning of financial year	18,590	21,846
Cash and bank balances at the end of financial year	14,588	18,945

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023 (“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 2024:

Amendments to MFRS 16	Leases – Lease Liability in a sale and leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments Disclosure – Supplier Finance Arrangements

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.

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of exchangeability
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MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
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MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

MFRS, 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 expect for:

	Quarter Ended		Year-To-Date Ended	
	Unaudited No. of shares	Unaudited RM'000	Unaudited No. of shares	Unaudited RM'000
Private Placement	66,000	5,194	66,000	5,194

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 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000
Malaysia	2,139	4,491	4,035	9,231
Taiwan	11,966	10,669	24,867	20,778
	14,105	15,160	28,902	30,009
Less: Inter-company transactions	-	(2)	-	(2)
Total revenue	14,105	15,158	28,902	30,007

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-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000
Segment revenue				
Leisure and hospitality	11,966	10,669	24,867	20,778
Logistics services	-	171	-	494
Value added products and services	2,139	4,320	4,035	8,737
Total	14,105	15,160	28,902	30,009
Less: Inter-company transactions	-	(2)	-	(2)
Total revenue	14,105	15,158	28,902	30,007
Segment result				
Leisure and hospitality	(1,136)	(1,943)	(1,177)	(3,545)
Logistics services	(852)	(2,226)	(1,695)	(3,995)
Value added products and services	(2,157)	1,281	(3,750)	2,510
Others	(293)	(327)	(2,042)	(705)
Total	(4,438)	(3,215)	(8,664)	(5,735)
Segment assets				
Leisure and hospitality			173,031	183,275
Logistics services			20,221	8,127
Value added products and services			15,400	18,074
Others			72,710	87,560
Total			281,362	297,036
Segment liabilities				
Leisure and hospitality			141,213	148,777
Logistics services			640	1,146
Value added products and services			4,247	3,370
Others			2,409	2,158
Total			148,509	155,451

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-Jun-24 RM'000	Audited 31-Dec-23 RM'000
Contracted but not provided for		
Intangible assets	2,011	101
Property, plant and equipment	39	39
	<u>2,050</u>	<u>140</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-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000
Related Party				
Sales of vending machine subscription package	1	1	2	2
Sales of vending machine maintenance and support	-	3	-	3
Sales of logistics services	-	34	-	123
Purchases of networks subscription	1	4	2	19

A14. Cash and cash equivalents

Total cash and cash equivalents were as follows:

	Unaudited	Audited
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Deposits with financial institution	5,264	8,047
Cash and bank balances	14,588	18,590
	<u>19,852</u>	<u>26,637</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	Audited
	30-Jun-24	31-Dec-23
	RM'000	RM'000
<u>Financial Assets</u>		
Level 1		
Other investments	13,189	12,067
Deposits with financial institution	5,264	8,047
	<u>18,453</u>	<u>20,114</u>

The Group does not have any financial instruments measured at Level 2 and Level 3 as at 30 June 2024 and 31 December 2023.

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-Jun-24	30-Jun-23		30-Jun-24	30-Jun-23	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	14,105	15,158	(1,053)	28,902	30,007	(1,105)
Gross profit	7,836	10,747	(2,911)	16,427	21,100	(4,673)
Loss from operations	(4,319)	(3,038)	(1,281)	(8,377)	(5,335)	(3,042)
Loss before tax	(4,417)	(3,215)	(1,202)	(8,620)	(5,735)	(2,885)
Loss after tax	(4,438)	(3,215)	(1,223)	(8,664)	(5,735)	(2,929)
Loss net of tax attributable to Owners of the Company	(3,342)	(3,535)	193	(6,913)	(6,402)	(511)

Quarter Ended 30 June 2024 (Q2 2024) compared to Quarter Ended 30 June 2023 (Q2 2023), and Year-To-Date Ended 30 June 2024 (YTD 2024) compared to Year-To-Date Ended 30 June 2023 (YTD 2023)

For Q2 2024 vs Q2 2023, the Group's revenue decreased from RM 15.2 million to RM 14.1 million and loss before tax (LBT) increased from RM 3.2 million to RM 4.4 million. For YTD 2024 vs YTD 2023, the Group's revenue decreased from RM 30.0 million to RM 28.9 million and LBT increased from RM 5.7 million to RM 8.7 million.

