DGB ASIA BERHAD

200601001857 (721605-K)

ANNUAL REPORT 2024

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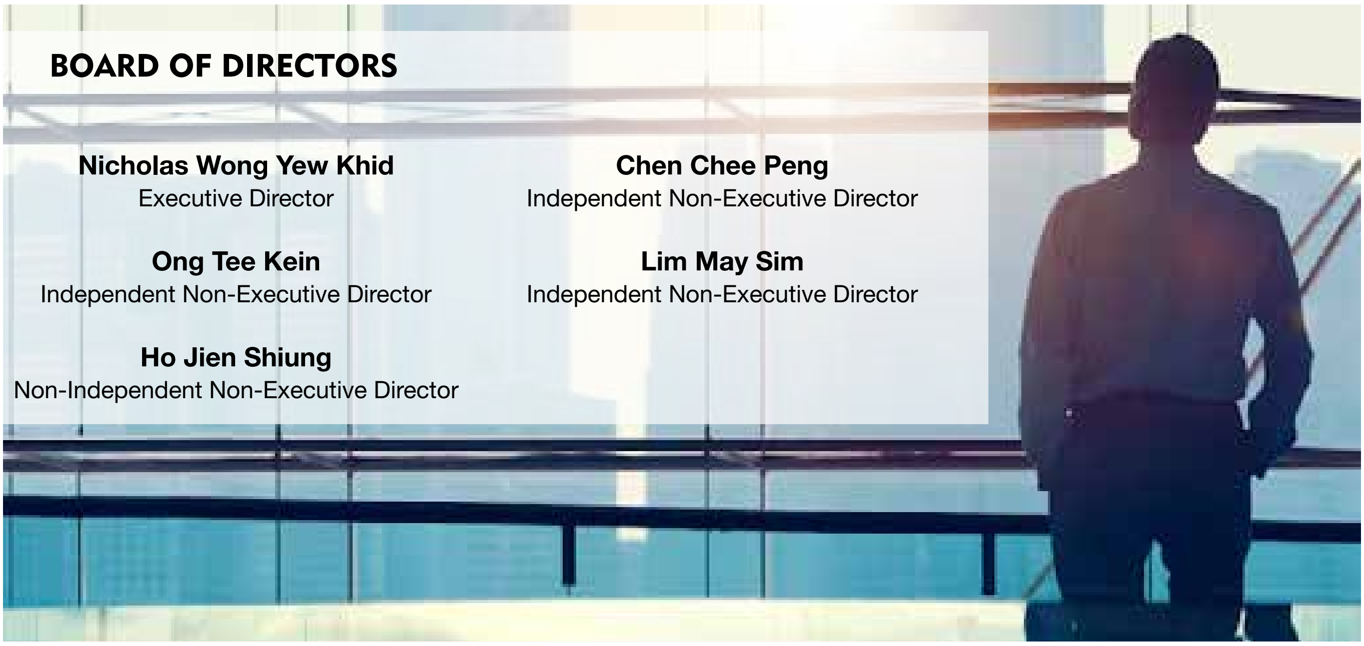
CORPORATE INFORMATION



BOARD OF DIRECTORS

Nicholas Wong Yew Khid
Executive Director

Chen Chee Peng
Independent Non-Executive Director

Ong Tee Kein
Independent Non-Executive Director

Lim May Sim
Independent Non-Executive Director

Ho Jien Shiung
Non-Independent Non-Executive Director

COMPANY SECRETARIES

Tea Sor Hua (MACS 01324)
(SSM PC No.: 201908001272)

Lee Siew Fun (MAICSA 7063623)
(SSM PC No.: 202008000735)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Ong Tee Kein

Members
Ho Jien Shiung
Chen Chee Peng
Lim May Sim

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Chen Chee Peng

Members
Ong Tee Kein
Ho Jien Shiung
Lim May Sim

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7725 1777
Fax : 03-7722 3668
Email : info@cospec.com.my

PRINCIPAL OFFICE

Lot 13.5, 13th Floor
Menara Lien Hoe
No. 8, Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7622 6986
Fax : 03-7622 6987
Email : info@dgbasia.com
Website: https://www.dgbasia.com/

SHARE REGISTRAR

ShareWorks Sdn Bhd
[199101019611(229948-U)]
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-6201 1120
Fax : 03-6201 3121
Email : ir@shareworks.com.my

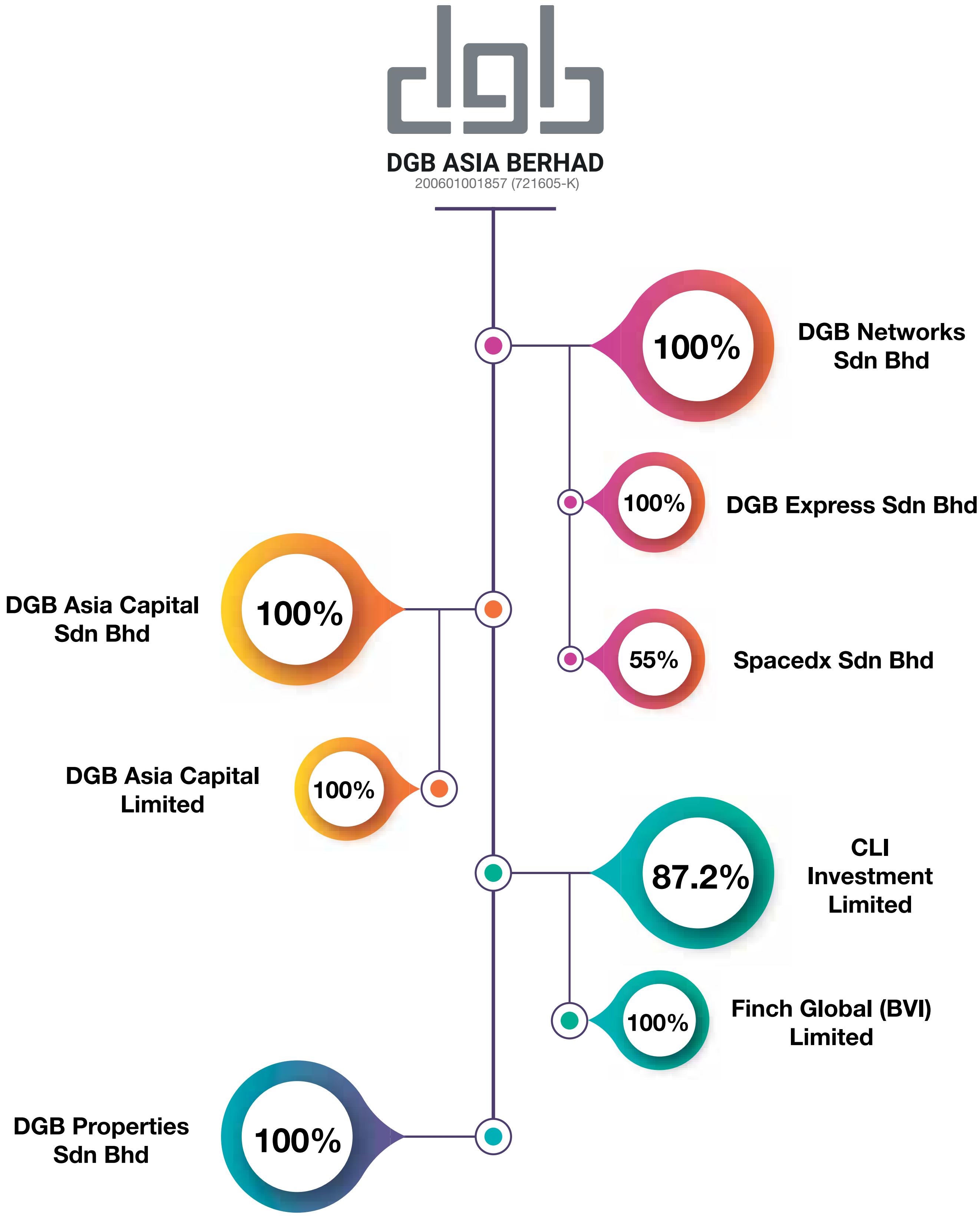
AUDITORS

ChengCo PLT (201806002622)
LLP0017004-LCA & AF0886
Chartered Accountants
Lot 507 & 508, 5th Floor Tower 2
Faber Towers
Jalan Desa Bahagia
Taman Desa
58100, Kuala Lumpur
Wilayah Persekutuan
Tel : 03-7984 8988

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : DGB
Stock Code : 0152

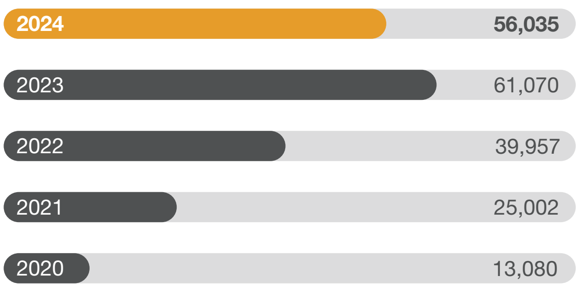
CORPORATE STRUCTURE



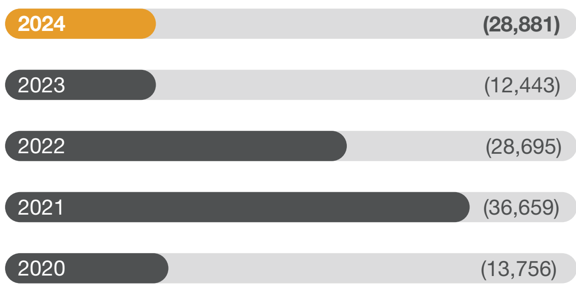
FIVE YEAR FINANCIAL HIGHLIGHTS

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
FINANCIAL RESULTS					
Revenue	**56,035**	61,070	39,957	25,002	13,080
Loss Before Tax	**(28,881)**	(12,443)	(28,695)	(36,659)	(13,756)
Loss After Tax	**(28,904)**	(12,574)	(28,695)	(36,659)	(13,756)
Loss Attributable to Shareholders	**(21,943)**	(11,242)	(24,963)	(29,181)	(13,437)
Loss per Shares (cent)	**(8.63)**	(5.97)	(1.40)	(2.15)	(12.71)
FINANCIAL POSITION					
Non-Current Assets	**152,009**	180,805	193,549	212,427	213,414
Current Assets	**90,674**	106,441	110,323	145,882	67,350
Non-Current Liabilities	**92,045**	107,080	115,838	142,747	149,664
Current Liabilities	**40,136**	43,866	43,513	43,938	72,921
Total Equity	**110,501**	136,300	144,521	171,624	58,180
Net Assets per Share (cent)	**43.5**	72.4	8.09	12.80	49.40
FINANCIAL RATIOS					
Debt to Equity Ratio	**1.20**	1.11	1.10	1.09	3.83
Current Ratio	**2.30**	2.40	2.50	3.30	0.90

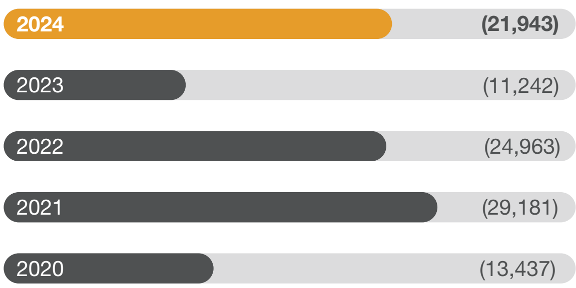
Revenue (RM'000)



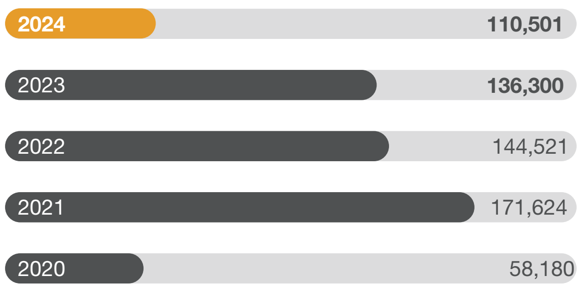
Loss Before Tax (RM'000)



Loss Attributable To Shareholders (RM'000)



Total Equity (RM'000)



PROFILE OF DIRECTORS

Nicholas Wong Yew Khid

Executive Director | Key Management Personnel

Age
44

Gender
Male

Nationality
Malaysian

Mr. Nicholas Wong Yew Khid was appointed to the Board as an Executive Director on 5 March 2018. He obtained a Bachelor of Science in Engineering.

He has extensive entrepreneurial experience in a variety of industries, mainly in the automotive, sports, and entertainment industries. He began his career at FMCG Company before progressing to incorporate his own business. He started his own automotive business in 2004, which supplies interior car parts and window films to well-known manufacturers and car tire distributors. Later in 2007, he ventured into the Paintball Sport industry where he formed numerous companies that handled all pillars of the industry; from B2C equipment retailing to B2B distribution and later an events company that organised local and regional events with the Paintball World Cup Asia being the pinnacle event for the Asia region. Mr. Nicholas was also involved in a few other businesses along the road, such as establishing a franchise company that distributes convenience products from the United States in malls. He also worked as the Marketing Director for a company that manages entertainment and food and beverage outlets.

Since 2018, he has been appointed as the Director of public companies to provide management strategy, day to day operational oversight, capital raising and business development planning.

He is currently a Director of Seacera Group Berhad. He also sits on the board of several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 31 December 2024.

Ong Tee Kein

Independent Non-Executive Director

Age
68

Gender
Male

Nationality
Malaysian

Mr. Ong Tee Kein was appointed to the Board as an Independent Non-Executive Director on 1 August 2014. He is the Chairman of the Audit and Risk Management Committees and a member of the Nomination and Remuneration Committee of the Company.

He is member of the Malaysian Institute of Accountants (MIA). He has experience in accounting and corporate restructuring of Companies. He is currently a Director of Sanichi Technology Berhad, Mlabs System Berhad, Fintec Global Berhad and Metronic Global Berhad. He also sits on the board of several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 31 December 2024.

Ho Jien Shiung

Non-Independent Non-Executive Director

Age
41

Gender
Male

Nationality
Malaysian

Mr. Ho Jien Shiung was appointed as an Executive Director of the Company on 13 October 2017. He was then redesignated as the Non-Independent and Non-Executive Director of the Company on 18 June 2018. He is also a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee of the Company.

He obtained his Bachelor Degree of Commerce & Administration from Victoria University of Wellington, New Zealand.

He started his career as Foreign Administration Executive with the Inland Revenue Department of New Zealand after graduation in 2008. In 2009, he returned to Malaysia and joined a construction piping company as Southeast Asia Region Marketing Manager. In 2010, he left and joined an advance technology printing manufacturer as Business Development Manager principally in charge of the business development of Malaysia central region.

He is currently a Director of PNE PCB Berhad, PDZ Holdings Bhd and BCM Alliance Berhad. He also sits on the Board of several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 31 December 2024.

PROFILE OF DIRECTORS (CONT'D)

Chen Chee Peng

Independent Non-Executive Director

Age
62

Gender
Male

Nationality
Malaysian

Mr. Chen Chee Peng was appointed as an Independent Non-Executive Director of the Company on 16 February 2022. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee of the Company.

He holds a Bachelor of Science in Computer & Information Science and a Master in Business Administration.

He was the Executive Director of DVM Technology Berhad ("DVM") and he was instrumental in DVM listing in the ACE Market in 2004. During his tenure, he was responsible for the business direction and strategies of the DVM Group. He led the management in business development and overseeing the day-to-day operation of the DVM Group.

He is currently a Director of Trive Property Group Berhad, Saudigold Group Berhad, XOX Technology Berhad and NetX Holdings Berhad. He also a Director of Neurogine Sdn. Bhd.

He attended all four (4) Board Meetings held during the financial year ended 31 December 2024.

Lim May Sim

Independent Non-Executive Director

Age
49

Gender
Female

Nationality
Malaysian

Ms. Lim May Sim, was appointed as an Independent Non-Executive Director of the Company on 3 April 2023. She is the member of the Audit and Risk Management Committee and Nomination and Remuneration Committee of the Company.

She graduated with a Master in Business Administration (MBA) in year 2006 from Southern Cross University in Australia.

She has more than 31 years of experience mainly in sales, marketing and public relations for the property sector. Some of the notable projects include high end mixed residential and commercial developments across Malaysia with approximately gross development value of more than RM1 billion.

She is currently the Head of Sales and Marketing in the Taipan group of Companies and has successfully sold 90% of the mixed development projects to date. She is responsible for the development, project design, operations and improvement of systems and processes to deliver top notch properties to the targeted clients.

She does not hold directorship in other public companies and listed issuers in Malaysia.

She attended all four (4) Board Meetings held during the financial year ended 31 December 2024.

Notes:-

1. *None of the Directors have any family relationship with any Directors and/or major shareholders of the Company.*
2. *None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries except as disclosed in the recurrent related party transactions disclosed in the circular to shareholders dated 30 April 2025.*
3. *None of the Directors have been convicted of any offences within the past five (5) years, or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2024, other than traffic offences (if any).*
4. *Save as disclosed above, none of the Directors have any other directorship in public companies and listed issuers.*

KEY MANAGEMENT PERSONNEL

Kong Wei Kheong

Chief Executive Officer of DGB Networks Sdn. Bhd.

Age
44

Gender
Male

Nationality
Malaysian

Mr. Kong Wei Kheong is the Chief Executive Officer of DGB Networks Sdn. Bhd. ("DGB Networks") and the Director of Spacedx Sdn. Bhd. ("Spacedx"), both of which are DGB subsidiaries, and was appointed in April 2018 and June 2021 respectively. Prior to joining DGB, he was a co-founder of Edgecomms, Malaysia's first Fixed Virtual Network Operator focused on the wholesale market.

He has over seventeen (17) years of managerial experience in Sales, Business Development and Operations as well as a solid track record of sales successes in the telecommunications and IT industries.

He is responsible for overseeing the whole operations of the value-added products and services business segment.

Yeo Eng Kiat

Director of Spacedx Sdn. Bhd.

Age
45

Gender
Male

Nationality
Malaysian

Mr. Yeo Eng Kiat is the Director of Spacedx Sdn. Bhd., a subsidiary of DGB and was appointed in June 2021.

Results-driven professional with 20+ years of management experience. A Monash University graduate with a Bachelor of Computer Science, he blends technical knowledge with operational expertise. He began his career in R&D at E-Genting Sdn. Bhd., refining his analytical and problem-solving skills.

Later, as General Manager of a renowned restaurant chain, he led operations for four (4) restaurants and a central kitchen, improving efficiency and customer satisfaction. Since 2014, he has been Head of Operations and Support at XOX Mobile Sdn. Bhd., managing customer service, call center, and retail operations, with a focus on operational excellence and superior customer experiences.

Lin Sung Han

Director of CLI Investment Limited

Age
46

Gender
Male

Nationality
Taiwanese

Mr. Lin Sung Han is the Director of CLI Investment Limited, a subsidiary of DGB and was appointed in September 2020.

He holds a Bachelor of Science in Information Technology from DeVry University, USA.

With over thirteen (13) years of experience in hospitality management, he brings extensive knowledge and expertise to CLI Investment Limited. He has held senior leadership positions in leading hospitality companies, and has a proven track record of delivering exceptional results in driving growth and profitability.

Notes:-
1. *None of the key senior management personnel have any family relationship with any Directors and/or major shareholders of the Company.*
2. *None of the key senior management personnel have any other directorship in public companies and listed issuers.*
3. *None of the key senior management personnel have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.*
4. *None of the key senior management personnel have been convicted of any offences within the past five (5) years or been imposed any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2024.*

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE AND BUSINESS

DGB Asia Berhad and its subsidiaries ("the Group" or "DGB Group") operates a diverse range of businesses encompassing leisure and hospitality and value-added products and services. The Group's operations are principally based in Malaysia and Taiwan. The leisure and hospitality segment included the operation of a hotel and restaurants. The value-added products and services segment includes the operation of vending machines for retailing goods and digital advertising space, as well as retailing goods through other channels.

FINANCIAL RESULT REVIEW

The Group's financial results are shown below:

	FYE 2024	FYE 2023	Variance	
	RM Million	RM Million	RM Million	%
Revenue	56.0	61.1	(5.1)	-8%
Cost of Sales	(22.3)	(22.5)	0.2	-1%
Gross Profit	**33.7**	**38.6**	**(4.9)**	**-13%**
Other Income	2.0	5.3	(3.3)	-62%
Operating Expenses	(29.1)	(33.8)	4.7	-14%
Other Operating Expenses	(34.8)	(21.7)	(13.1)	60%
Loss from operations	**(28.2)**	**(11.6)**	**(16.6)**	**143%**
Finance costs	(0.7)	(0.8)	0.1	-13%
Loss before tax ("LBT")	**(28.9)**	**(12.4)**	**(16.5)**	**133%**
Tax Expenses	-	(0.1)	0.1	-100%
Loss After Tax ("LAT")	**(28.9)**	**(12.5)**	**(16.4)**	**131%**
Currency Translation Difference	(2.1)	3.0	(5.1)	-170%
Total Comprehensive Loss	**(31.0)**	**(9.5)**	**(21.5)**	**226%**
Gross Profit Margin (%)	60%	63%		
LPT per share	(0.11)	(0.07)		
LAT per share	(0.11)	(0.07)		

In FYE 2024, the Group's total revenue decreased by 8% to RM56.0 million from RM61.1 million in FYE 2023. The decline was primarily due to challenging market conditions and intensified competition within the value-added products and services segment, particularly in the vending machine business. Despite the revenue contraction, the Group maintained a consistent gross profit margin at RM33.7 million with a 60% margin in FYE 2024, compared to RM38.6 million with a 63% margin in FYE 2023.

As for the Group's operating expenses, the Group continued its cost management initiatives and operational enhancements, effectively reducing operating expenses by 14% to RM29.1 million in FYE 2024 from RM33.8 million in FYE 2023. Meanwhile, other operating expenses increased by 60% to RM34.8 million in FYE 2024 from RM21.7 million in FYE 2023, primarily due to impairment losses on assets and fair value adjustments on other investments.

As a result, the Group recorded a Loss Before Tax ("LBT") of RM28.9 million in FYE 2024, compared to RM12.4 million in FYE 2023. The LBT per share was RM(0.11) in FYE 2024, compared to RM(0.07) in FYE 2023.

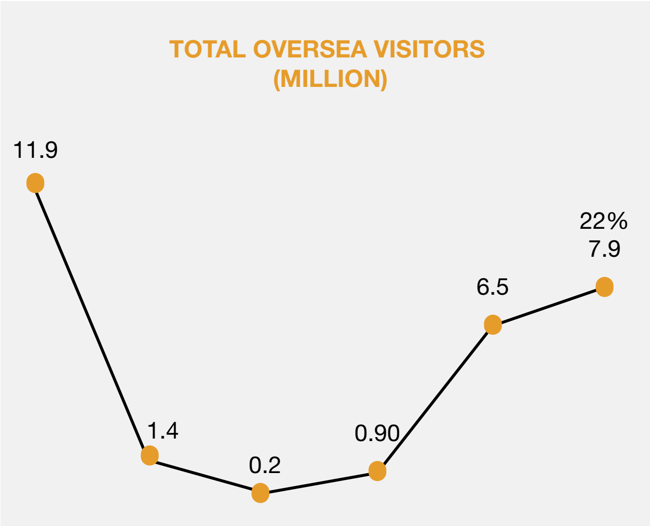
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS SEGMENTS' FINANCIAL RESULT REVIEW

	FYE 2024	FYE 2023	Variance	
	RM Million	RM Million	RM Million	%
Revenue	**56.0**	**61.1**	**(5.1)**	**8%**
Leisure & Hospitality	48.9	46.0	2.9	6%
Value-Added Products & Services	7.1	14.3	(7.2)	-50%
Logistics Services	-	0.8	(0.8)	-100%
Loss before tax ("LBT")	**(28.9)**	**(12.4)**	**(16.5)**	**132%**
Leisure & Hospitality	(2.6)	(4.6)	2.0	-44%
Value-Added Products & Services	(15.1)	(2.1)	(13.0)	619%
Logistics Services	-	(5.6)	5.6	-100%
Others	(11.2)	(0.1)	(11.1)	10367%

Leisure and Hospitality

In Year 2024, Taiwan's tourism industry continued its steady recovery from the pandemic-induced downturn, with total visitor arrivals reaching 7.9 million, marking a 22% increase from 6.5 million in Year 2023. This progress reflects a gradual return to pre-pandemic levels, with Year 2024 arrivals accounting for 66% of 11.9 million arrivals recorded in Year 2019. The growth was largely driven by strategic initiatives and promotional efforts led by Taiwan's Tourism Administration ("TTA"), aimed at revitalising the sector and reinforcing Taiwan's appeal as a world class travel destination.



Source : Taiwan Tourism Bureau

A key highlight was the "TAIWAN – Waves of Wonder" campaign, which showcased the nation's rich cultural heritage, stunning landscapes, and distinctive travel experiences, positioning Taiwan as a must-visit destination that blended traditional charm with modern attractions. To further boost visitor numbers, Taiwan hosted prominent events such as the 2024 Taiwan Lantern Festival in Tainan, which drew over 15 million attendees, and Christmasland in New Taipei City, welcoming 8 million guests with its vibrant festive atmosphere.

In addition to cultural events, the TTA actively promoted incentive travel and the MICE (Meetings, Incentives, Conferences, and Exhibitions) industry, showcasing Taiwan's advanced facilities and seamless integration of business and leisure experiences. In alignment with these initiatives, the government also collaborates with foreign airlines and Taiwan based carriers to introduce new flight routes and increase flight frequencies, particularly targeting key markets like Japan, South Korea, Southeast Asia and North America.

The positive momentum in Taiwan's tourism sector contributed to the segment's improved financial performance in FYE 2024. The segment's total revenue increased by 6% to RM 48.9 million in FYE 2024 from RM 46.0 million in FYE 2023. This growth was driven by higher occupancy rates, which improved to 82% in FYE 2024 from 76% in FYE 2023, and higher average daily rates (ADR), which increased to NTD 6,721 (approximately RM907) in FYE 2024 from NTD 6,583 (approximately RM889) in FYE 2023.

As a result of higher revenue, coupled with the effective cost management and operational efficiency, the segment's LBT was decreased by 44%, reducing to RM2.6 million in FYE 2024 from RM4.6 million in FYE 2023.

Revenue
RM 48.9 million
2023: RM 46.0 million

Loss Before Tax
RM 2.6 million
2023: RM 4.6 million

Occupancy Rate
82%
2023: 76 %

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS SEGMENTS' FINANCIAL RESULT REVIEW (CONT'D)

Leisure and Hospitality (Cont'd)

NTD	Kimpton		Competitors*	
	2024	2023	2024	2023
Occupancy Rate	82	76	77	74
Average Room Rate ("ARR")	7,394	7,242	7,191	7,020
Revenue per Available Room ("RevPAR")	6,052	5,512	5,584	5,195

Source: STR Global Limited Report
** Competitors Set: Based on Taipei – Luxury & Upper Upscale Hotels*

Additionally, the hotel maintained its market position, achieving a competitive ARR of NTD 7,394 in FYE 2024, surpassing the industry average of NTD 7,191. Further strengthening its reputation, the hotel consistently received industry recognition from Tripadvisor, retaining the Travellers' Choice Best of the Best award from 2023 to 2024. Besides that, its signature restaurant, The Tavernist, upheld its Michelin Guide status from 2020 to 2024, further elevating the hotel's prestige with its culinary excellence.

Tripadvisor
Best of the Best

MICHELIN

Value Added Products and Services

	FYE 2024 RM' Million	FYE 2023 RM' Million	VARIANCE RM' Million	%
Revenue	**7.1**	**14.3**	**(7.2)**	**-50%**
From Vending Machines	**0.4**	**6.5**	**(6.1)**	**-94%**
Advertisement Spaces	0.1	5.6	(5.5)	-98%
Products	0.3	0.9	(0.6)	-66%
From Others	**6.7**	**7.7**	**(1.0)**	**-13%**
Product	6.7	7.7	(1.0)	-13%

In FYE 2024, the segment's performance was impacted by challenging market conditions and intensified competition, resulting in a 50% decline in total revenue to RM7.1 million from RM14.3 million in FYE 2023. The LBT expanded to RM15.1 million from RM2.1 million in FYE 2023.

Revenue from vending machines decreased to RM0.4 million in FYE 2024, compared to RM6.5 million in FYE 2023. The decline in digital advertising sales which was a major contributor of vending machines revenue was primarily due to the expiration of an agency contract and difficulties in securing new partnerships within the digital out of home advertising sector. As vending machine advertising remains a relatively new concept, gaining market traction has been challenging, particularly against established players who have a strong presence in prime advertising locations and offer bundled advertising packages across multiple platforms. These factors have limited our ability to effectively compete and expand our client base. As a result, the LBT from vending machines increased to RM14.7 million in FYE 2024, compared to RM1.7 million in FYE 2023, attributed to lower revenue and impairment losses on assets.

Revenue
RM7.1 million
2023: RM 14.3 million

Loss Before Tax
RM15.1 million
2023: RM 2.1 million

BUSINESS SEGMENTS' FINANCIAL RESULT REVIEW (CONT'D)

Value Added Products and Services (cont'd)

Meanwhile revenue from others decreased to RM6.7 million in FYE 2024, compared to RM7.7 million in FYE 2023, primarily due to lower vape product sales. This was impacted by ongoing regulatory uncertainties in Malaysia, with the introduction of a comprehensive regulatory framework in October 2024 imposing stricter controls on vaping products, which in turn affected market demand and sales performance. In addition, supply chain disruptions from China added further strain on product availability and procurement costs. The tightened regulations on e-cigarette manufacturing and marketing in China led to market consolidation, reducing supply and increasing costs. Nevertheless, the Group effectively controlled its costs, resulting in the LBT remaining unchanged at RM0.4 million for both FYE 2023 and FYE 2024.

FINANCIAL POSITION REVIEW

	FYE 2024 RM Million	FYE 2023 RM Million	Variance RM Million	%
Non-Current Assets	152.0	180.8	(28.8)	-16%
Current Assets	90.7	106.4	(15.7)	-15%
Total Assets	**242.7**	**287.2**	**(44.5)**	**-15%**
Non-Current Liabilities	92.0	107.1	(15.1)	-14%
Current Liabilities	40.1	43.9	(3.8)	-9%
Total Liabilities	**132.1**	**151.0**	**(18.9)**	**-13%**
Shareholders' Equity	**130.7**	**150.0**	**(19.3)**	**-13%**
Debt to Equity Ratio	1.2	1.1		
Current Ratio	2.3	2.4		
Net assets per share (cent)	0.51	0.80		

Total Assets and Total Liabilities

The Group's total assets decreased by 15% to RM242.7 million in FYE 2024 from RM287.2 million in FYE 2023. Non-current assets decreased by 16% to RM152.0 million from RM180.8 million, attributed to asset depreciation, translation differences in right-of-use assets, and impairments on intangible assets and property, plant, and equipment. Current assets decreased by 15% to RM90.7 million in FYE 2024 from RM106.4 million in FYE 2023, primarily due to reclassification of prepayments to property, plant, and equipment, along with lower trade receivables and cash reserves.

The Group's total liabilities decreased by 13% to RM132.1 million in FYE 2024 from RM151.0 million in FYE 2023. Non-current liabilities decreased by 14%, to RM92.0 million in FYE 2024 from RM107.1 million in FYE 2023, primarily due to the repayment of lease liabilities and translation differences aligned with the right-of-use assets. Current liabilities decreased by 9% to RM40.1 million in FYE 2024 from RM43.9 million in FYE 2023, primarily due to lower trade payables and the full settlement of finance lease obligations.

The Group maintained a consistent current ratio at 2.3 times in FYE 2024, compared to 2.4 times in FYE 2023.

Shareholders' Equity

The Group's shareholders' equity decreased by 13% to RM130.7 million in FYE 2024 from RM150.0 million in FYE 2023. The net asset value per share was RM0.51 in FYE 2024, compared to RM0.80 in FYE 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL POSITION REVIEW (CONT'D)

Gearing and Capital Resources

The Group maintained a consistent gearing ratio of 1.2 and 1.1 times in FYE 2024 and FYE 2023, respectively, following the securing of a RM6.8 million term loan in FYE 2024. The term loan was obtained to finance the acquisition of a property in Taipei to be used as an office for hotel staff. This is part of the Group strategic initiative to enhance its leisure and hospitality business by relocating the office operations from hotel premises to the newly acquired property to allow the hotel to reallocate rooms previously used as offices for guest accommodation, enhancing room revenue. Additionally, the property is expected to generate long-term capital appreciation, reinforcing the Group's asset base.

The Group remains committed to strategically managing its cash reserves to support operational requirements and capital expenditure, driving long-term growth and sustainability.

ANTICIPATED RISKS

Operation, competition, and business risks

The Group faces business risks from intense competition, potential labour and material shortages, and fluctuating market demand which may impact the operational costs and financial performance. To mitigate these risks, the Group continues to monitor industry trends and takes proactive measures, such as leveraging automation to enhance operational efficiency, reducing reliance on manual labour, and investing in workforce training to strengthen adaptability and competitiveness.

Seasonality

The Group faces risk of seasonal demand fluctuations in its leisure and hospitality segment, which may impact revenue, profit, and cash flow. To mitigate this risk, the Group adopts dynamic pricing strategies to optimise room rates based on demand, implements targeted marketing campaigns to attract guests year-round, and expands partnerships with travel platforms to enhance market visibility and reach a broader customer base.

Political, Economic, and Regulatory risk

The Group faces risks from political, economic, and regulatory changes, which may impact its operations and financial performance. Political risks involve shifts in government policies and trade regulations, economic risks arise from market demand and interest rate fluctuations, and regulatory risks include changes to health, safety, and labour laws. To mitigate these risks, the Group actively monitors external factors, reinforces compliance efforts, and adapts its business strategies to maintain resilience and growth.

Foreign exchange risk

The Group faces foreign exchange risk, as its foreign subsidiaries financial reporting currency in Taiwan Dollar, and fluctuations in exchange rates may impact the Group's financial results and consolidated performance. To mitigate this risk, the Group closely monitors exchange rate movements and implements appropriate strategies to manage foreign currency exposure.

Credit Risk

The Group faces credit risk, particularly during uncertain economic conditions, which may result in slow payments and an increase in bad debts. To mitigate this, the Group proactively manages its trade receivables by conducting regular credit assessments, enforcing strict credit control measures, and implementing effective collection strategies. These efforts aim to minimise the risk of bad debts and maintain a healthy cash flow.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PROSPECTS

The challenging business landscape, marked by global supply chain disruptions, geopolitical tensions, rising input costs, and a weakening ringgit, poses potential risks to consumer purchasing power. In response, the Group will remain focused on driving operational efficiencies to mitigate these external challenges.

Leisure and Hospitality

The Taiwan's tourism sector is anticipated to continue its robust recovery, building upon the significant progress achieved in Year 2024. To further drive growth, TTA remains committed to implementing strategic initiatives aimed at enhancing domestic tourism and expanding its presence in international markets.

As part of its efforts to strengthen Taiwan's international presence, the TTA is actively expanding its global footprint by establishing eighteen (18) representative offices and seven (7) Taiwan Tourism Information Centres worldwide by 2025. Several new centres have already opened in Jakarta, Mumbai, and Paris, with additional locations planned in Vancouver and Manila. These initiatives aim to attract a broader international audience and solidify Taiwan's position as a leading travel destination in Asia.

In addition to expanding its global network, the TTA continues to showcase Taiwan's rich cultural heritage through flagship events including the Taiwan Lantern Festival and Christmasland in New Taipei City, both of which consistently draw millions of attendees annually. Complementing these cultural initiatives, the TPass unlimited public transport pass has been introduced to enhance visitor mobility, offering seamless and affordable travel options for both domestic and international tourists.

To modernize the tourism experience, the TTA is embracing smart tourism technologies by integrating augmented reality (AR) travel apps, QR code-enabled guides, and AI-powered chatbots. These technologies offer interactive, real-time support for travellers, ensuring a more engaging and efficient journey. Furthermore, real-time visitor monitoring systems have been implemented at popular attractions to prevent overcrowding and enhance the overall visitor experience.

Aligned with national initiatives, the Group remains confident in the sustained growth of Taiwan's tourism sector and its positive influence on hotel performance. To bolster its competitive advantage in the hospitality industry, the Group continues to refine its yield management strategies and adopt a dynamic pricing model. These strategies empower the Group to offer tailored packages and promotions, effectively responding to evolving market demands and seasonal trends.

Furthermore, the Group is dedicated to elevating guest experiences by continuously training staff on the latest government initiatives and smart tourism technologies. This proactive approach ensures guests are well-informed about available travel resources, contributing to seamless, memorable stays.

Value Added Products and Services

For the vending machine business, the Group acknowledges the intense competition within the DOOH advertising market and will undertake a comprehensive business review. This reassessment will focus on evaluating the current business model, determining the feasibility of the business, and exploring options on how to strengthen its position.

For the trading business, the Group will remain vigilant, closely monitoring government regulations and industry trends to ensure compliance and adapt its strategies accordingly.

DIVIDENDS

The Board has not adopted any fixed dividend policy. The Board does not recommend payment of any dividend for the financial year ended 31 December 2024.

ACKNOWLEDGMENT AND APPRECIATION

On behalf of the Board of Directors, we extend our sincere gratitude to our employees, shareholders, clients, suppliers, business associates, and bankers for their steadfast support during this challenging year. As we move forward, the Group remains committed to strengthening operational efficiencies, expanding revenue streams, and implementing targeted initiatives to drive long-term growth and ensure sustainable progress in the year ahead.

SUSTAINABILITY STATEMENT

DGB Asia Berhad ("DGB", "the Group", "We", or "Our") is committed to integrating sustainability into all aspects of our business, ensuring that our economic growth aligns with environmental responsibility and social well-being, while delivering sustainable long-term value to our stakeholders and communities.

SCOPE, REPORTING BOUNDARY AND FRAMEWORK

This statement outlines DGB's sustainability journey, highlighting our commitments and progress for the financial year ended 31 December 2024 ("FYE 2024"). The statement is prepared in accordance with the Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") and aligns with internationally recognised frameworks, including the United Nations Sustainable Development Goals (UNSDGs).

SUSTAINABILITY GOVERNANCE

To ensure the effective integration of sustainability across our business, DGB has established a structured sustainability governance framework that defines clear roles and responsibilities across all levels of the Company. This framework ensures strategic planning, effective execution, and continuous improvement of sustainability initiatives while aligning with our long-term business objectives.

The Board sets the strategic direction for sustainability, ensuring that sustainability risks and opportunities are effectively identified and integrated into the Group's business objectives. The ED lead the implementation of sustainability initiatives, ensuring alignment with corporate strategy and a well-coordinated approach across all business units. Meanwhile, Management is responsible for the execution and monitoring of sustainability programs, ensuring compliance, operational efficiency, and continuous improvements. Through this governance framework, DGB remains committed to embedding responsible business practices and creating long-term value for all stakeholders.

STAKEHOLDER ENGAGEMENT

DGB is committed to integrating stakeholder expectations into our sustainability initiatives by maintaining transparent, structured, and ongoing engagement with key stakeholders. Through a variety of communication platforms, we gather valuable insights that enable us to align our initiatives with stakeholder priorities. This proactive approach helps us identify and mitigate sustainability risks, capitalize on emerging opportunities, and create long-term value for both our stakeholders and the Group.

The table below outlines key stakeholder groups, their areas of interest, and the engagement method deployed by DGB. As stakeholder engagement is an ongoing process, the frequency and methods are adapted based on evolving priorities and business needs.

Stakeholders Group	Stakeholder Interest	Engagement Methods
Shareholders and Investors	• Financial performance • Key corporate developments • Corporate governance	• Announcements to Bursa Malaysia Securities Berhad • Annual or Extraordinary General Meeting • Corporate website updates
Government and Regulatory Authorities	• Corporate governance • Regulatory compliance	• Participation in seminars and conferences • Consultation with authorities • Regular regulatory reporting
Customers	• Products and services quality • Data privacy and security • Sustainable practices	• Customer careline, email and surveys • Corporate website and social media engagement
Suppliers	• Procurement process • Products and service quality	• Meeting and discussions • Performance evaluations
Employees	• Employee welfare • Occupational safety and health • Training and career development	• Internal communications • Employee engagement activities • Performance appraisals • Training and development programs
Communities	• Environment protection • Local community support and development • Employment and business opportunities	• Donations and sponsorships • Local sourcing of materials • Local employment initiatives • Participating in local communities' activities

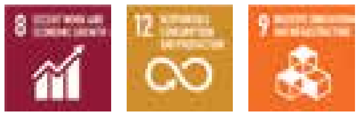
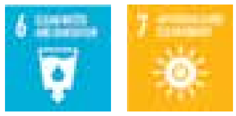
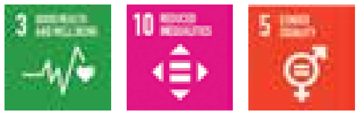
MATERIALITY ASSESSMENT

DGB is committed to ensuring that our sustainability efforts align with both business priorities and stakeholder expectations. To achieve this, we conduct a Materiality Assessment to identify, evaluate, and prioritise key Environmental, Economic, and Social ("EES") factors. The process begins with identifying relevant issues through industry benchmarking, regulatory requirements, and stakeholder engagements. These factors are then assessed and ranked based on their potential business impact and stakeholder significance. The identified factors undergo internal validation with the Board to ensure alignment with DGB's long-term objectives. Once finalised, these material sustainability matters are integrated into the Group's business strategy and sustainability initiatives. To ensure these material sustainability matters remain relevant amid evolving industry trends and business landscapes, the Group will continue to conduct regular reviews to refine its sustainability priorities and initiatives.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT (CONT'D)

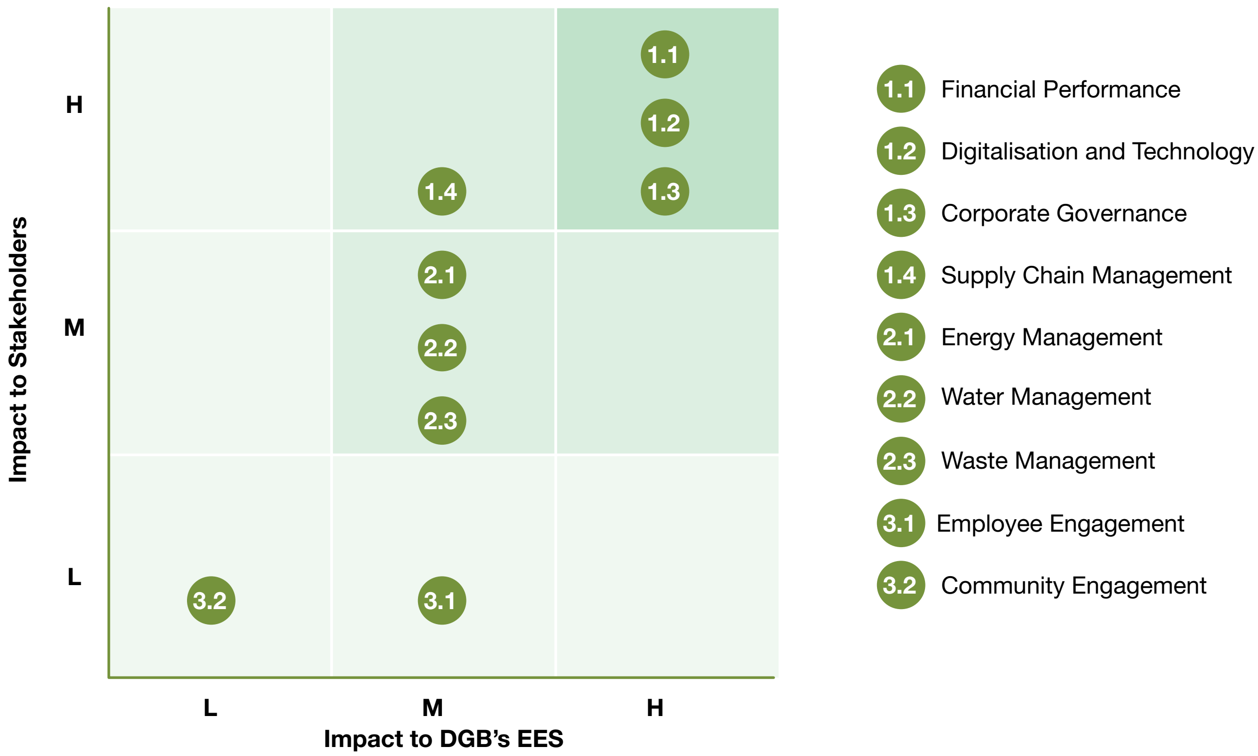
The list of sustainability matters to the Group and mapped against the Sustainable Development Goals ("SDGs"):

Sustainability Pillars	Sustainability Matters	Alignment to SDGs
Economic	1.1 Financial Performance 1.2 Digitalisation and Technology 1.3 Corporate Governance 1.4 Supply Chain Management	
Environmental	2.1 Energy Management 2.2 Water Management 2.3 Waste Management	
Social	3.1 Employee Engagement 3.2 Community Engagement	

MATERIALITY MATRIX

This materiality matrix serves as a visual representation, mapping the alignment between material topics and stakeholder perspectives. This analysis helps prioritise these topics based on their significance in shaping the Group's EES agenda.

Materiality Matrix



ECONOMIC

At DGB, we are committed to economic sustainability by enhancing financial performance, embracing digitalisation and technology, strengthening corporate governance, and optimising supply chain management. These efforts are aimed to foster long-term growth, improve operational efficiency, and ensure resilience in a rapidly evolving market.

1.1 Financial Performance

DGB continues to prioritise the strengthening of its core operations as the foundation for sustainable financial performance. The Group remains focused on maintaining a sound balance sheet, exercising prudent cost management, and supporting consistent cash flow generation. In parallel, DGB is assessing opportunities to develop new business initiatives with the objective of diversifying its revenue base over the longer term.

A detailed discussion of DGB's financial performance for FYE2024 is provided in the Management Discussion and Analysis statement in this Annual Report.

1.2 Digitalisation and Technology

DGB is committed to sustained business excellence through the continuous integration of digitalisation and technology across its business segments. Our strategy includes internal technology investments and leveraging innovative solutions from our strategic business partners to stay at the forefront of the industry trends and deliver exceptional value.

In the Leisure and Hospitality segment, DGB collaborates with the International Hotel Group ("IHG") to capitalise on its brand recognition, global reach, and industry-leading technology. This partnership enhances operational excellence and guest satisfaction through its comprehensive hospitality solutions which include:

- advanced hotel management systems integrating revenue and property management solutions and
- intelligent guest reservation system that streamlines operations, optimises resources, and improves profitability.

Additionally, IHG also prioritises digital transformation, data analytics, and strategic marketing initiatives to support hotel owners in optimising operations and enhancing guest experiences. Recent enhancements include:

- Enhanced IHG One Rewards App with seamless enrolment and digital concierge services.
- Expanded loyalty program partnerships offering exclusive rewards at major events.
- AI-powered concierge solutions that automate guest interactions and enhance service efficiency.

By continuously adopting IHG's innovations, we ensure that our hospitality offerings remain competitive, efficient, and guest-centric.

In the value-added products and services segment, DGB continuously enhance our vending machine technology with advanced features such as cashless payment, remote machine and digital advertisement configuration, real-time inventory tracking and advanced dispensing sensors. These innovations improve operational efficiency while elevating customer convenience and interaction.

ECONOMIC (CONT'D)

1.3 Corporate Governance

DGB is committed to maintaining the highest standards of corporate governance to ensure long-term sustainability, safeguard stakeholders' interests, and deliver long-term value. Our commitment to ethical conduct, transparency, and accountability is embedded across all business operations.

We strictly adhere to all applicable laws, regulations, and industry standards in every jurisdiction where we operate, including but not limited to:

- Applicable Accounting Standards
- ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad
- Companies Act 2016
- Employment Act 1955
- Income Tax Act 1967
- Sales Tax and Service Tax (SST) Act 2018
- Malaysian Anti-Corruption Commission Act 2009
- Personal Data Protection Act 2010

In addition, we have adopted the Malaysian Code on Corporate Governance (MCCG) as our framework for best practices. Our Corporate Governance Overview Statement, included in this Annual Report, outlines our adherence to the MCCG's principles and guidelines.