Leisure and Hospitality

The revenue increased in both Q2 2024 and YTD 2024 compared to the corresponding periods in 2023.

In Q2 2024 vs Q2 2023, the revenue increased from RM 10.7 million to RM 12.0 million, which was attributed to the increase in hotel's average occupancy rate from 71% to 81%. As a result, the LBT decreased from RM 1.9 million to RM 1.1 million.

Similarly, in YTD 2024 vs YTD 2023, the revenue increased from RM 20.8 million to RM 24.9 million, which was attributed to the increase in hotel's average occupancy rate from 71% to 82%. As a result, the LBT decreased from RM 3.5 million to RM 1.2 million.

Value-Added Products and Services

The revenue decreased in both Q2 2024 and YTD 2024 compared to the corresponding periods in 2023.

In Q2 2024 vs Q2 2023, the revenue decreased from RM 4.3 million to RM 2.1 million. Similarly, in YTD 2024 vs YTD 2023, the revenue decreased from RM 8.7 million to RM 4.0 million. The decrease was primarily caused by a decrease in digital advertisement revenue.

As a result, in Q2 2024 vs Q2 2023, the profit before tax (PBT) decreased from RM 1.3 million to LBT RM 2.2 million. Similarly, in YTD 2024 vs YTD 2023, the PBT decreased from RM 2.5 million to LBT RM 3.8 million.

Logistics Services

The revenue decreased in both Q2 2024 and YTD 2024 compared to the corresponding periods in 2023.

In Q2 2024 vs Q2 2023, the revenue decreased from RM 171.0 thousand to RM Nil. Similarly, in YTD 2024 vs YTD 2023, the revenue decreased from RM 494.0 thousand to RM Nil. The decrease was because the business is undertaking a thorough review to identify areas for improvement or potential restructuring.

As a result, in Q2 2024 vs Q2 2023, the LBT decreased from RM 2.2 million to RM 852.0 thousand. In YTD 2024 vs YTD 2023, the LBT increased from RM 4.0 million to RM 1.7 million.

Others

In Q2 2024 vs Q2 2023, the LBT decreased from RM 327.0 thousand to RM 293.0 thousand, which was attributed to lower unrealised losses in other investments.

In YTD 2024 vs YTD 2023, the LBT increased from RM 705.0 thousand to RM 2.0 million, which was attributed to higher unrealised losses in other investments.

B2. Comparison with preceding quarter's results

	Quarter Ended		
	Unaudited	Unaudited	Changes
	30-Jun-24	31-Mar-24	
	RM'000	RM'000	RM'000
Revenue	14,105	14,797	(692)
Gross profit	7,836	8,590	(754)
Loss from operations	(4,319)	(4,057)	(262)
Loss before tax	(4,417)	(4,202)	(215)
Loss after tax	(4,438)	(4,225)	(213)
Loss net of tax attributable to Owners of the Company	(3,342)	(3,571)	229

Quarter Ended 30 June 2024 (Q2 2024) versus Quarter Ended 31 March 2024 (Q1 2024)

The Group's revenue decreased from RM 14.8 million to RM 14.1 million and LBT increased from RM 4.2 million to RM 4.4 million.

Leisure and Hospitality

The revenue of the leisure and hospitality segment decreased from RM 12.9 million to RM 12.0 million. This decrease in revenue was attributed to the decrease in the hotel's average occupancy rate from 83% to 81%. The LBT increased from RM 41.0 thousand to RM 1.1 million due to lower revenue.

Value-Added Products and Services

The revenue of the value-added products and services segment increased from RM 1.9 million to RM 2.1 million was due to the higher revenue from sales of products through direct sales. The LBT increased from RM 1.6 million to RM 2.2 million due to higher direct cost.