To further strengthen governance practices, the Board has established the following key policies:

(a) Anti-Bribery and Corruption Policy

DGB adopts a zero-tolerance policy against corruption, bribery, and the solicitation of unethical favours in compliance with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. This policy applies to all Directors, employees, and third-party affiliates, including business partners, contractors, and suppliers. We have implemented the following measures to enforce compliance:

(i)	Policy Controls	: Internal controls to prevent corruption and unethical behaviour.
(ii)	Disclosure and Transparency	: Employees and Directors must declare any conflicts of interest, gifts, entertainment and hospitality received or provided.
(iii)	Risk Assessment and Audits	: Regular internal audits and risk assessment are conducted to detect and mitigate potential corruption risks.
(iv)	Training and Awareness	: Ongoing anti-bribery and corruption training to enhance awareness and compliance.
(v)	Whistleblowing Mechanism	: A confidential and secure reporting channel is available to report suspected misconduct, with whistleblower protection against retaliation.

During the financial year under review, no incidents of bribery or unethical conduct were reported, and no fines or penalties were imposed by regulatory authorities.

Employee attended training	FYE 2024 (Hour)
Anti-Bribery and Corruption	79

(b) Whistle Blowing Policy

DGB is committed to corporate transparency, ethical business practices, and accountability. In line with the Whistleblower Protection Act 2010 (Act 711), our Whistleblowing Policy provides a secure and confidential channel for employees, business partners, and external stakeholders to report any misconduct, unethical behaviour, or corrupt practices within the Group. We ensure a safe and fair reporting environment by upholding the following principles:

(i)	Confidentiality	: Whistleblowers' identities are strictly protected to prevent exposure or undue pressure.
(ii)	Protection	: A zero-retaliation policy, ensuring whistleblowers are safeguarded against harassment, discrimination, or victimization.
(iii)	Action	: All reports are taken seriously, subjected to thorough investigation, and addressed appropriately.

During the financial year under review, no whistleblowing cases were reported.

ECONOMIC (CONT'D)

1.3 Corporate Governance (cont'd)

(c) Data Privacy and Security

DGB is committed to protecting data privacy and security, ensuring strict compliance with the Personal Data Protection Act 2010 (PDPA) and industry best practices. We have implemented the following measure to safeguard stakeholders' information:

(i)	Policy Controls	:	Internal controls governing the collection, processing, storage, and disclosure of personal data.
(ii)	Confidentiality Obligations	:	Our Code of Conduct requires employees, directors, suppliers, and business partners to handle sensitive information responsibly.
(iii)	Risk Assessments and Audits	:	Regular risk assessments and internal audits are conducted to detect and mitigate potential data breaches and vulnerabilities.

During the financial year under review, no instances of customer data breaches were recorded.

DGB's commitment to corporate governance is further reinforced by its partnership with IHG, which upholds stringent ethical and governance standards. IHG has implemented the following policies to ensure responsible and transparent business practices:

(i)	Anti-Bribery and Corruption Policy	:	Enforces compliance with global anti-corruption laws and promotes ethical business conduct.
(ii)	Whistleblowing Policy	:	Provides a secure and confidential platform for employees and suppliers to report unethical behaviour.
(iii)	Code of Conduct	:	Establishes ethical principles for employees, business partners, and suppliers, ensuring integrity across all operations.
(iv)	Corporate Governance Framework	:	Adheres to the UK Corporate Governance Code, incorporating global best practices such as the US Sarbanes-Oxley Act and NYSE governance standards.
(v)	Responsible Business Initiatives	:	Focuses on sustainability, environmental responsibility, and positive social impact within communities.
(vi)	Data Privacy and Security Policy	:	Aligns with GDPR and PDPA to protect stakeholder data and ensure compliance with privacy regulations.
(vii)	Vendor Code of Conduct	:	Requires suppliers to maintain ethical labour practices, uphold human rights, and commit to sustainability goals.

1.4 Supply Chain Management

DGB recognises that a sustainable supply chain is key to long-term business resilience. We are committed to ethical procurement practices, partnering only with suppliers who align with our core values:

(i)	Ethical Sourcing	:	Ensuring fair labour practices, human rights protection, and workplace safety.
(ii)	Regulatory Compliance	:	Adhering to all applicable laws, including anti-corruption, labour, and safety regulations.
(iii)	Sustainability Commitment	:	Promoting eco-friendly materials, waste reduction, and responsible sourcing.

To uphold these standards, DGB conducts regular supplier assessments and reviews to maintain ethical procurement practices. Additionally, we incorporate local sourcing initiatives into our procurement strategies to strengthen supply chain resilience and foster community development:

Local Supplier	FYE 2024
Taiwan	98%
Malaysia	99%

ENVIRONMENT

At DGB, we are committed to environmental sustainability, focusing on energy efficiency, water conservation, waste management, and emissions reduction. We integrate technology, data-driven insights, and employee engagement to ensure sustainability across all operations.

Additionally, DGB leverages the expertise and sustainability tools of our business partners to enhance operational efficiency and resource management. Through the IHG Green Engage system, an innovative online sustainability platform, we gain real-time data insights that allow us to monitor, manage, and reduce our environmental impact effectively.

This system offers over 200 Green Solutions, empowering hotel to adopt customised, practical strategies that align with their operational needs. By implementing these targeted solutions, hotel can minimise energy consumption, optimise water usage, and reduce waste, driving both environmental sustainability and cost efficiency.

DGB remain committed to continuous improvement, innovation, and sustainability to environmental responsibility and impact.

2.1 Energy Management

Our energy management initiatives include:

Infrastructure Upgrades

Replacing outdated equipment with modernised chillers, escalators, and elevators to improve energy efficiency.

Smart Automation

Implementing sensor-based energy management systems and transitioning to LED lighting to reduce energy waste.

Employee Awareness and Engagement

Encouraging mindful printing, energy-saving habits, optimised device settings, and reduced travel emissions to foster a culture of sustainability.

Total Electricity Consumption (kWh)	FYE 2024 ('000)	FYE 2023('000)
Hotel	2,976	1,939
Office and Warehouse	61	101
Total	3,037	2,040

2.2 Water Management

Our water management initiatives include:

Leak Detection and Repair:
Conducting regular maintenance of water pipes, pumps, and tanks to swiftly identify and repair leaks, minimising water wastage.

Water-Efficient Fixtures:
Installing low-flow fixtures and water-saving flush systems throughout our facilities to optimise consumption.

Employee Awareness and Engagement
Encouraging mindful water usage and the adoption of water recycling practices where feasible.

Greener Stay Initiative
Offering guests the option to forgo daily housekeeping and reuse linens and towels in exchange for IHG One Rewards points, reducing both water and energy consumption.

Total Water Consumption (m3)	FYE 2024	FYE 2023
Hotel	18,023	20,753
Office and Warehouse	278	1,164
Total	18,301	21,917

ENVIRONMENT (CONT'D)

2.3 Waste Management

Our waste management initiatives include:

Digital Solutions

Implementing paperless transactions and adopting digital alternatives such as electronic business cards to minimise waste.

Eliminating single-use items

Replacing bathroom miniatures with full-size amenities and plastic bottles with in-room water filtration systems or recycle bottles.

Employee Awareness and Engagement

Implementing the "Prevent, Divert, Donate" plan to minimise food waste throughout our operations.

Total Waste Management (Kg)	FYE 2024	FYE 2023
Hotel	102,093	91,050

SOCIAL

At DGB, we are committed to social sustainability, focusing on fostering a positive social impact by focusing on employee engagement and community engagement. We recognise that our responsibility extends beyond business performance, with a deep obligation to nurture the health, growth, and development of both our people and the communities we serve. We remain committed to integrating these principles into every aspect of our operations, ensuring that our efforts to foster social change are consistent, meaningful, and sustainable.

3.1 Employee Engagement

(i) Diversity, Equity, and Inclusion

DGB is committed to fostering a diverse, equitable, and inclusive workforce that drives long-term sustainability. Our approach to talent acquisition, retention, and development ensures that every individual, regardless of their background, has the opportunity to contribute, grow, and succeed.

(a) Talent Acquisition

DGB understands that diversity brings invaluable perspectives that are key to driving creativity, innovation, and problem-solving. As such, we are committed to promoting a culture of diversity, equity, and inclusion in every aspect of our operations. Our recruitment process actively seeks candidates from diverse backgrounds, experiences, and cultures, enabling us to build a dynamic and inclusive talent pool.

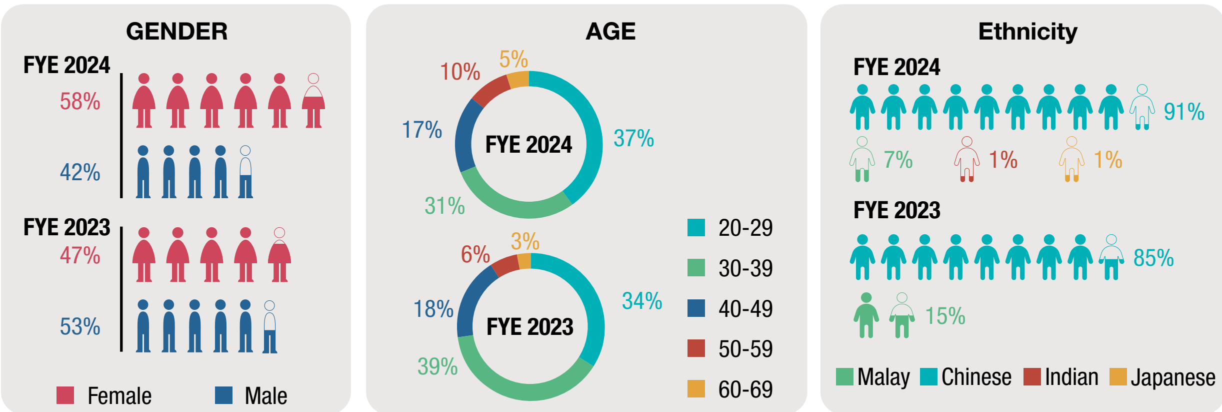
SOCIAL (CONT'D)

3.1 Employee Engagement (cont'd)

(i) Diversity, Equity, and Inclusion (cont'd)

(a) Talent Acquisition (cont'd)

We are committed to providing equal opportunities for all candidates, ensuring they are evaluated based on their qualifications and potential, free from external bias. By embracing diversity, we strengthen both our business and the overall employee experience, fostering an environment where everyone's unique talents are valued and respected.



(b) Talent Retention

DGB recognises the importance of talent retention in driving long-term success. We are committed to creating a work environment where employees feel valued, supported, and motivated to contribute their best. Our approach to talent retention includes regular performance appraisals, employee engagement activities, and recognition programs that foster a positive and collaborative culture. Performance appraisals are conducted regularly to offer constructive feedback, establish career development goals, and ensure alignment with company objective.

In addition, DGB organises team-building activities and celebrates cultural festivals from diverse races, providing employees with an opportunity to connect, learn, and respect each other's backgrounds. By celebrating cultural diversity, we enhance team bonding, promote inclusivity, and support a healthy work-life balance. This approach helps employees feel respected, valued, and more engaged in their work. By focusing on talent retention, DGB ensures that our workforce remains motivated, skilled, and aligned with our long-term business objectives.

(c) Talent development

DGB is committed to the continuous development of our employees, recognising that their growth is integral to the Company's long-term success. Our talent development strategy includes a wide range of training and development opportunities tailored to meet the needs of each individual. These programs focus on building both technical skills and leadership capabilities, ensuring that employees are equipped to take on new challenges and responsibilities.

Our approach encompasses a variety of learning methods, including in-person courses, seminars, online training modules, web-based self-learning, and knowledge-sharing through email blasts and our intranet platform. By providing diverse learning resources, DGB ensures that employees have the tools they need to grow professionally and contribute to the company's continued success.

SOCIAL (CONT'D)

3.1 Employee Engagement (cont'd)

(ii) Healthy and Safety

DGB is committed to maintaining a safe and healthy work environment for all employees. Our occupational safety strategy includes stringent safety protocols that are designed to mitigate workplace hazards and ensure the well-being of our workforce. We conduct regular safety training and awareness programs to ensure that employees are familiar with the potential risks and are equipped with the necessary skills to work safely. DGB also promotes wellness through various health initiatives, such as physical fitness programs and mental health support, helping employees maintain a healthy work-life balance. By prioritising occupational safety, DGB ensures that our employees can perform their duties in a secure environment, which in turn enhances overall productivity and job satisfaction.

Proactive Risk Management

Conduct regular evaluations of our protocols and procedures to identify and mitigate potential hazards

Emergency Preparedness

Maintain a comprehensive emergency preparedness plan to ensure a swift and effective response to any incident

Ongoing Employee Training

Prioritise employee safety awareness and preparedness through ongoing training programs tailored to specific roles and responsibilities

Regulatory Compliance

Adherence to all applicable regulations, including the OSH Act, Employment Act, and any other relevant legislation

During the financial year ended under review, we are proud to report zero work-related injuries or fatalities.

Employee attended training	FYE 2024 (Hour)
Health and safety standards	60

3.2 Community Engagement

At DGB, we are committed to making a meaningful and positive impact in the communities where we operate. Our community engagement efforts focus on supporting local initiatives that align with our values, such as education, health, and environmental sustainability.

(i) Skill Development

DGB recognises the importance of equipping individuals with the necessary skills to succeed in the workforce. Through our skill development initiatives, we offer internship opportunities to college and university students, providing them with valuable hands-on experience within our businesses. This program allows interns to explore their career interests while developing critical professional skills and knowledge. By equipping students with practical experience, DGB contributes to the growth and development of future leaders in our communities.

Furthermore, DGB leverages the resources of our business partner, IHG, to further support hospitality education. Through the IHG Skills Academy, we offer a free virtual learning platform that provides courses and resources to individuals seeking to enhance their hospitality skills and advance their careers in the industry.

(ii) Charity

DGB is committed to supporting local charitable organisations and giving back to the communities we serve. We support local charitable organisations that align with our values, focusing our charitable giving on addressing critical needs within underprivileged communities. This includes donations of in-kind support and essential resources such as food, clothing, and educational materials, all aimed at improving the lives of those in need. Through these initiatives, DGB aims to strengthen the social fabric of the communities where we operate and contribute to creating a more equitable and sustainable future for all.

SOCIAL (CONT'D)

3.2 Community Engagement (cont'd)


Chinese New Year


Iftar Event


Team Building


Team Engagement


CSR at Yayasan Sunbeams


Food Distribution to Homeless


Year End Party

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report based on a prescribed format as enumerated in Rule 15.25(2) of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of DGB Asia Berhad ("DGB" or "the Company") and its subsidiaries ("Group") corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance ("MCCG").

The Board of Directors of DGB ("Board") is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Group as a fundamental part of discharging its duties to enhance shareholders' values consistent with the principles and recommendations for best practices set out in the MCCG and the Listing Requirements of Bursa Securities.

This Corporate Governance Overview Statement ("Statement") should also be read together with the Company's Corporate Governance Report for the financial year ended 31 December 2024 ("FYE 2024") which is available on the Company's at www.dgbasia.com, as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

This Statement gives the shareholders an overview of the corporate governance practices of the Company for the FYE 2024.

This Statement makes reference to the following three (3) key principles of the MCCG:-

a. Board leadership and effectiveness;
b. Effective audit and risk management; and
c. Integrity in corporate reporting and meaningful relationships with stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership, which includes practising a high level of good governance to ensure the long-term success of the Group and the delivery of sustainable value to its stakeholders.

The Group is led and managed by an effective and experienced Board comprising members with a wide range of experience and qualifications. The Board provides stewardship to the Group's strategic direction and operations and ultimately enhances the shareholders' value.

In order to assist in the discharge of its stewardship role, the Board has established the following Board Committees to assist the Board in the running of its function:-

a. Audit and Risk Management Committee ("ARMC"); and
b. Nomination and Remuneration Committee ("NRC").

Each Committee operates in accordance with clearly defined Terms of Reference ("TOR"). These Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective TOR and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval.

1.2 Chairman of the Board

The Chairman of the Board was led by Dato' Seri Abdul Azim Bin Mohd Zabidi ("Dato' Seri Abdul Azim") who was appointed as the Independent Non-Executive Chairman of the Company on 27 May 2020. The Company has yet to appoint a Board Chairman since the resignation of Dato' Seri Abdul Azim on 30 August 2021.

The Company is still looking for a suitable candidate to be appointed as the Chairman of the Board in terms of an appropriate balance of skills, expertise, attributes and core competencies, taking into consideration the character, gender, experience, integrity, competence and time commitment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.3 Chairman and Executive Directors ("EDs")

The roles of the Chairman and EDs are separate with a clear distinction of responsibilities between them to provide effective leadership of the Board and the Group. The Chairman of the Board is responsible for the leadership and effective running of the Board, whereas the EDs who lead the management of the Group, have overall responsibility for the business and day-to-day management of the Company and the implementation of the Board's policies and decisions.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries consistently participate in the relevant training programs, conferences, or seminars organised by authorities and professional bodies to keep themselves abreast with the latest developments in corporate governance developments and changes in regulatory requirements that are relevant to their role and enable them to provide valuable advisory services to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FYE 2024, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of her duties and functions.

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Company's quarterly results were also provided therein.

The notices of the Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting. The Management and other advisers are invited to attend the meetings to report and brief on their respective areas of responsibility, if required.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.6 Board Charter

The Board Charter provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance and it is available at the Company's website at www.dgbasia.com.

The Board Charter is subject to periodic review and is updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is published on the Company's website at www.dgbasia.com.

1.7 Code of Ethics and Conduct

The Board has adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company. The Code of Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board regularly to ensure that it continues to remain relevant and appropriate.

The Code of Ethics and Conduct requires all Directors, management and employees of the Group to observe high ethical business standards and apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

The Code of Ethics and Conduct will be reviewed regularly to ensure the information remains relevant and appropriate.

The Code of Ethics and Conduct is available on the Company's website at www.dgbasia.com.

1.8 Whistle Blowing Policy

The Group is committed to the highest standard of integrity, openness and accountability in the conduct of its business and operations. The Group has established the whistleblowing policy setting out the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of the whistleblowing policy is in line with the Companies Act 2016 and Section 17A of the MACC Act ("the Acts"), where provisions have been made to protect the officers who make disclosures on breach or non-observance of any requirement or provision of the Acts or on any serious offence involving fraud and dishonesty.

The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.

The Whistle Blowing Policy is available on the Company's website at www.dgbasia.com.

1.9 Anti-Bribery and Corruption Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place an ABC Policy with the objective of providing information, scope and guidance on how to recognise and deal with bribery and/or corruption as well as to set out the procedure on how to raise concerns on breaches of the ABC Policy, without fear of reprisal.

The ABC Policy will be reviewed at least once every three (3) years and in accordance with the needs of the Company. The ABC Policy is made available on the Company's website at www.dgbasia.com. The Board had on 29 May 2024 reviewed and adopted an updated ABC Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.10 Directors' Fit and Proper Policy

In line with Rule 15.01A of the Listing Requirements, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group, as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is published on the Company's website at www.dgbasia.com.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

1.11 Conflict of Interest Policy

The Board had adopted a Conflict of Interest Policy which sets forth guidelines and procedures to identify, disclose, and address conflicts of interest that may arise within the Group. This ensures that any actual, potential and perceived conflicts of interest are effectively managed. This policy is also designed to ensure compliance with the Listing Requirements of Bursa Securities and the provisions under the Companies Act 2016, as well as to uphold the highest standards of corporate governance and transparency.

The Board will review the Conflict of Interest Policy from time to time and make any necessary amendments to ensure it remains consistent with the Board's objectives, current law, and practices.

1.12 Sustainability Governance

The Board emphasises the importance of sustainable business practices in creating long-term value, recognising that responsible business conduct is fundamental to achieving operational excellence.

Structural oversight of sustainability, including strategies, priorities, and targets, rests with the Board, while Management is entrusted with operational execution concerning Environmental, Social, and Governance (ESG) factors as integral components of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board prioritises upholding exemplary corporate governance practices, marked by a dedication to ethics, integrity, and corporate responsibility. Additionally, the Board ensures that both internal and external stakeholders are well-informed about the Company's sustainability strategies, priorities, targets, and overall performance, as detailed in the Sustainability Statement within this Annual Report.

The Board also incorporated the assessment of the Board's understanding of sustainability issues in the annual performance evaluation that are critical to the Company's performance.

PART II - COMPOSITION OF THE BOARD

2.1 Board Composition and Balance

The Board currently comprises five (5) members and the composition of the current Board is set out in the table below:-

No.	Names	Designation
1.	Nicholas Wong Yew Khid	Executive Director
2.	Ong Tee Kein	Independent Non-Executive Director
3.	Ho Jien Shiung	Non-Independent Non-Executive Director
4.	Chen Chee Peng	Independent Non-Executive Director
5.	Lim May Sim	Independent Non-Executive Director

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - COMPOSITION OF THE BOARD (CONT'D)

2.1 Board Composition and Balance (Cont'd)

This current Board composition complies with Rule 15.02 of the Listing Requirements of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board composition is also in line with Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided in this Annual Report.

2.2 Tenure of Independent Non-Executive Directors

The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. The Board acknowledges that the tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years pursuant to the Listing Requirements of Bursa Securities.

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

The NRC has reviewed and recommended to the Board regarding Mr. Ong Tee Kein ("Mr. Ong"), who has diligently served the Company for over nine (9) years, to continue in his role as the Independent Non-Executive Director. This recommendation is subject to the approval of shareholders at the upcoming Eighteenth Annual General Meeting ("18th AGM") through a two-tier voting process.

The rationale behind the recommendation for Mr. Ong's continuation as the Independent Non-Executive Director is elaborated in the Notice of the 18th AGM.

The decision to recommend Mr. Ong's re-appointment is supported by several key justifications, which are outlined in detail in the Notice of the 18th AGM. These justifications highlight his strong performance, extensive experience, and valuable contributions to the Company during his tenure.

2.3 Appointment of Board and Senior Management

The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at the Board and Senior Management levels.

The NRC is responsible for leading the process for the nomination of a new candidate for appointment and making the necessary recommendations.

In line with the best practices of the MCCG and the gained attention of boardroom diversity as an important element of a well-functioned corporation, the Board shall through the NRC accord due consideration to inculcate diversity policy in the boardroom and workplace which encapsulates not only gender but also age and ethnicity.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - COMPOSITION OF THE BOARD (CONT'D)

2.4 Board Diversity and Senior Management Team

The Board is supportive of the diversity of the Board and Senior Management Team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

Where and when appropriate, the Board, through the NRC, will prioritise the female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skillsets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

In view of the gained attention of boardroom diversity as an important element of a well-functioned organisation, the Gender Diversity Policy was adopted to provide a framework for the Company to improve its gender diversity at the Board and Senior Management level.

Currently, there is a female Director on the Board, namely, Ms. Lim May Sim.

2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within a defined TOR. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

The Board has established the following Board Committees and the membership of each committee is set out in the table below:-

Composition	**ARMC**	**NRC**
Ong Tee Kein *(Independent Non-Executive Director)*	Chairman	Member
Nicholas Wong Yew Khid *(Executive Director)*	N/A	N/A
Dato' Kua Khai Shyuan *(Executive Director)* *(Resigned on 30 June 2024)*	N/A	N/A
Ho Jien Shiung *(Non-Independent Non-Executive Director)*	Member	Member
Chen Chee Peng *(Independent Non-Executive Director)*	Member	Chairman
Lim May Sim *(Independent Non-Executive Director)*	Member	Member

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - COMPOSITION OF THE BOARD (CONT'D)

2.6 NRC

The NRC is chaired by Mr. Chen Chee Peng, an Independent Non-Executive Director of the Company.

The NRC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis.

The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.

In searching for suitable candidates, the NRC may leverage on various sources and gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and major shareholders, the NRC also refers to the potential candidates from the industry taking into consideration their education, skills and experience background.

During the FYE 2024, the following is the summary of activities undertaken by the NRC:-

- Reviewed and assessed the performance of all Directors of the Company.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and assessed the performance of the ARMC, and the Board and the Board Committee as a whole.
- Reviewed and recommended to the Board the re-election of Directors who were due for retirement at the 17th AGM.
- Reviewed and recommended to the Board the retention of Independent Non-Executive Director who have served for a cumulative term of more than nine (9) years.
- Reviewed and recommended to the Board the remuneration packages and directors' fees and/or benefits of all Directors of the Company.

2.7 Board Appointment and Re-appointment Process

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors. The Board has in the review of the skills of Directors, including information technology, legal, public relations and experience in the retailing industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors shall retire from office at least once (1) in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and continuation in office of any Director for shareholders' approval at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - COMPOSITION OF THE BOARD (CONT'D)

2.8 Annual Assessment of Effectiveness of the Board and Board Committees as a whole

The Board has, through the NRC, undertaken a formal assessment to assess the effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director, including the independence of the Independent Non-Executive Directors, referring to the guides available and the good corporate governance compliance.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committee as a whole.