Logistics Services

The revenue of the logistics services segment remained as RM Nil because the business is undertaking a thorough review to identify areas for improvement or potential restructuring. The LBT increased from RM 843.0 thousand to RM 852.0 thousand.

Others

The LBT of the others segment decreased from RM 1.7 million to RM 294.0 thousand. The decrease in LBT was due to lower unrealised losses in other investments.

B3. Prospects

The Group acknowledges a challenging business environment marked by global supply chain disruptions, ongoing geopolitical conflicts, rising input cost, and the weakening of ringgit. These factors may potentially have an adverse effect on the purchasing power of consumers.

In order to mitigate the impact of these external economic headwinds, the Group will be focused on further enhancing its operational efficiencies.

These include: -

- For leisure and hospitality segment, to capitalise on the anticipated tourism boom in Taiwan, the Group will continue to improve its yield management strategy and adopt a dynamic rate strategy while maintaining an exceptional standard of customer service.
- For valued-added products and services segment, to revitalising vending and advertising for sustainable growth, the Group will undertake a thorough review of all existing site locations and strategically relocate the vending machine to more lucrative locations. The Group is also committed to forging strategic partnerships and collaborations with other industry players to leverage their assets, networks, and expertise to enhance our offerings and expand our reach in the evolving out-of-home media landscape.
- For logistics services segment, despite innovation efforts, the Group faces hurdles in market share expansion and revenue growth. The Group will undertake a thorough review to identify areas for improvement or potential restructuring.

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 2024 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

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000
Income tax:				
- Current year tax	21	-	44	-
	<u>21</u>	<u>-</u>	<u>44</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:

1. 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 were 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.

On 2 January 2024, TA Securities Holdings Berhad applied to seek Bursa Securities' approval for an extension of time of 6 months up to 17 July 2024 for the Company to implement and complete the Private Placement. On 15 January 2024, Bursa Securities has vided its letter approved the proposals.

On 6 June 2024, the board announced that the issue price for the placement fixed at RM 0.0787 each for 66,000,000 new DGB Share and on 14 June 2024, the Private Placement was completed.

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 ⁽¹⁾	60,000	25,308	34,692	Within 36 months
Expansion of the smart vending machines business ⁽²⁾	15,000	15,000	-	Within 24 months
Marketing expenses ⁽³⁾	20,000	9,265	10,735	Within 36 months
Working capital ⁽⁴⁾	8,865	8,865	-	Within 24 months
Acquisition and/or investment in other complementary businesses and/or assets ⁽⁵⁾	10,000	10,000	-	Within 24 months
Expenses in relation to the corporate exercises	900	900	-	Immediate
Total	114,765	69,338	45,427	

B7. Status of utilisation of proceeds raised from previous corporate proposals (cont'd)

i. Renounceable Rights Issue with Warrants C (cont'd)

Notes:

- (1) Comprises the setting up of facilities to function as warehouses, regional delivery hubs and office, distribution centres, software development costs and hiring costs, subscription fees and other operating expenses. The Group is undertaking a thorough review to identify areas for improvement or potential restructuring.
- (2) Comprises the procurement and installation of 286 smart vending machines, subscription fees for third-party service providers for cloud-based systems and artificial intelligence solutions.
- (3) Comprises marketing expenses for the logistics and smart vending machines businesses such as advertising and branding expenses, digital marketing campaigns on social media platforms and promotional activities.
- (4) Comprises the staff salaries and other operating and administrative expenses.
- (5) Comprises the acquisition of a 4-storey shop lot located at Sri Hartamas, Kuala Lumpur which was completed on 20 April 2022 and the purchase of furniture and fittings such as office equipment, computer equipment as well as electrical and mechanical fittings to outfit the Group's headquarter.
- (6) The remaining proceeds that have yet to be utilised are placed in a money market fund with RHB Asset Management and cash management accounts under Finexia Securities Limited and Lazarus Capital Partners.