Whilst, in evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators, amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

2.9 Attendance of Board and Board Committees' Meetings

The Board meets at least once every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. All the Directors fulfilled the requirements of the Listing Requirements of Bursa Securities of having attended at least 50% of the Board meetings held by the Company for the FYE 2024.

The attendance records of each Board member at the Board and Board Committees meetings held during the FYE 2024 are as follows:-

Type of Meetings / Name of Directors	Board of Directors	ARMC	NRC
	No. of Meetings Attended		
Nicholas Wong Yew Khid	4/4	N/A	N/A
Dato' Kua Khai Shyuan *(Resigned on 30 June 2024)*	2/4	N/A	N/A
Ong Tee Kein	4/4	4/4	1/1
Ho Jien Shiung	4/4	4/4	1/1
Chen Chee Peng	4/4	4/4	1/1
Lim May Sim	4/4	4/4	1/1

2.10 Directors' Training

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Board will assess the training needs of the Directors and ensure Directors have access to a continuing education programme to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - COMPOSITION OF THE BOARD (CONT'D)

2.10 Directors' Training (Cont'd)

The training programmes, seminars and/or conferences attended by the Directors during the FYE 2024 are as follows:-

Name of Directors	Title of Seminars/Training attended
Nicholas Wong Yew Khid	• E-Invoicing Implementation in Malaysia • Beneficial Ownership Reporting • MIA Webinar Series: Investigation & Prosecution of Money Laundering (AMLA) cases in Malaysia
Ong Tee Kein	• Beneficial Ownership Reporting
Ho Jien Shiung	• Conflict of Interest & Disclosure Obligations • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Beneficial Ownership Reporting
Chen Chee Peng	• ESG Essential • Conflict of Interest & Disclosure Obligations • E-invoicing Implementation in Malaysia • Beneficial Ownership Reporting
Lim May Sim	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Beneficial Ownership Reporting • E-Invoicing Implementation in Malaysia

The Board would continuously, evaluate and assess the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

PART III - REMUNERATION

3.1 Remuneration Policy

The Board had through the NRC, established formal and transparent remuneration policies and procedures which set out the principles and guidelines for the Board and NRC to determine the remuneration of Directors and/or Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The remuneration is reviewed by the NRC on an annual basis prior to making its recommendations to the Board for approval. In its review, the NRC considers various factors including the Directors' fiduciary duties, time commitments and expertise expected from them and the Company's performance.

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

The Remuneration Policy is available on the Company's website at www.dgbasia.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION (CONT'D)

3.2 Remuneration of Directors

The remuneration of the Directors of the Company and the Group for the FYE 2024 are as follows:-

(A) The Company

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefit-in-kind RM'000	Other emoluments* RM'000	Total RM'000
Dato' Kua Khai Shyuan *(Resigned on 30 June 2024)*	60	-	72	-	-	9	141
Ong Tee Kein	66	-	-	-	-	-	66
Ho Jien Shiung	60	-	-	-	-	-	60
Nicholas Wong Yew Khid	120	-	-	-	-	-	120
Chen Chee Peng	60	-	-	-	-	-	60
Lim May Sim	60	-	-	-	-	-	60
TOTAL	**426**	**-**	**72**	**-**	**-**	**9**	**507**

(B) The Group

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefit-in-kind RM'000	Other emoluments* RM'000	Total RM'000
Dato' Kua Khai Shyuan *(Resigned on 30 June 2024)*	60	-	72	-	-	9	141
Ong Tee Kein	66	-	-	-	-	-	66
Ho Jien Shiung	60	-	-	-	-	-	60
Nicholas Wong Yew Khid	120	-	240	-	-	30	390
Chen Chee Peng	60	-	-	-	-	-	60
Lim May Sim	60	-	-	-	-	-	60
TOTAL	**426**	**-**	**312**	**-**	**-**	**39**	**777**

Note:-
* *Other emoluments include the Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance System (EIS).*

3.3 Remuneration of Senior Management

The remuneration of the Key Senior Management of the Company for the FYE 2024 as follows:-

Range of Remuneration	No. of Senior Management Officer
Below RM50,000	1
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION (CONT'D)

3.3 Remuneration of Senior Management (Cont'd)

Due to the confidentiality and sensitivity of the remuneration packages of Key Senior Management as well as security concerns, the Board opts not to disclose the Key Senior Management's remuneration components on a named basis in the bands of RM50,000.

The Board is of the view that the disclosure of the remuneration of Key Senior Management on a named basis would be not in the best interest of the Company given the competitive human resources environment that may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

4.1 Effective and Independent ARMC

The ARMC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The ARMC is chaired by an Independent Non-Executive Director, namely Mr. Ong Tee Kein who is distinct from the Chairman of the Board.

In compliance with the Listing Requirements of Bursa Securities and the MCCG, the ARMC comprises three (3) Non-Executive Directors with a majority of whom are Independent Directors.

The ARMC members possess the necessary skills and knowledge to discharge their duties in accordance with the TOR of the ARMC and they are able to understand matters under the purview of the ARMC including the financial reporting process.

The ARMC will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a former key audit partner. This policy had been codified in the TOR of ARMC of the Company. Currently, none of the members of the ARMC is a former key audit partner.

The term of office and performance of the ARMC and its members are reviewed by the NRC annually to determine whether such ARMC and members have carried out their duties in accordance with the terms of reference.

The membership of the ARMC, summary of the works, the function of the ARMC in relation to the external auditors and the number of meetings held since the previous financial year end as well as the attendance of each member are shown in the Audit Committee Report of the Annual Report.

4.2 External Auditors

The Board also has established the External Auditors Assessment Policy together with the Annual Performance Evaluation Form. The said policy aims to outline the guidelines and procedures for ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors. The factors considered by the ARMC in its assessment include the adequacy of professionalism and experience of the staff, the resources of the External Auditors, fees, independence, and the level of non-audit services rendered to the Group.

The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I – ARMC (CONT'D)

4.2 External Auditors (Cont'd)

In addition, during the ARMC Meetings, the members were also briefed by the External Auditors on the following:-

(a) Financial Reporting developments;
(b) Adoption of Malaysian Financial Reporting Standards; and
(c) Other changes in the regulatory environment.

The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company, ChengCo PLT. Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and has recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

5.2 Internal Audit Function

The internal audit function for the FYE 2024 of the Group was outsourced to CAS Consulting Services Sdn. Bhd. ("CAS Consulting"), a third party professional internal audit service firm that is independent of the operations and activities of the Group. The engagement team from CAS Consulting is free from any relationship or conflict of interest, which could impair their objectivity and independence.

The Board had established the Internal Auditors Assessment Policy ("IA Assessment Policy") together with an annual performance evaluation form. The IA Assessment Policy outlines the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The ARMC had obtained assurance from CAS Consulting confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2024 are disclosed in the ARMC Statement in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – ENGAGEMENT WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence, a Corporate Disclosure Policy has been adopted. A copy of the policy is published on the Company's website at www.dgbasia.com.

The quarterly results, announcements, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and development.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART I – ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

6.1 Continuous Communication with Stakeholders (Cont'd)

The Company's website at www.dgbasia.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Company's AGM remains a principal forum used by the Group for communication with its shareholders. At the AGM, shareholders will be accorded time and opportunity to raise questions on the proposed resolutions and also matters relating to the performance, developments within and the future direction of the Group. The Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

PART II - CONDUCT OF GENERAL MEETING

7.1 Conduct of General Meetings

The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Company's business and reports. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

In line with Practice 13.1 of MCCG, the notice convening the 17th AGM was issued to shareholders at least 28 days before the 17th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 17th AGM or to appoint a proxy to attend and vote on their behalf.

At the AGM, the shareholders are encouraged to participate in discussing the resolutions proposed or future developments of the Group's operations in general. The Board, the Management team and the Company's External Auditors are present to answer the questions raised and provide clarification as requested by the shareholders.

All resolutions set out in the notice of the 17th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

7.2 Effective Communication and Proactive Engagement

All Directors had attended the 17th AGM on a fully virtual basis and be accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group at the 17th AGM. The External Auditors were also invited to attend the 17th AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders' meetings and ensures their queries are responded to in a proper and systematic manner.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 17th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 17th AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2024, except for the departures set out in the CG Report.

The Company shall continue to strive for high standards of corporate governance through the Group, and the highest level of integrity and ethical standards in all of its business dealings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

A. OBJECTIVES

The Audit Committee and Risk Management Committee have been merged into a single committee known as the Audit and Risk Management Committee ("ARMC" or "the Committee") with effect from 25 November 2021 aimed at improving efficiency and effectiveness in discharging its duties. The principal objective of the ARMC of the Company is to assist the Board in discharging its statutory duties and responsibilities in relation to corporate governance, internal audit function, financial reporting and risk management of the Group.

B. COMPOSITION OF THE ARMC

The members of the ARMC comprising of all Non-Executive Directors with a majority of them being Independent Non-Executive Directors as follows:-

Name	Designation
Ong Tee Kein	*Chairman, Independent Non-Executive Director*
Chen Chee Peng	*Member, Independent Non-Executive Director*
Ho Jien Shiung	*Member, Non-Independent Non-Executive Director*
Lim May Sim	*Member, Independent Non-Executive Director*

The Company complied with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad as well as Practice 9.1 under the Principle B of the Malaysian Code of Corporate Governance 2021. In addition, the ARMC Chairman, Mr. Ong Tee Kein is a member of the Malaysian Institute of Accountants.

The Terms of Reference of the ARMC can be accessed from the corporate website of the Company at www.dgbasia.com.

C. SUMMARY OF WORKS OF THE COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

A total of four (4) ARMC Meetings were held during the financial year ended 31 December 2024. The details of attendance of each member are as follows:-

Name of the ARMC Members	No. of Meetings Attended
Ong Tee Kein	4/4
Ho Jien Shiung	4/4
Chen Chee Peng	4/4
Lim May Sim	4/4

The presence of the external auditors and/or the Internal Auditors of the Committee meetings can be requested if required by the Committee. Other members of the Board and officers of the Group may attend the meeting (specific to the relevant meeting and to the matters being discussed) upon the invitation of the Committee.

D. SUMMARY OF WORKS OF THE COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The summary of the works undertaken by the Committee during the financial year ended 31 December 2024, amongst others, included the following:-

a. Reviewed the unaudited quarterly financial results and the annual audited financial statements of the Group and of the Company and recommended the same for approval by the Board upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities have been complied with.

b. Reviewed the External Auditors' Audit Review Memorandum in respect of the financial statement of the Group for the financial year ended 31 December 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

D. SUMMARY OF WORKS OF THE COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

c. Reviewed the External Auditors on the Audit Planning Memorandum, results of the audit and the audit report.

d. Considered and recommended the re-appointment of ChengCo PLT as the external auditors and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the external auditors during their audit.

e. Reviewed with the Internal Auditors, the internal audit plan, work done and reports, for the internal audit function and considered the findings of internal audit reviews and management responses thereon, and ensure that appropriate actions were taken in addressing the issues reported by the Internal Auditors.

f. Evaluated the performance External Auditors and Internal Auditors of the Company.

g. Self-appraised the performance of the ARMC and submitted the evaluation form to the Nomination and Remuneration Committee for assessment.

h. Reviewed the Corporate Governance Overview Statement, Sustainability Statement, ARMC Report and Statement on Risk Management, Internal Control and Additional Compliance Information to ensure adherence to legal and regulatory reporting requirement before recommending to the Board for approval for inclusion in the Company's Annual Report.

i. Reviewed and verified the allocation of options under the Share Issuance Scheme granted to the eligible Directors and employees of the Group for the financial year ended 31 December 2023.

j. Reviewed the related party transactions and/or recurrent related party transactions that transpired during the year under review to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

k. Reviewed the conflict of interest ("COI") questionnaires submitted by the Group's Directors and key members of senior management. Based on this review, no significant COI were identified that would necessitate further examination and implementation of specific mitigation measures. The only exceptions were related party transactions that had been duly disclosed and entered into with the Group which are being managed in accordance with the established governance and approval processes.

l. Reviewed Enterprise Risk Management Report in relation to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

m. Reviewed the list of gifts, entertainment, and hospitality offered by or received from the Group in line with the Group's Anti-Bribery and Corruption Policy.

n. Reviewed the summary of dealing in quoted securities on Bursa Securities by the Group.

o. Reviewed the Corporate Governance Report before recommending it to the Board for approval.

p. Reviewed the circular to shareholders in relation to the proposed renewal of existing shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue and/or trading nature before recommending to the Board for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

E. INTERNAL AUDIT ("IA") FUNCTION

The IA function is outsourced to an independent professional consulting company, namely CAS Consulting Sdn. Bhd., which is independent of the activities and operations of the Group. The Internal Auditors are empowered by the ARMC to carry out an independent assessment and provide an objective evaluation of risks and controls in the auditable activities to ensure a sound system of internal controls.

The role of the Internal Auditors, amongst others, shall cover the following areas:-

i. To evaluate the effectiveness of the governance, risk management and internal control framework and facilitates enhancement, where appropriate;

ii. To conduct regular reviews and appraisals of the effectiveness of the governance, risk management and internal control processes within the Group;

iii. To assess and report to the ARMC as to whether risks, which may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled; and

iv. To carry out their functions according to the standards set by recognised professional bodies.

The activities carried out by the Internal Auditors of the Group during the financial period under review were summarised as below:-

- Execution of the approved internal audit plan;
- Presentation of the internal audit findings and recommendations at the Committee meetings; and
- Conducted follow up reviews to ensure action plans are properly and appropriately implemented by the Management.

The internal audits reviews did not reveal any significant weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report.

The total fee incurred for the internal audit function of the Group during the financial year ended 31 December 2024 was RM 46,440.00.

REVIEW OF INTERNAL AUDIT FUNCTION

For the financial year ended 31 December 2024, the Committee noted that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") of DGB Asia Berhad ("DGB" or "the Company") is pleased to present its Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the Company and its subsidiaries ("the Group") risk management and internal control for the financial year ended 31 December 2024 ("FYE 2024"). This Statement is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") on the issuance of Risk Management and Internal Control Statement pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("Listing Requirements") and the Malaysian Code on Corporate Governance.

THE BOARD'S RESPONSIBILITY

The Board acknowledges its responsibilities are fully committed to maintaining a sound risk management practices and internal control environment to safeguard the shareholders' investments and the Group's assets. The Board has an ultimate responsibility for the Group's system of risk management and internal control and its effectiveness, as well as reviewing its adequacy and integrity. The Group's risk management process and system of internal control consists of financial controls, operational and compliance controls, and risk management.

In view of the limitations that are inherent in any system of risk management and internal control, our system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Therefore, the system can only provide reasonable, but not absolute, assurance against any material misstatements, financial losses, defalcations, or fraud. The Board continuously evaluates appropriate measures to strengthen the transparency and efficiency of its operations taking into account the requirements for sound and appropriate internal control and management information system of the Group.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group's assets.

The Management's Responsibility

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Internal Audit Function Responsibility

The review of the adequacy and integrity of the Group's Risk Management and Internal control systems is the delegated responsibility of the Audit and Risk Management Committee ("ARMC"). The ARMC is assisted by the Internal Audit Function in discharging its duties and responsibilities by providing the Board with the assurance it requires on the adequacy and integrity of the system of internal controls.

The Internal Audit Function is undertaken by an outsourced independent professional service firm and adopts a risk-based approach in preparing audit plan that is reviewed and approved by the ARMC. The audit plan covers review of the risk exposures and control processes implemented by the Management, review of the critical areas within the Group including the adequacy of operational controls and information systems, compliance with established policies and procedures. Where improvement opportunities were being identified during internal audit reviews, recommendations are then made and appropriate action plans are agreed upon amongst management, operational and functional units. The internal audit reports summarising the results of periodic internal audit visits are presented to the ARMC on yearly basis and follow-up visits are performed to track the implementation progress of agreed action plans.

During the financial year under review, no material findings that would result in any material losses, contingencies or uncertainties that would warrant a separate disclosure in this annual report had been brought to the attention of the Board. Notwithstanding this, the Board will continue to embrace a risk and control conscious approach and maintain constant vigilance in order to meet its business objectives in the ever changing and challenging business environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

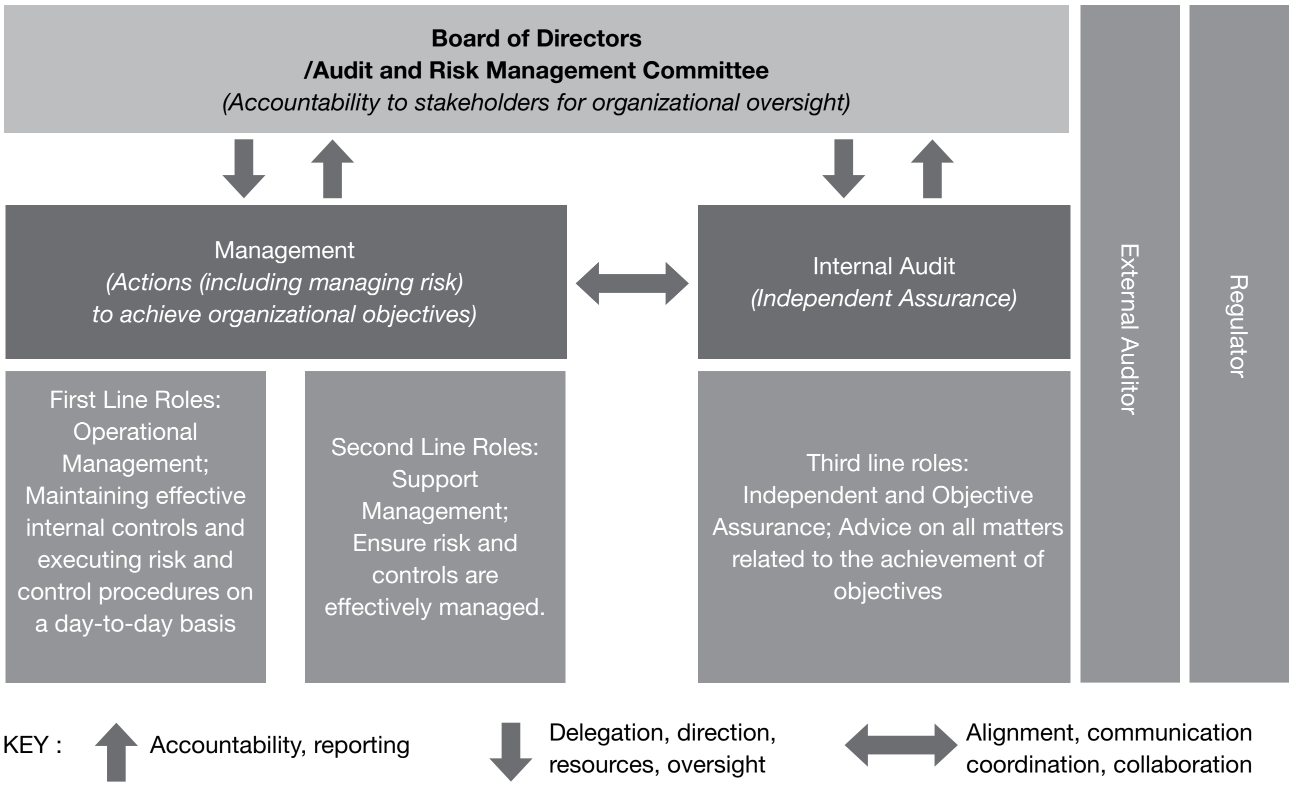
KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

(i) Risk Management Framework

The Board has made risk assessment an on-going exercise to effectively identify, evaluate, manage and review any changes in the risks faced by the businesses in the Group. The significant risks encountered by the Group are managed in accordance with the Guidance for Directors of Public Listed Companies on Statement on Risk Management and Internal Control.

The ARMC has been delegated to oversee the risk management activities and approve appropriate risk management procedures and measurement methodologies for the Group.

The Group's risk management framework is set out in the diagram below:



The Group's risk management process is set out in the diagram below:

The risk management process involves all business and functional units of the Group identifying significant risks which impact the achievement of business objectives of the Group. The Group has established procedures for reporting and monitoring of risks and controls. Regular reviews are conducted with additional procedures to be carried out as and when required.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

The Group's control activities include:

1. **Regular performance review**

   The Board emphasises on regular reporting of financial results and operational performance at timely intervals to ensure subsistence of managerial controls and consistent exercise of performance review processes. The internal control issues identified and highlighted by the Internal Auditors, External Auditors and occasionally by the management team will be reviewed and therefore, addressed by the management accordingly.

2. **Reviews with the External Auditors**

   The annual statutory audit of the Group by the External Auditors also includes a general review of the internal control systems of the Group. Weaknesses, limitations and deficiencies are identified via Management Letters and proposals for appropriate remedies are presented for consideration by the Board. In addition, material concerns are also highlighted, tabled and discussed with the ARMC.

3. **Defined organisational structure**

   The organisational structure of the Group is well-defined with appropriate terms of reference, job functions and description, authority, accountability and responsibility in place for the Executive Directors and other senior management staff of the Group.

4. **Defined policies and procedures**

   The terms of references, responsibilities and authority limits of the Board Committees, the Executive Director and other senior management staff of the Group are clearly defined to achieve an effective check and balance; and to promote accountability, transparency, responsibility, operational efficiency and good corporate governance.

5. **Whistleblowing Policy**

   Whistleblowing Policy which provides an avenue for employees to report suspected malpractices, misconduct or violations of the Company's policies and regulations in a secured and confidential manner.

6. **Information and Communication**

   Adequate financial and operational information systems are in place to capture and present information on a timely basis to the management. The Management teams perform regular monitoring and review of the Group's financial results. Scheduled and ad-hoc meeting were held at operational and management levels to identify, discuss and resolve business and operational issues. The management provides quarterly financial report to the Board covering financial performance and review for the performance. The ARMC also reviews the quarterly financial reports, annual financial statements and internal audit reports in periodic basis.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the Listing Requirements, the External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2024. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management process and system of internal control. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with the material internal control aspects of significant problems, if any, disclosed in this Annual Report will, in fact, remedy the problems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

DIRECTORS' RESPONSIBILITY STATEMENT

In connection with the preparation of the annual audited financial statements of the Group, the Directors are required to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 ("Act") and the applicable approved accounting standards as prescribed by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group as at 31 December 2024 and of the results and cash flows of the Company and the Group for the financial year then ended.

In preparing those financial statements of the Group for the financial year ended 31 December 2024; the Directors have:-

- responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy;
- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared it on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Board has ensured that the quarterly reports and annual audited financial statements of the Company are released to Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest performance and developments.

The Board has also ensured that the Group maintains proper accounting records in accordance with the Act. The Board also has the overall responsibility of taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM THE CORPORATE PROPOSALS

Renounceable Rights Issue of New Shares with Warrants C

The Company had on 1 September 2020 announced to undertake the proposed renounceable rights issue of up to 1,202,508,216 new ordinary shares ("Rights Shares" or "Shares") together with up to 601,254,108 free detachable warrants in the Company ("Warrants C") on the basis of six (6) Rights Shares together with three (3) free Warrants C for every 1 existing Share held by the entitled shareholders of the Company ("Renounceable Rights Issue with Warrants C").

The Company had raised total proceeds of RM114.7 million from the Renounceable Rights Issue with Warrants C.

The status of utilisation of proceeds as at 31 December 2024 was as follows:-

Details of Utilisation	Amount of Proceeds RM	Amount Utilised RM	Amount Unutilised RM
Expansion of Ping-U, an e-commerce last mile fulfilment solutions provider in Malaysia	60,000	25,811	34,189
Expansion of the smart vending machines business	15,000	15,000	-
Marketing expenses	20,000	9,265	10,735
Working capital	8,865	8,865	-
Acquisition and/or investment in other complementary businesses and/or assets	10,000	10,000	-
Expenses for the Renounceable Rights Issue with Warrants C	900	900	-
Total	**114,765**	**69,841**	**44,924**

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors by the Company and the Group for the financial year ended 31 December 2024 are as follows:-

Details of fees	Company RM'000	Group RM'000
Audit Fees	124,200	266,942
Non-Audit Fees	7,560	7,560

3. MATERIAL CONTRACTS

There were no material contracts entered by the Company and its subsidiaries which involved Directors' or major shareholders' interests during the financial year under review.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPTs")

The details of the Shareholders' Mandate for the RRPTs are set out in the Circular to Shareholders dated 30 April 2025 which is available on Bursa Malaysia Securities Berhad's website and the Company's website.