ii. Private Placement

The utilisation of the proceeds of RM5,194,200 from the private placement of 66,000,000 new ordinary shares of RM0.0787 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
Working capital for the Kimpton Da An Hotel ⁽¹⁾	4,794	3,288	1,506	Within 12 months
Expenses in relation to the corporate exercises	400	400	-	Immediate
Total	5,194	3,688	1,506	

Notes:

- (1) Comprises marketing expenses, staff salaries, operating and administrative expenses such as rental, utilities, operating supplies, management fees, upkeep and maintenance of hotel rooms, and others related operating expenses.
- (2) The remaining proceeds that have yet to be utilised are placed in current bank accounts.

B8. Borrowings and debt securities

Total group borrowings and debt securities were as follows:

	Unaudited 30-Jun-24 RM'000	Audited 31-Dec-23 RM'000
<u>Short Term Borrowing (Secured)</u>		
Finance lease liability	21	71
Total	<u>21</u>	<u>71</u>

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

B9. Trade receivables

	Unaudited 30-Jun-24 RM'000	Audited 31-Dec-23 RM'000
Trade receivables	7,365	9,134
Less: Accumulated impairment losses	<u>(4,477)</u>	<u>(4,477)</u>
	<u>2,888</u>	<u>4,657</u>

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

	Unaudited 30-Jun-24 RM'000	Audited 31-Dec-23 RM'000
Not past due	927	543
Past due but not impaired		
- 0 to 30 days	57	2,035
- 31 to 90 days	-	117
- more than 90 days	6,381	6,439
	6,438	8,591
Allowance for impairment	<u>(4,477)</u>	<u>(4,477)</u>
	<u>2,888</u>	<u>4,657</u>

The Group's normal trade credit terms granted to trade receivables ranged from 7 days to 5 months (2023: 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 30-Jun-24</u>	<u>Unaudited 30-Jun-23</u>	<u>Unaudited 30-Jun-24</u>	<u>Unaudited 30-Jun-23</u>
Net loss attributable to Owners of the Company (RM'000)	(3,720)	(3,535)	(6,727)	(6,402)
Weighted average number of ordinary shares in issue ('000)	<u>195,171</u>	<u>1,820,115</u>	<u>195,171</u>	<u>1,820,115</u>
Basic loss per share (cent)	<u>(1.91)</u>	<u>(0.19)</u>	<u>(3.45)</u>	<u>(0.35)</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 30-Jun-24</u>	<u>Unaudited 30-Jun-23</u>	<u>Unaudited 30-Jun-24</u>	<u>Unaudited 30-Jun-23</u>
Net loss attributable to Owners of the Company (RM'000)	(3,720)	(3,535)	(6,727)	(6,402)
Weighted average number of ordinary shares in issue ('000)	<u>195,171</u>	<u>1,820,115</u>	<u>195,171</u>	<u>1,820,115</u>
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted loss per share	<u>195,171</u>	<u>1,820,115</u>	<u>195,171</u>	<u>1,820,115</u>
Diluted basic loss per share (cent)	<u>(1.91)</u>	<u>(0.19)</u>	<u>(3.45)</u>	<u>(0.35)</u>

B13. Comprehensive Income Disclosure

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000	Unaudited 30-Jun-24 RM'000	Unaudited 30-Jun-23 RM'000
<i>Loss before tax is derived after charging:</i>				
Amortisation of intangible assets	319	340	638	681
Amortisation of investment property	10	12	19	25
Depreciation of property, plant and equipment	1,554	1,471	3,098	2,950
Depreciation of right of use assets	3,379	3,424	6,796	6,786
Fair value adjustment of other investments	(182)	1,038	1,257	1,210
Fair value adjustment of investment in money market fund	(44)	(278)	(116)	(612)
Interest expense	137	207	282	430
Interest income	-	(251)	-	(458)
Reversal of impairment losses on receivables	-	-	-	(2)
Reversal of impairment losses on inventories	(949)	-	(949)	-
Short-term leases or leases of low value assets	198	250	410	483

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