The details of the transactions with related parties undertaken by DGB Group during the financial year ended 31 December 2024 are disclosed in Note 30 to the audited financial statements for the financial year ended 31 December 2024.

5. SHARE ISSUANCE SCHEME ("SIS")

The Company has established a SIS of up to 30% of the issued share capital (excluding treasury shares, if any) of the Company for a period of 5 years from 11 February 2014 and subsequently extended for a further period of 5 years to 10 February 2024 pursuant to the Bylaws governing the SIS.

During the financial year, no share option was granted and exercised under the SIS, and the SIS was expired effective on 10 February 2024.

The actual percentage for the options or shares granted to Director and Senior Management since commencement of SIS was 3.29% and there was no options or shares granted to the Directors and Senior Management during the FYE 2024.

FINANCIAL STATEMENTS

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2024.

Principal Activities

The Company is an investment holding company. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There were no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Loss for the financial year	(30,993,034)	(178,099,071)
Attributable to:		
Owners of the parent	(24,515,961)	(178,099,071)
Non-controlling interests	(6,477,073)	-
	(30,993,034)	(178,099,071)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of Shares and Debentures

During the financial year, the Company increased its issued number of share capital from 188,243,279 to 254,243,279 by way of issuance of 66,000,000 new ordinary shares at RM0.0787 per ordinary share, pursuant to the private placement.

The newly issued shares rank pari-passu in all respects with the previously issued shares. There was no issue of debentures by the Company during the financial year.

Share Issuance Scheme ("SIS")

The SIS is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting duly held and convened in November 2013. The SIS shall be in force for a period of 5 years commencing from 11 February 2014, being the effective date for implementation of the SIS and extended for further periods of 5 years expiring on 10 February 2024.

Share issuance scheme ("SIS") (Cont'd)

The salient features of the SIS are as follows:

(a) The total number of new shares to be offered and issued under the SIS shall not exceed thirty percent (30%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at any one time during the duration of the SIS, as provided in the By-Laws.

(b) The price at which the grantee is entitled to subscribe for the new shares, to be determined by the Board upon recommendation of the Option Committee, shall be fixed based on the higher of the five (5)-day weighted average market price of shares, as quoted on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), immediately preceding the Date of Offer of the Option with a discount of not more than 10%, if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or the par value of shares.

(c) The SIS shares shall, upon issuance, allotment and full payment, rank pari-passu in all respects with the then existing share, save and except that the SIS shares will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of issuance and allot.

During the financial year, no share option was granted and exercised under the SIS, and the SIS expired on 10 February 2024.

Warrants

Warrant 2021/2024 ("WARRANTS C")

On 22 January 2021, the Company listed and quoted 478,188,586 Warrants C issued pursuant to the Rights Issue with Warrants. The Warrants C are constituted by the Deed Poll dated 7 December 2020 ("Deed Poll C'). The salient features of the Warrants C are as follows:

(a) Issued up to 478,188,586 Warrants C on the basis of 6 Rights Shares together with three (3) free Warrants C for every one (1) existing ordinary shares in DGB held by shareholders whose names appear in the record of depositor (as defined herein) of the issuer as at the close of business on the entitlement date (as herein defined) ("Entitled Shareholders"). Each Warrants C entitles its registered holder to subscribe for one (1) new share at an exercise price of RM0.12 per new share (as herein defined) ("Exercise Price"), at any time until the expiring of the Warrants C on 17 January 2024 ("Exercise Period"), payable in full cash within the Exercise Period (as defined herein); and

(b) At the expiry of the Exercise Period, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purpose; and

(c) Warrant holders must exercise the Warrants in accordance with the procedures set out in the Deed Poll C and the shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The movements in the Warrants C are as follows:

	Entitlement For Ordinary Shares			
	As at 01.01.2024	Exercised	Expired	As at 31.12.2024
Warrants C	47,818,848	-	(47,818,848)	-

During the financial year, no Warrants C were exercised, and the Warrants C expired on 17 January 2024.

Options Granted over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issued of options pursuant to the Share Issuance Scheme ("SIS").

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors

The directors of the Company in office from the beginning of the financial year to the date of this report are:

Chen Chee Peng
Ho Jien Shiung
Lim May Sim
Nicholas Wong Yew Khid*
Ong Tee Kein
Dato' Kua Khai Shyuan (Resigned on 30 June 2024)

The directors of the Company's subsidiaries in office (excluding those who are also directors of the Company) from the beginning of the financial year to the date of this report are:

Azril Bin Aliuddin
Kong Wei Kheong
Lin Sung Han
Tan Sik Eek
Yeo Eng Kiat

* Director of the Company and certain subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of financial year in shares in the Company during the financial year are as follows:

	No. of Ordinary Shares			
	As at 01.01.2024	**Bought**	**Sold**	**As at 31.12.2024**
Direct Interest				
Nicholas Wong Yew Khid	10,000	-	-	10,000

By virtue of their substantial interests in the shares of the Company, Nicholas Wong Yew Khid is also deemed interested in the shares of the subsidiaries to the extent that the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and its related corporations.

Directors' Benefits

Since the end of the previous financial year, none of the directors of the Group and of the Company has received nor become entitled to receive any benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Group and the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions entered into the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 28 to the financial statements.

Neither during, nor at the end of the financial year, did there subsist any arrangement to which the Group and the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Group and the Company or any other body corporate.

Indemnity to Directors, Officers and Auditors

There was no indemnity given to or insurance effected for any director, officer or auditors of the Group and Company during the financial year.

Directors' Remuneration

The details of the Directors' remuneration during the financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors' Remuneration				
- EIS contributions	184	238	59	119
- EPF contributions	37,440	73,462	8,640	34,002
- Fee	684,557	796,116	426,000	471,000
- HRDF contributions	2,400	2,400	-	-
- Salary	312,000	555,522	72,000	144,000
- SOCSO contributions	1,612	25,657	520	1,040
	1,038,193	1,453,395	507,219	650,161

Other Statutory Information

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and the adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realise in the ordinary course of business including the values of current assets as shown in accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts inadequate to any substantial extend in the financial statements of the Group and the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since end of the financial year.

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Other Statutory Information (Cont'd)

In the opinion of the directors:

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company are amounted to RM266,942 and RM124,200 (2023:RM 360,964 and RM 198,940) during the financial year.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Significant Events After the Financial Year

The details of the significant events after the end of reporting period are disclosed in Note 37 to the financial statements.

Auditors

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Director in accordance with a resolution of the Directors,

……………………………………	………………………………………
NICHOLAS WONG YEW KHID	**ONG TEE KIEN**
Director	Director

Kuala Lumpur,
Date: 25 April 2025

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **NICHOLAS WONG YEW KHID** and **ONG TEE KIEN**, being the two of the directors of **DGB ASIA BERHAD**, do hereby state that on behalf of the directors in our opinion, the financial statements as set out on pages 56 to 111, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the results of its financial performance and cash flows of the Group and of the Company for the financial year then ended on that date.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

....	....
NICHOLAS WONG YEW KHID	**ONG TEE KIEN**
Director	Director

Kuala Lumpur,
Date: 25 April 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, **NICHOLAS WONG YEW KHID**, being the director primarily responsible for the financial management of **DGB ASIA BERHAD**, do solemnly and sincerely declare that the financial statements of the Group and the Company as set out on pages 56 to 111 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
)
on this 25 April 2025)

	....
Before me,	**NICHOLAS WONG YEW KHID**
	Director

Samuel John A/L Ponniah
No. PJ6: B437
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DGB ASIA BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **DGB ASIA BERHAD**, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended 31 December 2024, and notes to the financial statements, including material accounting policies, as set out on pages 56 to 111.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of property, plant and equipment

The Group's property, plant and equipment amounting to RM39,512,212 (2023: RM42,873,830), representing approximately 16.29% (2023: 15.00%) of the Group's total assets as at 31 December 2024.

We focus on this area as the assessment of impairment of property, plant and equipment involved management judgements and estimation uncertainty in analysing key assumption used in the discounted cash-flow projection.

Our procedures in relation to impairment of property, plant and equipment:

- We assessed the valuation methodology adopted by the Group in accordance with the requirements of MFRS 136 Impairment of Assets; and

- We tested the mathematical accuracy of the impairment assessment.

- In relation to discounted cash-flow:
    - Compared the actual results with previous budget to assess the performance of the business a reliability of forecasting process; and
    - Verified the validity of relevant supporting documents and data that the management uses to support their impairment test assessment, e.g. discount rate, industry data on growth rate and forecast cash flow, etc.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF DGB ASIA BERHAD

Report on the Audit of the Financial Statements (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the directors' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the directors' report and, in doing so, consider whether the directors' report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the directors' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF DGB ASIA BERHAD

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming and opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF 0886
Chartered Accountants

YAP PENG BOON
02118/12/2026 J
Chartered Accountant

Kuala Lumpur,
Date: 25 April 2025

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	39,512,212	42,873,830	-	1,448,473
Right of use assets	5	94,967,136	116,940,217	-	-
Investment in property	6	9,501,409	9,539,005	-	-
Investment in subsidiary companies	7	-	-	39,323,634	205,206,909
Intangible assets	8	8,028,540	11,452,343	-	-
		152,009,297	180,805,395	39,323,634	206,655,382
Current assets					
Inventories	9	259,008	407,226	-	-
Trade receivables	10	1,563,996	4,657,347	-	-
Other receivables, deposits and prepayments	11	56,269,904	62,626,453	268,445	450,449
Other investments	12	19,504,028	20,114,392	1,252,373	7,403,748
Current tax assets		99,907	46,348	-	-
Cash and cash equivalents	13	12,977,030	18,589,718	1,243,154	381,285
		90,673,873	106,441,484	2,763,972	8,235,482
TOTAL ASSETS		242,683,170	287,246,879	42,087,606	214,890,864
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	239,296,911	221,844,036	239,296,911	221,844,036
Reserves	15	(108,583,176)	(71,808,540)	(197,555,470)	(7,197,724)
		130,713,735	150,035,496	41,741,441	214,646,312
Non-controlling interests		(20,212,263)	(13,735,190)	-	-
TOTAL EQUITY		110,501,472	136,300,306	41,741,441	214,646,312
LIABILITIES					
Non-current liabilities					
Borrowing	18	6,172,402	-	-	-
Lease liabilities	17	85,872,958	107,080,220	-	-
		92,045,360	107,080,220	-	-
Current liabilities					
Trade payables	19	1,847,842	1,977,266	-	-
Other payables, accruals and deposits received	20	16,160,096	17,761,056	346,165	244,552
Amount due to director	21	6,418,937	7,744,282	-	-
Amount due to related party	21	3,199,820	3,199,820	-	-
Current tax liabilities		8,023	7,950	-	-
Borrowing	18	261,863	-	-	-
Finance lease liability	16	-	70,783	-	-
Lease liabilities	17	12,239,757	13,105,196	-	-
		40,136,338	43,866,353	346,165	244,552
TOTAL LIABILITIES		132,181,698	150,946,573	346,165	244,552
TOTAL EQUITY AND LIABILITIES		242,683,170	287,246,879	42,087,606	214,890,864

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Revenue	22	56,035,473	61,069,633	-	-
Cost of sales		(22,276,049)	(22,515,174)	-	-
Gross profit		33,759,424	38,554,459	-	-
Other operating income	23	1,988,692	5,257,092	148,625	797,942
Selling and distribution expenses		(1,481,965)	(4,366,398)	-	(11,660)
Administrative expenses		(27,696,909)	(29,415,222)	(1,429,951)	(1,910,009)
Other operating expenses		(34,776,630)	(21,699,408)	(176,817,745)	(5,475,646)
Loss from operations	24	(28,207,388)	(11,669,477)	(178,099,071)	(6,599,373)
Finance costs	25	(674,091)	(773,976)	-	-
Loss before tax		(28,881,479)	(12,443,453)	(178,099,071)	(6,599,373)
Tax expenses	26	(22,458)	(130,383)	-	-
Loss for the financial year		(28,903,937)	(12,573,836)	(178,099,071)	(6,599,373)
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		(2,089,097)	3,028,501	-	-
Other comprehensive (loss)/income for the financial year, net of tax		(2,089,097)	3,028,501	-	-
Total comprehensive loss for the financial year		(30,993,034)	(9,545,335)	(178,099,071)	(6,599,373)
Loss attributable to:					
Owners of the parent		(21,943,456)	(11,242,331)	(178,099,071)	(6,599,373)
Non-controlling interests		(6,960,481)	(1,331,505)	-	-
		(28,903,937)	(12,573,836)	(178,099,071)	(6,599,373)
Total comprehensive loss attributable to:					
Owners of the parent		(24,515,961)	(8,140,850)	(178,099,071)	(6,599,373)
Non-controlling interests		(6,477,073)	(1,404,485)	-	-
		(30,993,034)	(9,545,335)	(178,099,071)	(6,599,373)
Loss per share (cent)					
- Basic	27 (a)	(8.63)	(5.97)		
- Diluted	27 (c)	(8.63)	(4.76)		

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Share capital RM (Note 14)	Translation reserve RM (Note 15)	Warrants reserve RM (Note 15)	Accumulated losses RM (Note 15)	Sub-total RM	Non-controlling interests RM	Total equity RM
	<------- Attributable to owners of the Company ------->						
	<---------- Non-distributable ------->			Distributable			
Balance at 1 January 2024	221,844,036	1,395,241	12,258,675	(85,462,456)	150,035,496	(13,735,190)	136,300,306
Transaction with owners:							
Issuance of ordinary shares pursuant to:							
- expired of warrant C	12,258,675	-	(12,258,675)	-	-	-	-
- private placement	5,194,200	-	-	-	5,194,200	-	5,194,200
Total transaction with owners	17,452,875	-	(12,258,675)	-	5,194,200	-	5,194,200
Loss for the financial year	-	-	-	(21,943,456)	(21,943,456)	(6,960,481)	(28,903,937)
Other comprehensive income:							
Foreign currency translation differences for foreign operations	-	(2,572,505)	-	-	(2,572,505)	483,408	(2,089,097)
Total comprehensive loss for the financial year	-	(2,572,505)	-	(21,943,456)	(24,515,961)	(6,477,073)	(30,993,034)
Balance at 31 December 2024	239,296,911	(1,177,264)	-	(107,405,912)	130,713,735	(20,212,263)	110,501,472
Balance at 1 January 2023	220,519,246	(1,706,239)	12,258,675	(74,220,125)	156,851,557	(12,330,706)	144,520,851
Transaction with owners:							
Issuance of ordinary shares pursuant to:							
- exercise of shares issuance scheme	1,324,790	-	-	-	1,324,790	-	1,324,790
Total transaction with owners	1,324,790	-	-	-	1,324,790	-	1,324,790
Loss for the financial year	-	-	-	(11,242,331)	(11,242,331)	(1,331,505)	(12,573,836)
Other comprehensive income:							
Foreign currency translation differences for foreign operations	-	3,101,480	-	-	3,101,480	(72,979)	3,028,501
Total comprehensive loss for the financial year	-	3,101,480	-	(11,242,331)	(8,140,851)	(1,404,484)	(9,545,335)
Balance at 31 December 2023	221,844,036	1,395,241	12,258,675	(85,462,456)	150,035,496	(13,735,190)	136,300,306

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Share capital RM (Note 14)	Warrants reserve RM (Note 15)	Accumulated losses RM (Note 15)	Total equity RM
Balance at 1 January 2023	220,519,246	12,258,675	(12,857,026)	219,920,895
Transaction with owners:				
Issuance of ordinary shares pursuant to:				
- exercise of shares issuance scheme	1,324,790	-	-	1,324,790
Total transaction with owners	1,324,790	-	-	1,324,790
Total comprehensive loss for the financial year	-	-	(6,599,373)	(6,599,373)
At 31 December 2023 and 1 January 2024	221,844,036	12,258,675	(19,456,399)	214,646,312
Transaction with owners:				
Issuance of ordinary shares pursuant to:				
- lapse of warrants	12,258,675	(12,258,675)	-	-
- private placement	5,194,200	-	-	5,194,200
Total transaction with owners	17,452,875	(12,258,675)	-	5,194,200
Total comprehensive loss for the financial year	-	-	(178,099,071)	(178,099,071)
Balance at 31 December 2024	239,296,911	-	(197,555,470)	41,741,441

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Loss before tax		(28,881,479)	(12,443,453)	(178,099,071)	(6,599,373)
Adjustments for:					
Amortisation of:					
- intangible assets	8	1,423,068	1,358,208	-	-
Depreciation of:					
- investment property	6	37,596	34,494	-	-
- property, plant and equipment	4	6,060,535	6,077,179	617,856	617,856
- right of use assets	5	12,874,777	13,478,801	-	-
Employee benefit expenses		-	357,790	-	357,790
Fair value adjustment of investment in:					
- money market fund	12	(175,359)	(819,676)	(148,625)	(797,942)
- quoted shares	12	2,153,546	(2,265,196)	-	-
Interest expenses	25	674,091	773,976	-	-
Interest income	23	(522,456)	(737,997)	-	-
Impairment losses of:					
- investment in subsidiary companies	7	-	-	175,369,271	4,500,000
- other receivable	11	296,265	-	-	-
- intangible assets	8	1,936,653	-	-	-
- property, plant and equipment	4	8,462,476	-	830,617	-
Written off of:					
- bad debts		9,051	-	-	-
- intangible assets	8	63,780	97,433	-	-
- property, plant and equipment	4	41,359	70,595	-	-
Gain on disposal of :					
- right of use assets	5	(3,420)	-	-	-
- property, plant and equipment	4	(49,585)	(54,856)	-	-
Rental concessions	23	(523)	(1,256)	-	-
Reversal impairment losses of:					
- inventory	23	(949,020)	(841,080)	-	-
- trade receivables					
- other receivables	11	-	(78,656)	-	-
Unrealised foreign exchange					
- loss		1,417,086	-	-	-
Operating profit/(loss) before working capital changes		4,868,441	5,006,306	(1,429,952)	(1,921,669)
Changes in working capital:					
Inventories		1,097,238	1,336,650	-	-
Receivables		9,143,966	(24,323,157)	182,004	192,030
Payables		(1,727,665)	(246,774)	101,613	(258,060)
Cash used in operations		13,381,980	(18,226,975)	(1,146,335)	(1,987,699)
Tax paid		(78,044)	(95,400)	-	-
Net cash generated from/(used in) operating activities		13,303,936	(18,322,375)	(1,146,335)	(1,987,699)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(14,797,169)	(2,804,297)	-	-
Acquisition of quoted shares	12	(11,543,694)	(5,053,392)	-	-
Withdrawal of money market fund	12	16,062,394	28,900,000	13,700,000	28,900,000
Placement of money market fund	12	(7,750,000)	-	(7,400,000)	-
Interest received	23	522,456	737,997	-	-
Proceeds from disposal of property, plant and equipment		467,884	21,031	-	-
Proceeds from disposal of investment in quoted shares	12	1,863,477	3,906,378	-	-
Net cash (used in)/generated from investing activities		(15,174,652)	25,707,717	6,300,000	28,900,000
Cash flows from financing activities					
Advances to subsidiary companies		-	-	(9,485,996)	(29,530,903)
Repayment to related party		-	(10,180)	-	-
Interest paid	25	(674,091)	(773,976)	-	-
Proceeds from issuance of shares	14	5,194,200	967,000	5,194,200	967,000
Proceeds from borrowing		6,873,090	-	-	-
Repayment of finance lease liabilities	16	(70,783)	(74,699)	-	-
Repayment of lease liabilities	17	(12,675,214)	(12,966,632)	-	-
Repayment of borrowing		(155,585)	-	-	-
Net cash used in financing activities		(1,508,383)	(12,858,487)	(4,291,796)	(28,563,903)
Net (decrease)/increase in cash and cash equivalents		(3,379,099)	(5,473,145)	861,869	(1,651,602)
Effects of exchange rate changes		(2,233,589)	2,216,524	-	-
Cash and cash equivalents at the beginning of financial year		18,589,718	21,846,339	381,285	2,032,887
Cash and cash equivalents at end of the financial year	13	12,977,030	18,589,718	1,243,154	381,285

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. General information

The Company is a public liability company, incorporated and domiciled in Malaysia and is listed on ACE Market of the Bursa Malaysia Securities Berhad.

The Company is an investment holding company. The principal activities of the subsidiary companies are as set out in Note 7. There have been no significant changes in the nature of the principal activities during the financial year.

The registered office of the Company was located at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.

The principal place of business of the Company was located at Lot 13.5, 13th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, 47410 Petaling Jaya, Selangor.

2. Material accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia ("RM"), have been prepared under the historical cost except as disclosed in the accounting policies below.

2.3 Adoption of new and amended standards

The Group and the Company has adopted the following MFRS and Interpretations (collectively referred to as "MFRSs"), issued by the Malaysian Accounting Standards Board ("MASB") and effective for the financial periods beginning on or after 1 January 2024;

- Amendments to MFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

2.4 Standards issued but not yet effective

The Group and the Company has not adopted the following standards that have been issued as at the reporting date but are not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026
- Amendments to MFRS 9 and MFRS 7*, Classification and Measurement of Financial Instruments*
- Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107, *Annual Improvement to MFRS Accounting Standards – Volume 11*
- Amendments to MFRS 9 and MFRS 7, *Contracts Referencing Nature-dependent Electricity*

2. Material accounting policies (cont'd)

2.4 Standards issued but not yet effective (cont'd)

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; Disclosure*

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*

2.5 Business combinations and consolidation

(a) Business combinations

The Group applies the acquisition method to account for all combinations. If the acquisition of an asset or a group of assets does not constitute a business, it is accounted for as an acquisition.

The Group identifies the acquisition date of business combination as the date on which the Group obtains control of an acquiree. Control is obtained when the group commences to have the power to direct financial and operating policy decisions of the investee so as to obtain benefits from its activities. This may require fulfilment of precedent conditions, such as completion of due diligence audit, and shareholders' approvals if they are specified in a sale and purchase agreement.

As of the acquisition date, the Group recognises, separately from goodwill, the identifiable assets acquired (including identifiable intangible assets), the liabilities assume (including contingent liabilities) and any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values, except for those permitted or required to be measured on other bases by assets, excluding goodwill.

For each business combinations, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

The cost of a business combination is measured at fair value, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Expenses incurred in connection with a business combination are capitalised in the cost of business combination.

The cost of business combination is allocated to the share of net assets acquired to determine the initial amount of goodwill on combination. In a business combination achieved in stages (including acquisition of a former joint venture), the cost of each exchange transaction is compared with the share of net assets to determine the goodwill of each exchange transaction on a step-by-step basis. Any increase in equity interest in an investee after acquisition date is accounted as an equity transaction between the parent and the non-controlling interest and the effect is adjusted directly in equity.

If the initial accounting for a business combination is not complete by the end of the reporting year in which the combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about fact and circumstances that existed as of the acquisition date, including additional assets or liabilities in the measurement period. The measurement period for completion of the initial accounting ends after one year from the acquisition date.

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policy decision of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting right are not dominant determinant of control, the Group uses judgements to assess whether it has de facto control, control by other arrangements (including control of special purpose entities), or by holding substantive potential voting right.

2. Material accounting policies (cont'd)

2.5 Business combinations and consolidation (cont'd)

(b) Subsidiaries and basis of consolidation

The financial statements of the parents Company and all its subsidiaries used in the preparation of the consolidated financial statement are prepared as of the same reporting date of 31 December 2024.The consolidated financial statements are prepared using uniform accounting policies for like transaction, other events conditions in similar circumstances.

The carrying amount of investment in each subsidiary of a parent in the Group is eliminated against the parent's portion of equity in each subsidiary. The consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date acquisition (which is the date the Group assumes control of an investee) or up effective date of disposal (which is the date the Group ceases to have control of an investee).

All intra-group balance and transactions are eliminated in full on consolidation. Unrealised profits or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealised loss is an impairment loss.

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the statements of comprehensive income as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Any decrease in equity stake in a subsidiary that does not result in loss of control is accounted for as an equity transaction and the financial effect is adjusted directly in the consolidated statement of change in equity.

Non-controlling interest at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2.6 Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. Material accounting policies (cont'd)

2.6 Foreign currency transactions and balances (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of nonmonetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

2.7 Current versus non-current classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification.

An asset is current when it is:

(i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
(ii) Held primarily for the purpose of trading;
(iii) Expected to be realised within twelve months after the reporting periods; or
(iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

(i) It is expected to be settled in the normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting periods; or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

2.8 Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Group and the Company obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on the nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchases price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

2. Material accounting policies (cont'd)

2.8 Property, plant and equipment (cont'd)

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. All property, plant and equipment are depreciated by allocating the depreciable amount over the remaining useful life. The depreciation methods used and useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life (years)
Computer and software	Straight-line	3 to 5
Furniture and fittings	Straight-line	5 to 10
Freehold buildings	Straight-line	50
Hotel equipment	Straight-line	3 to 5
Leasehold improvement and renovation	Straight-line	3 to 15
Machine	Straight-line	8
Motor vehicles	Straight-line	5
Office equipment	Straight-line	3 to 5
Plant and machinery	Straight-line	5

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current financial year.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

2.9 Leases

As lessee

The Group and the Company recognise a right-of-use assets ("ROU") and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 2.12 on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or at the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

	Method	Useful life (years)
Leasehold land and building	Straight-line	15
Motor vehicle	Straight-line	2
Office premises	Straight-line	2 to 3
Warehouse	Straight-line	2

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

2. Material accounting policies (cont'd)

2.9 Leases (cont'd)

As lessee (cont'd)

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option. Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.10 Investment properties

Investment properties, including right-of-use assets held by lessee are properties held either to earn rental income or for capital appreciation or for both. An investment property is recorded at cost on initial recognition. Cost of an investment property comprises purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. Cost of a self-constructed investment property comprises all direct and indirect construction costs but exclude internal profits.

All investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All investment properties are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

2.11 Intangible assets

(a) Goodwill on consolidation

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

2. Material accounting policies (cont'd)

2.11 Intangible assets (cont'd)

(b) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(c) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(d) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

	Method	Useful life (years)
Software license	Straight-line	2 to 5
Software application	Straight-line	3 to 5

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

2.12 Impairment of non-financial assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The increase to its recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Material accounting policies (cont'd)

2.13 Financial instruments

(a) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when. And only when, the Group and the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measure at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transition price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(b) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change of the business model.

For purpose of subsequent measurement financial assets are classified in two categories:

- Amortised cost
- Fair value through profit or loss

(i) Amortised cost ("AC")

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

2. Material accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(ii) Fair value through profit or loss ("FVPL")

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Financial liabilities

The categories of financial liabilities at initial recognition are as follow:

(i) Amortised cost ("AC")

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method (EIR).

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or losses on derecognition are also recognised in the profit or loss.

(c) Regular way purchase or sale of financial asset

A regular way purchase or sale of financial assets in recognised and derecognised, as applicable, using trade date or settlement date accounting in the current financial year.

Trade date accounting refer to:

(i) the derecognition of an asset to be received and the liability to pay for it on the trade date, and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refer to:

(i) the recognition on an asset on the day it is received by the Group and the Company, and

(ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group and the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

2. Material accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit and loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharge, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group and the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis, or to realise the asset and liability simultaneously.

2.14 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses. Write down is made where necessary for damaged, obsolete and slow-moving inventories.

2.15 Impairment of financial assets

(a) Financial assets

The Group and the Company recognises loss allowances for expected credit losses on financial assets measure at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measures loss allowances at an amount equal to lifetime expected credit losses, except for cash and bank balance. Loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of an asset, while 12 months expected losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company is exposed to credit risk.

2. Material accounting policies (cont'd)

2.15 Impairment of financial assets (cont'd)

(a) Financial assets (cont'd)

The Group and the Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experiences.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assesses whether financial assets carried at amortised are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generated sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery amounts due.

(b) Other assets

The carrying amount of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units (groups of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. Material accounting policies (cont'd)

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand, which are subject to a significant risk of changes in value.

2.17 Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess, if any, of the nominal value of shares issued are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

2.18 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

2.19 Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Company performs;

(b) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company has an enforceable right to payment for performance completed to date.

2. Material accounting policies (cont'd)

2.19 Revenue recognition (cont'd)

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised only when it is probable that the Group and the Company will collect the considerations to which it will be entitled to in exchange for the goods or services sold.

(a) Interest income

Interest income is recognised on an accrual basis using the effective interest rate.

2.20 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(b) Post-employment benefits

The Group and the Company pays monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group and the Company is limited to the amount that they required to contribute to the EPF. The contributions to EPF are charged to profit or loss in the period to which they relate.

(c) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using a trinomial option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based in weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

2. Material accounting policies (cont'd)

2.21 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group and the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of taxable temporary differences associated with investments in associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2. Material accounting policies (cont'd)

2.21 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.22 Earnings per share

The Group presents basic and diluted earnings/(loss) per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and warrants.

2.23 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date except for fair value of shared-based payment. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Material accounting policies (cont'd)

2.24 Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

LEVEL 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities.

LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by directors for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The directors decide, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Group and the Company. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

- has control or joint control over the Group and the Company; or

- has significant influence over the Group and the Company; or

- is a member of the key management personnel of the Group and the Company or of a parent of the Group and the Company.

2. Material accounting policies (cont'd)

2.25 Related parties (cont'd)

A related party is defined as follows: (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- The entity and the Group and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

- Both entities are joint ventures of the same third party.

- One entity is a joint venture of the third entity and the other entity is an associate of the third entity.

- The entity is a post-employment benefit plan for the benefit of employees of either the Group and the Company or an entity related to the Group and the Company. If the Group and the Company is itself such a plan, the sponsoring employers are also related to the Group and the Company.

- The entity is controlled or joint-controlled by a person identified in (a) above.

- The entity or any member of a group of which it is a part, provides key management personnel services to the Group and the Company or to the parent of the Company.

2.26 Borrowings costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as part of the cost of those assets, until such time as the assets is ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation in the weighted average of the borrowing costs applicable for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investments of the borrowing will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

3. Significant accounting judgements and estimates

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Accounting judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Judgement and assumption applied

In the selection of accounting policies for the Group and the Company, the areas that require significant judgements and assumptions are in:

(i) Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

3. Significant accounting judgements and estimates (cont'd)

3.1 Judgement and assumption applied (cont'd)

In the selection of accounting policies for the Group and the Company, the areas that require significant judgements and assumptions are in: (cont'd)

(i) Satisfaction of performance obligations in relation to contracts with customers (cont'd)

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

(ii) Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

3.2 Key sources of estimation uncertainty

The measurement of some assets and liabilities requires directors to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group and the Company are in measuring:

(a) Impairment of loans and receivables

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(b) Measurement of income taxes

Significant judgement is required in determining the Group's and the Company's provision for current and deferred taxes because the ultimate tax liability for the Group and the Company is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial period when such determination is made. The Group and the Company will adjust for the differences as over- or under- provision of current or deferred taxes in the current financial period in which those differences arise.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

The measurement of some assets and liabilities requires directors to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group and the Company are in measuring: (cont'd)

(c) Measurement of expected credit loss ("ECL")

Significant judgement is required in determining ECL. Directors need to identified and categorised financial assets into relevant segment by similar characteristic and credit risk. The directors need to apply suitable measurement method to measure ECL on the relevant segments.

(d) Useful lives of property, plant and equipment, right-of-use assets and investment properties

The Group and the Company regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for the property, plant and equipment, ROU asset and investment properties are disclosed in Notes 4, 5 and 6 respectively.

(e) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the expected value method, whereby the transaction price is determined by reference to the sum of probability weighted amounts in a range of possible consideration amounts.

There is no significant financing as the period between the transfer of control of good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

(f) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(g) Share-based payments

Share-based payments are measured at grant date fair value. For share options granted to employees, in many cases market prices are not available and therefore the fair value of the options granted shall be estimated by applying an option pricing model. Option pricing models need input data such as expected volatility of the share price, expected dividends or the risk-free interest rate for the life of the option. The overall objective is to approximate the expectations that would reflect in a current market or negotiated exchange price for the option. Such assumptions are subject to judgements and may turn out to be significantly different than expected.

Fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's and the Company's estimate of equity instruments that will eventually vest. The estimate of the number equity instruments expected to vest is revised by the Group and the Company at the end of each reporting period through settlement. Revisions of the original estimates, if any, is recognised in profit or loss so that the cumulative expense includes the revised estimate, with the corresponding adjustment to the reserve for employee equity-settled benefits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. Property, plant and equipment

Group	Computer and software RM	Furniture and fittings RM	Hotel equipment RM	Leasehold improvement and renovation RM	Machine RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Office Building RM	Total RM
Cost										
At 1 January 2024	3,204,125	29,140	450,598	47,862,915	11,448,120	2,854,415	313,957	205,806	-	66,369,076
Addition	3,650	-	-	4,954,075	14,559	-	6,185	-	9,818,700	14,797,169
Written off	-	(29,140)	-	(37,429)	-	-	(17,517)	(172,915)	-	(257,001)
Disposals	-	-	-	(424,580)	-	(62,000)	-	-	-	(486,580)
Translation exchange	-	-	(39,935)	(4,342,120)	-	-	(26,055)	-	(414,000)	(4,822,110)
At 31 December 2024	3,207,775	-	410,663	48,012,861	11,462,679	2,792,415	276,570	32,891	9,404,700	75,600,554
Accumulated depreciation										
At 1 January 2024	1,741,913	17,445	448,712	16,721,223	2,441,793	1,843,422	113,030	167,708	-	23,495,246
Charge for the financial year	628,994	8,002	-	3,557,053	1,409,648	311,354	39,500	18,706	87,278	6,060,535
Written off	-	(25,447)	-	(20,293)	-	-	(16,379)	(153,523)	-	(215,642)
Disposals	-	-	-	(42,456)	-	(25,825)	-	-	-	(68,281)
Translation exchange	-	-	(39,768)	(1,592,938)	-	-	(9,606)	-	(3,680)	(1,645,992)
At 31 December 2024	2,370,907	-	408,944	18,622,589	3,851,441	2,128,951	126,545	32,891	83,598	27,625,866
Accumulated impairment										
At 31 December 2023 and 1 January 2024	-	-	-	-	-	-	-	-	-	-
Impairment	830,617	-	-	-	7,611,238	20,621	-	-	-	8,462,476
At 31 December 2024	830,617	-	-	-	7,611,238	20,621	-	-	-	8,462,476
Net carrying amount										
At 31 December 2024	6,251	-	1,719	29,390,272	-	642,843	150,025	-	9,321,102	39,512,212

4. **Property, plant and equipment (cont'd)**

Group	Computer and software RM	Furniture and fittings RM	Hotel equipment RM	Leasehold improvement and renovation RM	Machine RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Total RM
Cost									
At 1 January 2023	3,809,774	99,239	433,272	44,941,434	11,170,920	1,840,066	166,381	229,529	62,690,615
Addition	5,400	-	-	1,310,457	277,200	1,014,349	196,891	-	2,804,297
Written off	(611,049)	(50,425)	-	(132,611)	-	-	(53,819)	(18,858)	(866,762)
Disposals	-	(19,674)	-	(28,442)	-	-	(3,130)	(4,865)	(56,111)
Translation exchange	-	-	17,326	1,772,077	-	-	7,634	-	1,797,037
At 31 December 2023	3,204,125	29,140	450,598	47,862,915	11,448,120	2,854,415	313,957	205,806	66,369,076
Accumulated depreciation									
At 1 January 2023	1,686,458	54,778	431,088	12,643,208	1,031,433	1,493,475	135,291	154,252	17,629,983
Charge for the financial year	666,379	9,492	377	3,579,415	1,410,360	349,947	28,895	32,314	6,077,179
Written off	(610,924)	(46,005)	-	(66,561)	-	-	(53,819)	(18,858)	(796,167)
Disposals	-	(820)	-	-	-	-	(435)	-	(1,255)
Translation exchange	-	-	17,247	565,161	-	-	3,098	-	585,506
At 31 December 2023	1,741,913	17,445	448,712	16,721,223	2,441,793	1,843,422	113,030	167,708	23,495,246
Net carrying amount									
At 31 December 2023	1,462,212	11,695	1,886	31,141,692	9,006,327	1,010,993	200,927	38,098	42,873,830

4. Property, plant and equipment (cont'd)

Company	Computer and software RM	Leasehold improvement and renovation RM	Motor vehicles RM	Office equipment RM	Total RM
Cost					
At 1 January 2023	3,121,700	10,013	1,100,000	8,234	4,239,947
Additions	-	(10,013)	-	(8,234)	(18,247)
At 31 December 2023 1 January 2024, and 31 December 2024	3,121,700	-	1,100,000	-	4,221,700
Accumulated depreciation					
At 1 January 2023	1,055,371	10,013	1,100,000	8,234	2,173,618
Charge for the financial year	617,856	-	-	-	617,856
Written off	-	(10,013)	-	(8,234)	(18,247)
At 31 December 2023 1 January 2024,	1,673,227	-	1,100,000	-	2,773,227
Charge for the financial year	617,856	-	-	-	617,856
At 31 December 2024	2,291,083	-	1,100,000	-	3,391,083
Accumulated impairment					
At 31 December 2023 and 1 January 2024	-	-	-	-	-
Impairment	830,617	-	-	-	830,617
At 31 December 2024	830,617	-	-	-	830,617
Net carrying amount					
At 31 December 2023	1,448,473	-	-	-	1,448,473
At 31 December 2024	-	-	-	-	-

(a) The net carrying amount of property, plant and equipment acquired under finance lease is as follows:

	Group 2024 RM	Group 2023 RM
Motor vehicles	-	71,930

(b) The net carrying amount of property, plant and equipment acquired under borrowing is as follows:

	Group 2024 RM	Group 2023 RM
Office building	9,321,102	-

(c) The currency exposure profile of property, plant and equipment are as follows:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Ringgit Malaysia	991,298	12,355,039	-	1,448,473
Taiwan Dollar	38,520,914	30,518,791	-	-
	39,512,212	42,873,830	-	1,448,473

4. Property, plant and equipment (cont'd)

(d) Recoverable amount on value in use

For the purpose of impairment testing, the recoverable amount of property, plant and equipment at the end of the financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash generated unit ("CGU") and was based on the following assumptions:

(i) During the financial year, the Group has reassessed its estimated recoverable amount of its property, plant and equipment. An impairment loss of RM8,462,476 was recognised during the financial year;

(ii) Pre-tax cash flow projection based on the most recent financial budgets covering five to eight years period;

(iii) The anticipated annual revenue growth rate used in the cash flow budgets and plans for the CGU reflects on the average historical growth rate adjusted for projected market and economic conditions and internal resource efficiency; and

(iv) The recoverable amount was based on its value in use and the pre-tax discount rate used was range from 3.43% to 5.59% per annum has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of capital.

5. Right of use assets

The Group has a lease contract for leasehold land and buildings, motor vehicle, office premises and warehouse used in its operations that has lease terms of 1 to 8 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amount of right-of-use assets recognised and the movement during the financial year:

Group	Leasehold land and buildings RM	Motor vehicle RM	Office premises RM	Warehouse RM	Total RM
Cost					
At 1 January 2023	164,398,113	241,601	1,211,358	733,968	166,585,040
Termination	-	-	-	(302,973)	(302,973)
Translation exchange	6,068,642	-	-	-	6,068,642
At 31 December 2023 and 1 January 2024	170,466,755	241,601	1,211,358	430,995	172,350,709
Adjustment	-	1,800	-	-	1,800
Additions	-	221,544	593,019	-	814,563
Written off	-	-	(1,028,638)	(430,995)	(1,459,633)
Termination	-	-	(182,719)	-	(182,719)
Translation exchange	(15,107,979)	-	-	-	(15,107,979)
At 31 December 2024	155,358,776	464,945	593,020	-	156,416,741
Accumulated depreciation					
At 1 January 2023	39,629,636	10,067	760,553	178,157	40,578,413
Adjustment	-	2,400	-	-	2,400
Charge for the financial year	12,813,177	120,570	292,216	252,838	13,478,801
Translation exchange	1,350,878	-	-	-	1,350,878
At 31 December 2023 and 1 January 2024	53,793,691	133,037	1,052,769	430,995	55,410,492
Charge for the financial year	12,450,110	119,595	305,072	-	12,874,777
Written off	-	-	(1,028,638)	(430,995)	(1,459,633)
Termination	-	-	(83,499)	-	(83,499)
Translation exchange	(5,292,532)	-	-	-	(5,292,532)
At 31 December 2024	60,951,269	252,632	245,704	-	61,449,605
Net carrying amount					
At 31 December 2023	116,673,064	108,564	158,589	-	116,940,217
At 31 December 2024	94,407,507	212,313	347,316	-	94,967,136

5. Right of use assets(cont'd)

(a) The following are the amounts recognised in profit or loss:

	Group 2024 RM	Group 2023 RM
Depreciation of right of use assets	12,874,777	13,478,801
Interest on lease liabilities	528,844	769,376

(b) The currency exposure profile of right of use assets are as follows:

	Group 2024 RM	Group 2023 RM
Ringgit Malaysia	559,629	267,153
Taiwan Dollar	94,407,507	116,673,064
	94,967,136	116,940,217

6. Investment in property

Group	Freehold land RM	Freehold buildings RM	Total RM
Cost			
At 1 January 2023	7,100,000	2,500,000	9,600,000
Reclassification	620,000	(620,000)	-
At 31 December 2023, 1 January 2024 and 31 December 2024	7,720,000	1,880,000	9,600,000
Accumulated depreciation			
At 1 January 2023	-	26,501	26,501
Charge for the financial year	-	34,494	34,494
At 31 December 2023 and 1 January 2024	-	60,995	60,995
Charge for the financial year	-	37,596	37,596
At 31 December 2024	-	98,591	98,591
Net carrying amount			
At 31 December 2023	7,720,000	1,819,005	9,539,005
At 31 December 2024	7,720,000	1,781,409	9,501,409

Investment in property comprise freehold land and buildings that are leased to a third party. The leases contain an initial non-cancellable period of 1 to 2 years. Subsequent renewals are negotiated with the lessee and on year renewal period.

The investment properties are valued based on valuation performed by an independent professional valuer with experience in valuing freehold land and buildings of similar nature. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

The following are recognised in profit or loss:

	Group 2024 RM	Group 2023 RM
Lease income	285,421	305,980
Direct operating expenses	56,902	170,988

6. Investment in property (cont'd)

The operating lease payments to be received are as follows:

	Group	
	2024 RM	2023 RM
Less than one year	129,635	240,872
Between one and five years	16,800	328,448
Total undiscounted lease payments	146,435	569,320

7. Investment in subsidiary companies

	Company	
	2024 RM	2023 RM
Unquoted shares in Malaysia, at cost		
At beginning of the year	48,785,706	48,785,706
Additions	-	-
At end of the year	48,785,706	48,785,706
Accumulated impairment losses		
At beginning of the year	(7,462,070)	(2,962,070)
Additions	(2,000,002)	(4,500,000)
At end of the year	(9,462,072)	(7,462,070)
	39,323,634	41,323,636
Equity contribution to subsidiaries, at cost		
At beginning of the year	169,101,211	169,101,211
Additions	9,485,996	-
At end of the year	178,587,207	169,101,211
Accumulated impairment losses		
At beginning of the year	(5,217,938)	-
Additions	(173,369,269)	(5,217,938)
At end of the year	(178,587,207)	(5,217,938)
	-	163,883,273
Net carrying amount	39,323,634	205,206,909

Equity contribution to subsidiaries represents amount owing by subsidiaries which is non-trade in nature and interest free. The settlement of the amount is neither planned nor likely to occur in the near foreseeable future as it is the intention of the company to treat the amount as long term source of capital to the subsidiaries. As this amount is, in substance, a part of the net investment in subsidiaries, it is stated at cost less accumulated impairment, if any.

Details of subsidiary companies are as follows:

Name	Principal place of business	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
Direct holding:				
DGB Properties Sdn. Bhd.	Malaysia	100	100	Property and investment holding
DGB Networks Sdn. Bhd.	Malaysia	100	100	Investment holding
DGB Asia Capital Sdn. Bhd.	Malaysia	100	100	Investment holding
CLI Investment Limited*	Taiwan	87.20	87.20	Investment in and operation of a hotel

7. Investment in subsidiary companies (cont'd)

Details of subsidiary companies are as follows: (cont'd)

Name	Principal place of business	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
Indirect subsidiaries:				
Held by DGB Networks Sdn. Bhd.:				
Spacedx Sdn. Bhd.	Malaysia	55	55	Business of vending machines and other related activities, renting and leasing of other machinery, equipment and tangible goods and advertising activities through vending machines
DGB Express Sdn. Bhd.	Malaysia	100	100	Business as retailers of all kinds of products through various channels such as brick and mortar stores, online platforms, direct sales, door-to-door sales persons, vending machines and others
Held by DGB Asia Capital Sdn. Bhd.:				
DGB Asia Capital Limited*	Hong Kong	100	100	Investment holding
Held by CLI Investment Limited:				
Finch Global (BVI) Limited*	Taiwan	100	100	Business of operating and managing restaurants

*Subsidiary companies not audited by CHENGCO PLT.

(a) Material partly-owned subsidiary companies

The Group's subsidiary companies that have material non-controlling interests are as follows:

Name of the company	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2024 %	2023 %	2024 RM	2023 RM	2024 RM	2023 RM
CLI Investment Limited*	12.8	12.8	146,066	(662,411)	(16,340,098)	(16,486,164)
Spacedx Sdn. Bhd.	45	45	(6,623,139)	(742,073)	(3,872,165)	2,750,974

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

The summarised financial information for subsidiary companies, CLI Investment Limited and Spacedx Sdn Bhd that has material non-controlling interests to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

7. Investment in subsidiary companies (cont'd)

(a) Material partly-owned subsidiary companies (cont'd)

(i) Summarised statement of financial position

	CLI Investment Limited*		Spacedx Sdn. Bhd.	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Non-current assets	132,931,535	147,195,271	21,293	11,104,176
Current assets	22,293,447	31,782,980	2,062,934	3,075,855
Non-current liabilities	(91,745,924)	(107,036,457)	-	(17,249)
Current liabilities	(32,040,138)	(37,659,992)	(3,385,708)	(3,791,698)
Net assets/(liabilities)	31,438,921	34,281,802	(1,301,481)	10,371,084

(ii) Summarised statement of profit or loss and other comprehensive income

	CLI Investment Limited*		Spacedx Sdn. Bhd.	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Revenue	48,902,705	46,043,284	406,847	6,531,309
Loss for the financial year	(2,635,487)	(4,604,943)	(14,718,086)	(1,649,051)
Total comprehensive income/(loss) for the financial year	1,141,138	(5,175,094)	(14,718,086)	(1,649,051)

(iii) Summarised statement of cash flows

	CLI Investment Limited*		Spacedx Sdn. Bhd.	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Net cash generated from/(used in) operating activities	14,454,749	14,829,803	(3,273,721)	(2,405,182)
Net cash used in investing activities	(5,543,476)	(1,309,010)	(14,559)	(277,200)
Net cash (used in)/generated from financing activities	(10,961,520)	(13,033,186)	2,862,826	503,140
Net (decrease)/increase in cash and cash equivalents	(2,050,247)	487,607	(425,894)	(2,179,242)

(b) Impairment losses on investment in subsidiary companies

Impairment loss was provided for investment in subsidiary companies in which these subsidiary companies had accumulated losses and had deficits in their shareholders' equity. The forecasted financial position, performance and cash flows of these subsidiary companies were not able to generate sufficient recoverable amount thus below the carrying amount of the investment cost in these subsidiary companies.

8. Intangible assets

Group	Goodwill on consolidation RM	Software application RM	Software license RM	Total RM
Cost				
At 1 January 2023	8,025,425	2,817,334	4,000,000	14,842,759
Written off	-	(160,900)	-	(160,900)
Translation exchange	-	893	-	893
At 31 December 2023 and 1 January 2024	8,025,425	2,657,327	4,000,000	14,682,752
Written off	-	(424,100)	-	(424,100)
Translation exchange	-	(2,058)	-	(2,058)
At 31 December 2024	8,025,425	2,231,169	4,000,000	14,256,594
Accumulated amortisation				
At 1 January 2023	-	734,948	1,200,006	1,934,954
Charge for the financial year	-	558,204	800,004	1,358,208
Written off	-	(63,467)	-	(63,467)
Translation exchange	-	714	-	714
At 31 December 2023 and 1 January 2024	-	1,230,399	2,000,010	3,230,409
Charge for the financial year	-	623,064	800,004	1,423,068
Written off	-	(360,320)	-	(360,320)
Translation exchange	-	(1,756)	-	(1,756)
At 31 December 2024	-	1,491,387	2,800,014	4,291,401
Accumulated impairment				
At 31 December 2023 and 1 January 2024	-	-	-	-
Impairments	-	736,667	1,199,986	1,936,653
At 31 December 2024	-	736,667	1,199,986	1,936,653
Net carrying amount				
At 31 December 2023	8,025,425	1,426,928	1,999,990	11,452,343
At 31 December 2024	8,025,425	3,115	-	8,028,540

(i) Goodwill on consolidation

The recoverable amount for the above was derived based on its value-in-use and was determined by discounting the future cash flows generated from the continuing use of those units. The review suggested recognition of full impairment loss to be provided on goodwill.

(ii) Software application

The software application consists of software program/system to use and integrate the acquired software into the group's products.

(iii) Software license

The software consists of an exclusive software licensing rights to use and integrate the acquired software into the Group's products.

8. Intangible assets (cont'd)

With regards to the assessments of value-in-use of these cash generating units, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying amounts of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

The currency exposure profile of intangible assets are as follows:

	Group	
	2024 RM	2023 RM
Ringgit Malaysia	8,025,425	11,448,926
Taiwan Dollar	3,115	3,417
	8,028,540	11,452,343

9. Inventories

	Group	
	2024 RM	2023 RM
At cost		
Finished goods	259,008	407,226
Recognised in profit or loss		
Inventories recognised as cost of sales	9,953,522	9,306,464
Reversal impairment during the financial year	(949,020)	(841,080)

The currency exposure profile of inventories of the Group is as follows:

	Group	
	2024 RM	2023 RM
Ringgit Malaysia	82,002	159,096
Taiwan Dollar	177,006	248,130
	259,008	407,226

10. Trade receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables	6,041,105	9,134,456	475,899	475,899
Less: Accumulated impairment losses	(4,477,109)	(4,477,109)	(475,899)	(475,899)
At 31 December	1,563,996	4,657,347	-	-

The Group's and the Company's normal trade credit terms granted to trade receivables ranged from 30 to 90 days (2023: 30 to 150 days). Other credit terms are assessed and approved on a case-by-case basis.

10. Trade receivables (cont'd)

The reconciliation of the allowance for impairment losses of trade receivables are as follows:

	Expected credit losses RM	Credit impaired RM	Total RM
Group			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	18,025	4,459,084	4,477,109
Company			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	-	475,899	475,899

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

An aging analysis of trade receivables as at reporting date is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Gross amount				
Current	1,433,252	543,369	-	-
Past due not impaired:				
Less than 30 days	105,170	2,034,502	-	-
31 to 90 days	624	117,301	-	-
More than 90 days	4,502,059	6,439,284	475,899	475,899
	4,607,853	8,591,087	475,899	475,899
	6,041,105	9,134,456	475,899	475,899
Credit impaired				
Individually impaired	(4,459,084)	(4,459,084)	(475,899)	(475,899)
Expected credit losses	(18,025)	(18,025)	-	-
	(4,477,109)	(4,477,109)	(475,899)	(475,899)
	1,563,996	4,657,347	-	-

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2024, the Group's gross trade receivables of RM148,769 (2023: RM4,135,003) were past due but not individually impaired. These relates to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group and the Company that are individually assessed to be impaired amounting to RM4,459,084 and RM475,899 (2023: RM4,459,084 and RM475,899) respectively, relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

The currency exposure profile of trade receivables of the Group and the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	181,262	2,717,049	-	-
Taiwan Dollar	1,382,734	1,940,298	-	-
	1,563,996	4,657,347	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Other receivables, deposits and prepayments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	46,217,150	46,611,696	-	-
Deposits	6,588,751	8,224,588	-	-
Prepayments	3,760,268	7,790,169	268,445	450,449
	56,566,169	62,626,453	268,445	450,449
Less: Accumulated impairment losses	(296,265)	-	-	-
	56,269,904	62,626,453	268,445	450,449

Inclusive in the other receivables are related to a fund paid to a foreign license stockbroking and investment management company amounted to RM43,272,089 (2023: RM45,661,375) for investment purpose.

Movements in the allowance for impairment losses of other receivables is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the year	-	78,656	-	45,952
Reversal	-	(78,656)	-	(45,952)
Impairment loss recognised	296,265	-	-	-
At end of the year	296,265	-	-	-

The currency exposure profile of other receivables, deposits and prepayments of the Group and the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	3,023,461	3,665,245	268,445	450,449
United States Dollar	43,272,089	43,321,344	-	-
Hong Kong Dollar	1,324	2,341,353	-	-
Taiwan Dollar	9,973,030	13,298,511	-	-
	56,269,904	62,626,453	268,445	450,449

12. Other investments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Quoted shares in Malaysia	17,231,193	9,704,522	-	-
Money market fund	2,272,835	10,409,870	1,252,373	7,403,748
Total investments, classified as fair value through profit or loss, stated at market value	19,504,028	20,114,392	1,252,373	7,403,748

12. Other investments (cont'd)

Movements of the quoted shares in Malaysia are as follows:

	Group	
	2024 RM	2023 RM
At 1 January	9,704,522	6,292,312
Additions	11,543,694	5,053,392
Disposals	(1,863,477)	(3,906,378)
	19,384,739	7,439,326
Add: Fair value adjustments	(2,153,546)	2,265,196
At 31 December	17,231,193	9,704,522

Movement of the money market fund are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the year	10,409,870	38,399,072	7,403,748	35,505,806
Additions	7,750,000	-	7,400,000	-
Withdrawals	(16,062,394)	(28,900,000)	(13,700,000)	(28,900,000)
	2,097,476	9,499,072	1,103,748	6,605,806
Fair value adjustments	175,359	819,676	148,625	797,942
Translation exchange	-	91,122	-	-
At end of the year	2,272,835	10,409,870	1,252,373	7,403,748

The currency exposure profile of other investments of the Group and the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	19,504,028	17,751,998	1,252,373	7,403,748
Taiwan Dollar	-	2,362,394	-	-
	19,504,028	20,114,392	1,252,373	7,403,748

13. Cash and cash equivalents

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash in hand	215,259	93,125	-	-
Cash at bank	12,761,771	18,496,593	1,243,154	381,285
	12,977,030	18,589,718	1,243,154	381,285

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Cash and cash equivalents (cont'd)

The currency exposure profile of cash and cash equivalents of the Group and the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	2,168,538	2,426,791	1,243,154	381,285
Hong Kong Dollar	47,814	2,229,279	-	-
Taiwan Dollar	10,760,678	13,933,648	-	-
	12,977,030	18,589,718	1,243,154	381,285

14. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid:				
At beginning of the year	188,243,279	1,785,733,078	221,844,036	220,519,246
Issuance pursuant to:				
- exercised of private placement	66,000,000	-	5,194,200	-
- exercised of share issuance scheme	-	96,700,000	-	1,324,790
- exercised of share consolidation	-	(1,694,189,799)	-	-
- expiration of warrants	-	-	12,258,675	-
At end of the year	254,243,279	188,243,279	239,296,911	221,844,036

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

During the financial year, the Company increased its number of issued share capital from 188,243,279 to 254,243,279 by way of issuance of 66,000,000 new ordinary shares at RM0.0787 per ordinary share, pursuant to the private placement.

The newly issued shares rank pari-passu in all respects with the previously issued shares. There was no issue of debentures by the Company during the financial year.

15. Reserves

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable:				
Warrants reserve	-	12,258,675	-	12,258,675
Translation reserve	(1,177,264)	1,395,241	-	-
	(1,177,264)	13,653,916	-	12,258,675
Distributable:				
Accumulated losses	(107,405,912)	(85,462,456)	(197,555,470)	(19,456,399)
	(108,583,176)	(71,808,540)	(197,555,470)	(7,197,724)

<u>Translation reserve</u>

The translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

16. Finance lease liability

	Group	
	2024	2023
	RM	RM
Future minimum lease payments		
Not later than 1 year	-	72,060
Later than 1 year and not later than 5 years	-	-
	-	72,060
Less: Future finance charges	-	(1,277)
	-	70,783
Present value of liabilities		
Not later than 1 year	-	70,783
Later than 1 year and not later than 5 years	-	-
	-	70,783

Finance lease liabilities bear interest at rate of Nil% (2023: 2.18%) per annum.

17. Lease liabilities

	Group	
	2024	2023
	RM	RM
At beginning of the year	120,185,416	128,625,804
Additions	816,363	-
Termination	(102,640)	(305,373)
Repayments	(12,675,214)	(12,966,632)
Rent concession	(523)	(1,256)
Translation exchange	(10,110,687)	4,832,873
At end of the year	98,112,715	120,185,416
Present as:		
Non-current	85,872,958	107,080,220
Current	12,239,757	13,105,196
	98,112,715	120,185,416

The Group lease leasehold land and buildings, motor vehicle, office premises and warehouse. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The amount of lease liabilities expenses recognised in the Group's profit or loss for the financial year ended 31 December 2024 is disclosed in Note 5.

The currency exposure profile of lease liabilities of the Group is as follows:

	Group	
	2024	2023
	RM	RM
Ringgit Malaysia	562,591	277,829
Taiwan Dollar	97,550,124	119,907,587
	98,112,715	120,185,416

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Borrowing

	Group 2024 RM	Group 2023 RM
Secured term loan		
Current	261,863	-
Non-current	6,172,402	-
	6,434,265	-

The bank facilities of the Group obtained from licensed financial institution are secured by the following:

(a) legal charge over freehold land and building as disclosed in Note 4.
(b) joint guarantee by one of the director's subsidiary

Maturities of bank borrowing is a follow:

	Group 2024 RM	Group 2023 RM
Less than 1 year	261,863	-
1 - 5 years	1,408,362	-
More than 5 years	4,764,040	-
	6,434,265	-

The borrowing bear interest at rates of 2.48% (2023: Nil) per annum.

The currency exposure profile of borrowing of the Group is as follows:

	Group 2024 RM	Group 2023 RM
Taiwan Dollar	6,434,265	-

19. Trade payables

	Group 2024 RM	Group 2023 RM
Trade payables	1,847,842	1,977,266

The normal trade credit terms granted by trade payables to the Group ranged from 30 to 180 days (2023: 30 to 180 days).

The currency exposure profile of trade payables of the Group is as follows:

	Group 2024 RM	Group 2023 RM
Ringgit Malaysia	225,674	500,083
Taiwan Dollar	1,622,168	1,477,183
	1,847,842	1,977,266

20. Other payables, accruals and deposits received

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	15,508,325	9,420,235	120,533	76,812
Accruals	322,157	8,026,708	225,632	167,740
Deposits received	329,614	314,113	-	-
	16,160,096	17,761,056	346,165	244,552

Included in other payables are funds paid on behalf of the Group by a foreign licensed stockbroking and investment management company amounted to RM2,884,282 (2023: RM325,302) for investment purpose.

The currency exposure profile of other payables, deposits received and accruals of the Group and the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	4,399,528	2,193,659	346,165	244,552
Taiwan Dollar	11,760,568	15,567,397	-	-
	16,160,096	17,761,056	346,165	244,552

21. Amount due to director/related party

Group and Company

The amount due is non-trade in nature, unsecured, interest-free and repayable on demand.

22. Revenue

	Group	
	2024 RM	2023 RM
Revenue from contract with customers:		
Leisure and hospitality	48,902,705	46,043,284
Logistics services	-	758,570
Value-added products and services	7,132,768	14,267,779
	56,035,473	61,069,633
Geographic market		
Malaysia	7,132,768	15,026,349
Taiwan	48,902,705	46,043,284
	56,035,473	61,069,633
Timing of transfer of goods or services		
At a point in time	56,035,473	61,069,633

23. Other operating income

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value adjustment of investment in:				
- money market fund	175,359	819,676	148,625	797,942
- quoted shares	-	2,265,196	-	-
Interest income	522,456	737,997	-	-
Other income	2,908	184,965	-	-
Rental income	285,421	328,266	-	-
Rental concessions	523	1,256	-	-
Gain on disposal of:				
- property, plant and equipment	49,585	-	-	-
- right of use assets	3,420	-	-	-
Reversal impairment losses of:				
- inventories	949,020	841,080	-	-
- other receivables	-	78,656	-	-
	1,988,692	5,257,092	148,625	797,942

24. Loss from operations

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss from operations is derived after charging:				
Auditor's remuneration:				
- statutory audit - current	266,942	280,334	124,200	124,200
- statutory audit - under provision in prior financial year	820	5,140	-	1,900
- other services	7,560	75,490	7,560	72,840
Amortisation of:				
- intangible assets	1,423,068	1,358,208	-	-
Depreciation of:				
- investment property	37,596	34,494	-	-
- property, plant and equipment	6,060,535	6,077,179	617,856	617,856
- right of use assets	12,874,777	13,478,801	-	-
Impairment losses of:				
- investment in subsidiary companies	-	-	175,369,271	4,500,000
- other receivables	296,265	-	-	-
- intangible assets	1,936,653	-	-	-
- property, plant and equipment	8,462,476	-	830,617	-
Fair value adjustment of investment in:				
- quoted shares	2,153,546	-	-	-
Management fees	2,225,315	2,057,627	-	-
Unrealised foreign exchange				
- loss	1,417,086	-	-	-
Written off of:				
- bad debts	9,051	-	-	-
- inventories	-	847	-	-
- intangible assets	63,780	-	-	-
- property, plant and equipment	41,359	97,433	-	-
Staff cost	7,689,529	18,182,118	507,219	650,161
Short-term leases or leases of low value assets	499,252	78,550	390	-

For short-term leases with lease term of 12 months or less and for leases of low value assets of less than RM20,000, the Group has availed the exemption in MFRS 16 not to recognise the right-of-use assets and lease liabilities. Instead, payments made for these leases are recognised as expense when incurred.

25. Finance costs

	Group	
	2024 RM	**2023 RM**
Finance lease liability interest	1,277	4,600
Interest on lease liabilities	528,844	769,376
Interest fee	143,970	-
	674,091	773,976

26. Tax expense

(a) *Major components of income tax*

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Current tax expense				
For the financial year	75,310	95,400	-	-
(Over)/under provision in prior financial year	(52,852)	34,983	-	-
	22,458	130,383	-	-

(b) *Relationship between tax expense and accounting loss*

Reconciliation between tax expense and the product of accounting loss multiplied by the statutory tax rate is as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Loss before tax	(28,881,479)	(12,443,453)	(178,099,071)	(6,599,373)
Tax calculated at statutory tax rate of 24%	(6,931,555)	(2,986,429)	(42,743,777)	(1,583,850)
Effect of tax in foreign jurisdictions	149,763	(144,104)	-	-
Tax effect of expenses not deductible for tax purposes	5,579,899	2,050,421	42,202,356	1,374,950
Income tax not subject to tax	(365,418)	(729,709)	(35,670)	(191,505)
(Over)/under provision for income tax in prior financial year	(52,852)	34,983	-	-
Under provision of deferred tax in prior financial year	-	6,770	-	-
Deferred tax assets not recognised during the financial year	1,642,621	1,898,451	577,091	400,405
	22,458	130,383	-	-

The amount of temporary differences for which not deferred tax assets have been recognised in the statement of financial position are as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Property, plant and equipment	648,607	(1,937,664)	1,405	(344,825)
Unutilised tax losses	23,882,277	25,286,288	2,160,013	1,930,556
Unabsorbed capital allowances	3,198,969	2,738,608	744,625	743,221
	27,729,853	26,087,232	2,906,043	2,328,952

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profits of the Group or Company will be available against which the deductible temporary differences can be utilised.

26. Tax expense (cont'd)

With effect from year of assessment 2018, unused tax losses are allowed to be carried forward up to a maximum of ten consecutive years of assessment under current tax legislation. The other temporary differences do not expire under current tax legislation.

The unabsorbed tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidance issued by the tax authority as follows (at gross):

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Expiring in 2026	-	40,140	-	-
Expiring in 2027	-	3,404,634	-	-
Expiring in 2028	10,046,501	21,145,287	-	-
Expiring in 2029	15,715,230	15,715,230	753,931	753,931
Expiring in 2030	18,806,642	18,806,642	2,786,924	2,786,924
Expiring in 2031	18,196,822	18,196,822	1,486,655	1,486,655
Expiring in 2032	19,816,828	19,816,828	1,937,063	1,937,063
Expiring in 2033	8,233,949	8,233,949	1,079,411	1,079,411
Expiring in 2034	8,693,516	-	956,074	-
	99,509,488	105,359,532	9,000,058	8,043,984

27. Loss per share

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	**2023**
Loss attributable to owners of the parent (RM)	(21,943,456)	(11,242,331)
Weighted average number of ordinary shares at 31 December	254,243,279	188,243,279
Basic loss per share (sen)	(8.63)	(5.97)

(b) Weighted average number of ordinary shares

	Group	
	2024	**2023**
Issued ordinary shares as at 1 January	188,243,279	1,785,733,078
Effect of new ordinary share pursuant to:		
- exercise of private placement	66,000,000	-
- exercise of share issuance scheme	-	96,700,000
- exercise of share consolidation	-	(1,694,189,799)
Weighted average number of ordinary shares at 31 December	254,243,279	188,243,279

(c) Diluted loss per share

	Group	
	2024	**2023**
Loss attributable to owners of the parent (RM)	(21,943,456)	(11,242,331)
Weighted average number of ordinary shares at 31 December	254,243,279	188,243,279
Effects of exercise of warrant	-	47,818,859
Weighted average number of ordinary shares at 31 December	254,243,279	236,062,138
Diluted loss per share (sen)	(8.63)	(4.76)

28. Staff cost

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries and allowances	7,166,644	13,379,234	498,000	615,000
Defined contribution plan	297,584	1,864,917	8,640	34,002
Other benefits	225,301	2,937,967	579	1,159
	7,689,529	18,182,118	507,219	650,161

Included in the other benefits is share-based payment transaction benefit amounted to RM NIL (2023: RM357,790).

Included in staff costs is aggregate amount if remuneration received and receivable by the directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' Remuneration				
- EIS contributions	184	238	59	119
- EPF contributions	37,440	73,462	8,640	34,002
- Fee	684,557	796,116	426,000	471,000
- HRDF contributions	2,400	2,400	-	-
- Salary	312,000	555,522	72,000	144,000
- SOCSO contributions	1,612	25,657	520	1,040
	1,038,193	1,453,395	507,219	650,161

29. Reconciliation of liabilities arising from financing activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes.

	At beginning of financial year RM	Financing cash flows (i) RM	Additions RM	Other changes (ii) RM	At end of financial year RM
Group					
2024					
Borrowing	-	(155,585)	6,589,850	-	6,434,265
Finance lease liability	70,783	(70,783)	-	-	-
Lease liabilities	120,185,416	(12,675,214)	816,363	(10,213,850)	98,112,715
	120,256,199	(12,901,582)	7,406,213	(10,213,850)	104,546,980
2023					
Finance lease liability	145,482	(74,699)	-	-	70,783
Lease liabilities	128,625,804	(12,966,632)	-	4,526,244	120,185,416
	128,771,286	(13,041,331)	-	4,526,244	120,256,199

(i) The financing cash flows represent payment of finance lease liability, lease liabilities and borrowing in the statement of cash flows.

(ii) Other changes include expiration of lease contracts, income from rent concessions and translation exchange.

30. Related party disclosures

Related party transaction

	Group 2024 RM	Group 2023 RM
Sales to:		
Entities in which directors have interest	6,600	313,339
Purchase of property, plant and equipment from:		
Entities in which directors have interest	-	48,230
Purchase of networks subscription from:		
Entities in which directors have interest	3,012	28,471

	Company 2024 RM	Company 2023 RM
Transaction with subsidiary companies		
CLI Investment Limited	1,881,704	204,287
DGB Properties Sdn. Bhd.	310,821	519,600
DGB Networks Sdn. Bhd.	3,340,159	6,407,016
DGB Asia Capital Sdn. Bhd.	3,953,312	22,400,000
Advance of working capital	9,485,996	29,530,903

31. Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial statements, are as follows:

	Group 2024 RM	Group 2023 RM
Property, plant and equipment	-	39,100
Intangible assets		
- Software	-	101,274

32. Segment information

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as chief operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into main business segments as follows:

(i) Leisure and hospitality

Operation of hotel and restaurants

(ii) Logistics services

Business of courier services and other related activities

(iii) Value-added products and services

Business of vending machines, digital advertising and other related activities

32. Segment information (cont'd)

The Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Executive Directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties.

Group 2024	Leisure and hospitality RM	Logistics services RM	Value-added products and services RM	Others RM	Total RM
Revenue					
External revenue	48,902,705	-	7,132,768	-	56,035,473
Results					
Segment results	(2,194,626)	-	(15,093,968)	(11,441,250)	(28,729,844)
Interest expense	(515,881)	-	(5,443)	(152,767)	(674,091)
Interest income	75,020	-	-	447,436	522,456
Loss before tax	(2,635,487)	-	(15,099,411)	(11,146,581)	(28,881,479)
Tax expense	-	-	-	(22,458)	(22,458)
Loss for the financial year	(2,635,487)	-	(15,099,411)	(11,169,039)	(28,903,937)
Segment assets	155,224,982	-	2,742,255	84,715,933	242,683,170
Segment liabilities	123,786,062	-	3,403,523	4,992,113	132,181,698
Other non-cash item					
Amortisation of:					
- intangible assets	-	-	800,004	623,064	1,423,068
Depreciation of					
- investment property	-	-	-	37,596	37,596
- property, plant and equipment	3,600,719	-	1,429,465	1,030,351	6,060,535
- right of use assets	12,450,110	-	177,650	247,017	12,874,777
Impairment losses of:					
- other receivable	-	-	-	296,265	296,265
- intangible assets	-	-	1,199,986	736,667	1,936,653
- property, plant and equipment	-	-	7,628,110	834,366	8,462,476
Fair value adjustment of investment in:					
- money market fund	-	-	-	(175,359)	(175,359)
- quoted shares	-	-	-	2,153,546	2,153,546
Written off of:					
- bad debts	-	-	-	9,051	9,051
- intangible assets	-	-	-	63,780	63,780
- property, plant and equipment	-	-	20,087	21,272	41,359
Rental concessions	-	-	-	(523)	(523)
Gain on disposal of:					
- property, plant and equipment	-	-	-	49,585	49,585
- right of use assets	-	-	1,634	1,786	3,420
Reversal impairment losses of other receivables	-	-	-	(949,020)	(949,020)
Unrealised foreign exchange loss	306,219	-	-	1,110,867	1,417,086

32. Segment information (cont'd)

Group 2023	Leisure and hospitality RM	Logistics services RM	Value-added products and services RM	Others RM	Total RM
Revenue					
External revenue	46,043,284	758,570	14,267,779	-	61,069,633
Results					
Segment results	(3,931,658)	(5,614,817)	(2,079,264)	(781,735)	(12,407,474)
Interest expense	(732,780)	(33,086)	(4,043)	(4,067)	(773,976)
Interest income	59,495	-	-	678,502	737,997
Loss before tax	(4,604,943)	(5,647,903)	(2,083,307)	(107,300)	(12,443,453)
Tax expense	-	(15,000)	-	(115,383)	(130,383)
Loss for the financial year	(4,604,943)	(5,662,903)	(2,083,307)	(222,683)	(12,573,836)
Segment assets	178,978,251	6,897,559	15,210,773	86,160,296	287,246,879
Segment liabilities	144,696,450	236,565	3,823,423	2,190,135	150,946,573
Other non-cash item					
Amortisation of:					
- intangible assets	2,628	555,576	800,004	-	1,358,208
Depreciation of					
- investment property	-	-	-	34,494	34,494
- property, plant and equipment	3,473,657	347,427	1,430,892	825,203	6,077,179
- right of use assets	12,813,177	509,872	122,464	33,288	13,478,801
Employee benefit expenses	-	-	-	357,790	357,790
Fair value adjustment of investment in:					
- money market fund	-	-	-	(819,676)	(819,676)
- quoted shares	-	-	-	(2,265,196)	(2,265,196)
Rental concessions	-	(1,256)	-	-	(1,256)
Reversal impairment losses of:					
- inventories	-	(841,080)	-	-	(841,080)
- other receivables	-	-	-	(78,656)	(78,656)

Geographical information

	Group			
	Revenue		Non-current asset	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	7,132,768	15,026,349	19,077,762	33,610,124
Taiwan	48,902,705	46,043,284	132,931,535	147,195,271
	56,035,473	61,069,633	152,009,297	180,805,395

33. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets				
Measures at amortised cost ("AC")				
Trade receivables	1,563,996	4,657,347	-	-
Other receivables and deposits	52,509,636	54,836,284	-	-
Cash and cash equivalents	12,977,030	18,589,718	1,243,154	381,285
	67,050,662	78,083,349	1,243,154	381,285
Measures at fair value through profit or loss ("FVTPL")				
Other investments	19,504,028	20,114,392	1,252,373	7,403,748
Financial liabilities				
Measures at amortised cost				
Trade payables	1,847,842	1,977,266	-	-
Other payables, accruals and deposits received	16,160,096	17,761,056	346,165	244,552
Amount due to directors	6,418,937	7,744,282	-	-
Amount due to related party	3,199,820	3,199,820	-	-
Borrowing	6,434,265	-	-	-
Finance lease liability	-	70,783	-	-
Lease liabilities	98,112,715	120,185,416	-	-
	132,173,675	150,938,623	346,165	244,552

34. Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk

(a) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

34. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Trade receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position at the end of the reporting period.

The Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Current RM	1 to 30 days past due RM	31 to 90 days past due RM	>90 days past due RM	Total past due RM
Group					
2024					
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount at default	1,433,252	105,170	624	4,502,059	4,607,853
Expected credit loss	-	-	-	(18,025)	(18,025)
Credit impaired	-	-	-	(4,459,084)	(4,459,084)
	1,433,252	105,170	624	24,950	130,744

34. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables: (cont'd)

	Current RM	1 to 30 days past due RM	31 to 90 days past due RM	>90 days past due RM	Total past due RM
Group					
2023					
Expected credit loss rate	0%	0%	0%	11%	20%
Gross carrying amount at default	543,369	2,034,502	117,301	6,439,284	8,591,087
Expected credit loss	-	(143)	(15,337)	(2,545)	(18,025)
Credit impaired	-	-	-	(4,459,084)	(4,459,084)
	543,369	2,034,359	101,964	1,977,655	4,113,978
Company					
2024					
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount at default	-	-	-	475,899	475,899
Credit impaired	-	-	-	(475,899)	(475,899)
	-	-	-	-	-
2023					
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount at default	-	-	-	475,899	475,899
Credit impaired	-	-	-	(475,899)	(475,899)
	-	-	-	-	-

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

34. Financial risk management (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and of the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that then cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Analysis of financial liabilities by remaining contractual maturity obligations

The table below summarises the maturity profile of the Group and of the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations:

Group	**Carrying amount**	**Contractual interest rate**	**Contractual cash flows**	**Less than 1 year**	**1-5 years**	**More than 5 years**
2024	**RM**	**%**	**RM**	**RM**	**RM**	**RM**
Financial liabilities						
Trade payables	1,847,842	-	1,847,842	1,847,842	-	-
Other payables, accruals and deposits received	16,160,096	-	16,160,096	16,160,096	-	-
Amount due to director	6,418,937	-	6,418,937	6,418,937	-	-
Amount due to related party	3,199,820	-	3,199,820	3,199,820	-	-
Borrowing	6,434,265	2.48%	8,109,052	417,174	2,088,301	5,603,577
Lease liabilities	98,112,715	2.44% to 5.37%	101,031,541	12,437,402	63,546,747	25,047,392
	132,173,675		136,767,288	40,481,271	65,635,048	30,650,969
2023						
Financial liabilities						
Trade payables	1,977,266	-	1,977,266	1,977,266	-	-
Other payables, accruals and deposits received	17,761,056	-	17,761,056	17,761,056	-	-
Amount due to director	7,744,282	-	7,744,282	7,744,282	-	-
Amount due to related party	3,199,820	-	3,199,820	3,199,820	-	-
Finance lease liability	70,783	2.18%	72,060	72,060	-	-
Lease liabilities	120,185,416	2.44% to 5.37%	123,812,790	13,550,305	68,662,218	41,600,267
	150,938,623		154,567,274	44,304,789	68,662,218	41,600,267
Company						
2024						
Financial liabilities						
Other payables, accruals and deposits received	346,165	-	346,165	346,165	-	-

34. Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity obligations (cont'd)

The table below summarises the maturity profile of the Group and of the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations: (cont'd)

Company 2023	**Carrying amount RM**	**Contractual interest rate %**	**Contractual cash flows RM**	**Less than 1 year RM**	**1-5 years RM**	**More than 5 years RM**
Financial liabilities						
Other payables, accruals and deposit received	244,552	-	244,552	244,552	-	-

(c) Market risk

The Group's exposure to a risk of change in their fair value due to changes in interest rates related primarily from their bank borrowings.

(i) *Exposure to interest rate risk*

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of reporting period was:

	Group 2024 RM	**2023 RM**
Fixed rate		
Financial liabilities		
Finance lease liability	-	70,783
Lease liabilities	98,112,715	120,185,416
	98,112,715	120,256,199
Floating rate		
Financial liabilities		
Borrowing	6,434,265	-

Cash flow sensitivity analysis for floating rate instrument
A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM64,343 (2023: Nil), arising mainly as a result of lower/higher interest expenses on borrowing floating rates. This analysis assumed that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Taiwan Dollar ("TWD") and Hong Kong Dollar ("HKD").

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

34. Financial risk management (cont'd)

(d) Foreign currency risk (cont'd)

The following table shows the accumulated amount of financial assets and liabilities in foreign currencies:

	USD RM	HKD RM	TWD RM	Total RM
Group				
2024				
Trade receivables	-	-	1,382,734	1,382,734
Other receivables, deposits and prepayments	43,272,089	1,324	9,973,030	53,246,443
Cash and cash equivalents	-	47,814	10,760,678	10,808,492
Trade payables	-	-	(1,622,168)	(1,622,168)
Other payables, accruals and deposits received	-	-	(11,760,568)	(11,760,568)
Amount due to director	-	-	(6,418,937)	(6,418,937)
Borrowing	-	-	(6,434,265)	(6,434,265)
Lease liabilities	-	-	(97,550,124)	(97,550,124)
	43,272,089	49,138	(101,669,620)	(58,348,393)
2023				
Trade receivables	-	-	1,940,298	1,940,298
Other receivables, deposits and prepayments	43,321,344	2,341,353	13,298,511	58,961,208
Cash and cash equivalents	-	2,229,279	13,933,648	16,162,927
Trade payables	-	-	(1,477,183)	(1,477,183)
Other payables, accruals and deposits received	-	-	(15,567,397)	(15,567,397)
Amount due to director	-	(7,744,282)	-	(7,744,282)
Lease liabilities	-	-	(119,907,587)	(119,907,587)
	43,321,344	(3,173,650)	(107,779,710)	(67,632,016)

Foreign currency risk sensitivity analysis

The sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting year/ period with all other variables held constant is as follows:

	Group	
	Increase / (decrease) in the results 2024 RM	Increase / (decrease) in the results 2023 RM
Effects on loss before taxation:		
TWD		
- strengthened by 5% (2023: 5%)	(5,083,481)	(5,388,986)
- weakened by 5% (2023: 5%)	5,083,481	5,388,986
HKD		
- strengthened by 5% (2023: 5%)	2,457	(158,683)
- weakened by 5% (2023: 5%)	(2,457)	158,683
USD		
- strengthened by 5% (2023: 5%)	2,163,604	(2,166,067)
- weakened by 5% (2023: 5%)	(2,163,604)	2,166,067

35. Capital management

The Group and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group and the Company's ability to continue as a going concern and to maintain a capital structure, so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company managers need determines the capital structure and policies in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes were made in the objectives, policies and processes during the financial year.

The Group and the Company monitors capital based on gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowing plus finance lease liability plus lease liabilities less cash and cash equivalents. Total capital is calculated as total equity plus net debt. As at 31 December 2024, the gearing ratio are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Borrowing	6,434,265	-
Finance lease liability	-	70,783
Lease liabilities	98,112,715	120,185,416
	104,546,980	120,256,199
Less:		
Cash and cash equivalents	(12,977,030)	(18,589,718)
Net debt	91,569,950	101,666,481
Total equity	110,501,472	136,300,306
Total capital	202,071,422	237,966,787
Gearing ratio	45%	43%

There was no change in the group's approach to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirement.

36. Fair value of assets and liabilities

The group and the company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Fair value of financial instruments that are carried at fair value:

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximate fair value.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate fair value.

Trade and other receivables, cash and cash equivalents, trade and other payables, the carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature of that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

37. Significant events after the financial year

(a) On 15 January 2025, the Company announced that the effective date for the implementation of the new Share Issuance Scheme is 15 January 2025.

(b) On 10 February 2025, the Company announced that the offer of 76,272,900 number of options has been made to the eligible persons to subscribe for new ordinary shares in the Company under the Share Issuance Scheme of the Company at exercise price of RM0.070.

PROPERTIES OWNED BY DGB GROUP

No.	Registered/ Beneficial Owner	Location	Description of Asset / Existing Use	Tenure	Approximate Age of Buildings (Years)	Size	Net Book Value as at 31 December 2024 (RM'000)	Date of Acquisition
1.	DGB Properties Sdn. Bhd.	No. 6, 6-1,6-2 & 6-3, Jalan 25/70A, Desa Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan	4-Storey shop office with lift-Commercial building (Tenanted)	Freehold	28	1,765 sq. ft	5,532	30 November 2021
2.	DGB Properties Sdn. Bhd.	No. 32, Jalan SS19, Subang Jaya, 47500 Subang Jaya Selangor Darul Ehsan	4-Storey corner shop office-Commercial building	Freehold	14	4,069 sq. ft	3,969	28 June 2022

ANALYSIS OF SHAREHOLDINGS
AS AT 24 MARCH 2025

Total Number of Issued Shares	:	254,243,279 ordinary shares
Class of Equity Securities	:	Ordinary shares (“Shares”)
Voting Rights	:	One vote for every Shares held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100 shares	1,476	38,363	0.01
100 - 1,000 shares	3,598	1,773,333	0.70
1,001 - 10,000 shares	4,217	18,322,420	7.21
10,001 - 100,000 shares	1,755	56,361,102	22.17
100,001 - less than 5% of issued shares	298	111,748,061	43.95
5% and above of issued shares	1	66,000,000	25.96
Total	**11,345**	**254,243,279**	**100.00**

SUBSTANTIAL SHAREHOLDERS’ SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
XOX (Hong Kong) Limited	25,600,000	10.07	-	-
XOX Bhd	-	-	25,600,000[(1)]	10.07
Ang Wan Joo	66,000,000	25.96	-	-

[(1)] *Deemed interested by virtue of its shareholdings in XOX (Hong Kong) Limited pursuant to Section 8 of the Companies Act 2016.*

DIRECTORS’ SHAREHOLDINGS
(As per the Register of Directors’ Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Nicholas Wong Yew Khid	10,000	*	-	-

* *negligible*

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 24 MARCH 2025

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 24 MARCH 2025

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares held	%
1.	M & A Nominee (Tempatan) Sdn Bhd *Exempt An for SFGHK Limited (Account Client)*	66,000,000	25.96
2.	Moomoo Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Choong Yean Yaw*	6,066,710	2.39
3.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kho Chong Yau (E-TSA)*	4,064,430	1.60
4.	Ong Ngoh Ing @ Ong Chong Oon	3,500,000	1.38
5.	Lim Poh Fong	3,209,480	1.26
6.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Francis Chai Kim Lung*	3,200,000	1.26
7.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)*	2,145,000	0.84
8.	Kenanga Nominees (Tempatan) Sdn Bhd *Gan Boon Guat (EM1-P88)*	1,685,700	0.66
9.	Lay Sook Hwey	1,600,000	0.63
10.	Chung Kin Chuan	1,450,000	0.57
11.	Ong Teong Yew	1,450,000	0.57
12.	MD Nor Bin Mansor	1,344,000	0.53
13.	Ng Yew Choy	1,305,540	0.51
14.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Kim Guan (CCTS)*	1,245,600	0.49
15.	Yap Chee Ann	1,155,200	0.45
16.	Pham Soon Kok	1,135,000	0.45
17.	Ng Kok Seng	1,124,500	0.44
18.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Shia Chee Fong*	1,070,000	0.42
19.	Yap Tat Loong	1,020,000	0.40
20.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Thiam Choy (E-SRB)*	1,000,000	0.39
21.	Lai Thiam Poh	992,600	0.39
22.	Ng Saw Wuan	922,700	0.37
23.	Yap Chee Kuan	909,241	0.36
24.	Tan Chai Poh	886,000	0.35
25.	AA Resources (M) Sdn Bhd	866,870	0.34
26.	Chan Boon Yok	850,000	0.33
27.	Chan Huan Chai	828,708	0.33
28.	Kavitha Krishnabahawan	810,050	0.32
29.	Toh Su-N	800,000	0.31
30.	Foo Chek Yee	778,900	0.31

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting ("18th AGM" or "Meeting") of DGB Asia Berhad ("DGB" or "the Company") will be held at the Main Venue at Level 4.1, Menara Lien Hoe, No. 8, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan and virtual basis through live streaming and online remote participation and voting facilities at https://rebrand.ly/DGB-AGM operated by InsHub Sdn. Bhd. on Tuesday, 24 June 2025 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and/or benefits of up to RM1,000,000 for the period commencing from the date immediately after this 18th AGM until the next Annual General Meeting ("AGM") of the Company. — **Ordinary Resolution 1**

3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution:-

   (i) Mr. Ong Tee Kein — **Ordinary Resolution 2**
   (ii) Mr. Ho Jien Shiung — **Ordinary Resolution 3**

4. To re-appoint ChengCo PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

As Special Business:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

5. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** — **Ordinary Resolution 5**

   "THAT subject to the passing of Ordinary Resolution 2, Mr. Ong Tee Kein who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as the Independent Non-Executive Director of the Company."

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** — **Ordinary Resolution 6**

   "THAT subject always to the Constitution of the Company, the Act, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND the Mandate shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

   AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")** **Ordinary Resolution 7**

"THAT authority be and is hereby given in line with Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries to enter into any of the recurrent related party transactions with the related party(ies) as set out in Section 2.3(i) of the Circular to Shareholders dated 30 April 2025 in relation to the Proposed Renewal of Existing Shareholders' Mandate which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM;

(ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders' Mandate in the best interest of the Company."

8. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")** **Ordinary Resolution 8**

"THAT authority be and is hereby given in line with Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries to enter into any of the recurrent related party transactions with the related party(ies) as set out in Section 2.3(ii) of the Circular to Shareholders dated 30 April 2025 in relation to the Proposed New Shareholders' Mandate which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM;

(ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company."

9. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC NO.: 201908001272)
LEE SIEW FUN (MAICSA 7063623) (SSM PC NO.: 202008000735)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
Date: 30 April 2025

NOTES:

(a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or via email at ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 13 June 2025. Only members whose names appear in the General Meeting Record of Depositors as at 13 June 2025 shall be regarded as members and entitled to attend and vote at the Meeting.

(h) All the resolutions as set out in this Notice of Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration and voting process for the Meeting.

(j) Kindly check Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.dgbasia.com for the latest updates on the status of the Meeting.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. **Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2024**

   The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. **Item 2 of the Agenda - Directors' Fees and/or Benefits**

   Pursuant to Section 230(1) of the Act, the directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate the payment of Directors' fees and/or benefits for the period commencing from the date immediately after this 18th AGM until the date of the next AGM of the Company. If the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. **Item 3 of the Agenda - Re-election of Directors**

   Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of six (6) Directors of the Company are to retire in accordance with Clause 85 of the Company's Constitution.

   Following thereto, Mr. Ong Tee Kein and Mr. Ho Jien Shiung will retire by rotation pursuant to Clause 85 of the Company's Constitution (collectively referred to as "Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the Meeting.

   The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek for shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

   The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

   The details and profiles of the Retiring Directors are provided in the Annual Report 2024.

4. **Item 5 of the Agenda - Retention of Independent Non-Executive Director**

   The Board had assessed the independence of Mr. Ong Tee Kein, who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The Board is satisfied that he had met the independence and recommended him to continue to act as the Independent Non-Executive Director of the Company based on the following reasons:-

   (a) he has declared and confirmed that he fulfilled the criteria under the definition of Independent Director as set out in Rule 1 of the Listing Requirements of Bursa Securities;
   (b) he has vast experience in his industry which could provide the Board with a diverse set of experience, expertise and independent judgement;
   (c) he has good knowledge of the Group's business operations;
   (d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
   (e) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders of the Company.

   Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the retention of Mr. Ong Tee Kein as the Independent Non-Executive Director of the Company is subject to the shareholders' approval through a two-tier voting process.

5. **Item 6 of the Agenda - General Authority for the Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act**

   The Ordinary Resolution 6 proposed under item 6 of the Agenda is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

   This general mandate will provide flexibility to the Company for issuance and allotment of new Shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

   The Company had at its 17th AGM, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time.

   As at the date of this Notice, no new Shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the 17th AGM held on 27 June 2024 which will lapse at the conclusion of the Meeting.

6. **Items 7 and 8 of the Agenda - Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate**

   The Ordinary Resolution 7 and Ordinary Resolution 8 proposed under items 7 and 8 of the Agenda, if passed, will give the mandate to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue and/or trading nature in accordance with Rule 10.09 of the Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

   Please refer to the Circular to Shareholders dated 30 April 2025 for further details.

ADMINISTRATIVE NOTES

FOR THE EIGHTEENTH ANNUAL GENERAL MEETING ("18TH AGM" OR "MEETING") OF DGB ASIA BERHAD ("DGB" OR "THE COMPANY")

Meeting Day and Date	:	Tuesday, 24 June 2025
Time	:	11:00 a.m., or at any adjournment thereof
Venue	:	Main Venue Level 4.1, Menara Lien Hoe, No. 8, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan Online Platform https://rebrand.ly/DGB-AGM operated by InsHub Sdn. Bhd.

MODE OF MEETING

In line with the Guidance Note and Frequently Asked Questions (FAQs) on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022 ("SC Guidance"), the 18th AGM of the Company will be conducted on a hybrid mode.

Shareholders shall have the option to attend the hybrid 18th AGM either physically at the Main Venue ("Physical Attendance") or virtually via Online Platform ("Virtual Attendance").

REGISTRATION FOR PHYSICAL ATTENDANCE AT THE 18TH AGM

(a) Registration will commence at 10:00 a.m. (or if earlier as may be determined by the Company) and will end at a time as directed by the Chairman of the Meeting.
(b) Please present your original National Registration Identify Card (NRIC) or passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.
(c) Upon verification, you are required to sign the Attendance List and will be given a wristband for entry to the meeting venue. There will be no replacement of wristband in the event if you lose or misplace the wristband.
(d) Registration must be done in person. No person is allowed to register on behalf of another person.
(e) The registration counter will handle verification of identity, registration and revocation of proxy/proxies

ONLINE REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES FOR VIRTUAL ATTENDANCE

Shareholders are to present, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 18th AGM using the RPV facilities provided by InsHub via https://rebrand.ly/DGB-AGM.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this 18th AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at https://rebrand.ly/DGB-AGM provided by InsHub.

Shareholders who are unable to participate in this 18th AGM via RPV facilities may also appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

PROCEDURES FOR THE RPV

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate and vote remotely in the 18th AGM using the RPV facilities are advised to follow the requirements and procedures as indicated below:-

Procedures		Action
Before the 18th AGM		
1.	Register as a participant in DGB Virtual 18th AGM	• Using your computer, access the website at https://rebrand.ly/DGB-AGM. Click on the **Register** link to register for the 18th AGM session. • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click **Register** and enter your email followed by **Next** to fill in your details to register for the 18th AGM session. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android, and iOS). Refer to the tutorial guide posted on the same page for assistance.

ADMINISTRATIVE NOTES (CONT'D)

FOR THE EIGHTEENTH ANNUAL GENERAL MEETING
("18TH AGM" OR "MEETING") OF DGB ASIA BERHAD ("DGB" OR "THE COMPANY")

Procedures		Action
Before the 18th AGM		
2.	Submit your online registration	• All the Shareholders are required to register prior to the meeting. Registration for the 18th AGM is open from 11:00 a.m. on 26 May 2025 till 11:00 a.m. on 22 June 2025. • Clicking on the link in item 1 will redirect you to the 18th AGM event page. Click on the **Register** link for the online registration form. • Complete your particulars on the registration page. Your name **MUST** match your CDS account name. • Kindly fill in the CDS account number and indicate the number of shares you hold. If you have more than one CDS account, please state the CDS account number and indicate the number of shares held separately with a comma (,). • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click **Submit** to register your remote participation. Failure to do so will result in your registration being rejected. • The system will send an email to notify you that your registration for remote participation has been received and is pending verification. • After verification of your registration against the General Meeting Record of Depositors of the Company ("**ROD**") as at **13 June 2025** the system will send you an **email to notify you if your registration is approved or rejected after 13 June 2025**. • If your registration is rejected, you can contact ShareWorks Sdn. Bhd. for clarifications or to appeal.
On the day of 18th AGM		
3.	Attending DGB Virtual 18th AGM	• Two reminder emails will be sent to your inbox. The first is one day before the 18th AGM day, while the 2nd will be sent 1 hour before the 18th AGM session. • Click **Join Event** in the reminder email to participate in the RPV. • Please ensure you have downloaded and installed the Cisco Webex Meetings application before attending the Virtual 18th AGM.
4.	Participating in live video	• You will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have any questions for the Chairman/Board, you may use the **Q&A panel** to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied to later through your registered email. • The session will be recorded. • Please note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	• The Chairman will announce the commencement of the Voting session and the duration allowed at the 18th AGM. • The list of resolutions for voting will appear at the right-hand side of your computer screen under the "**Slido**" panel. You are required to fill in your full MyKad(NRIC) / Passport number and indicate your votes for the resolutions within the given stipulated time frame. • Click on the **Submit** button when you have completed it. • Votes cannot be changed once it is submitted. • Note that your vote will be deemed invalid if the MyKad(IC) / Passport number is incorrect or invalid.
6.	End of remote participation	Upon the announcement by the Chairman on the closure of the 18th AGM, the live session will end.

RECORD OF DEPOSITORS

Only a depositor name appears on the ROD as at 13 June 2025 shall be entitled to present, participate, speak and vote at the 18th AGM or appoint proxy(ies)/corporate representative(s) attorney(s) to attend and/or vote on his/her behalf.

INDIVIDUAL SHAREHOLDERS

Individual shareholders are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the 18th AGM. Please refer to the details as set out above for information.

If an individual member is unable to attend the 18th AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

ADMINISTRATIVE NOTES (CONT'D)

FOR THE EIGHTEENTH ANNUAL GENERAL MEETING
("18TH AGM" OR "MEETING") OF DGB ASIA BERHAD ("DGB" OR "THE COMPANY")

CORPORATE MEMBERS

Corporate members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the 18th AGM using the RPV Facilities. Corporate members who wish to participate and vote remotely at the 18th AGM must contact ShareWorks Sdn. Bhd. with the details set out below for assistance and will be required to provide the following documents to the Company no later than Sunday, 22 June 2025 at 11:00 a.m.:-

i. Certificate of appointment of its Corporate Representative or Proxy Form under the seal of the corporation;
ii. Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
iii. Corporate Representative's or proxy's email address and mobile phone number.

If a Corporate member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the 18th AGM, it is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

NOMINEE COMPANY MEMBERS

The beneficiaries of the shares under a Nominee Company's CDS account ("Nominee Company member(s)") are also strongly advised to participate and vote remotely at the 18th AGM using RPV Facilities. Nominee Company members who wish to participate and vote remotely at the 18th AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 18th AGM. Nominee Company must contact ShareWorks Sdn. Bhd. with the details set out below for assistance and will be required to provide the following documents to the Company no later than Sunday, 22 June 2025 at 11:00 a.m.:-

i. Proxy Form under the seal of the Nominee Company;
ii. Copy of the proxy's MyKad (front and back)/Passport; and
iii. Proxy's email address and mobile phone number.

If a Nominee Company member is unable to attend the 18th AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the meeting as its proxy and to indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

If a shareholder is unable to attend the 18th AGM, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy and to indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

REVOCATION OF PROXY

Please note that if a Shareholder has submitted his/her Proxy Form prior to the 18th AGM and subsequently decides to personally participate in the 18th AGM via RPV Platform, the Shareholder must contact ShareWorks Sdn. Bhd. to revoke the appointment of his/her proxy no later than Sunday, 22 June 2025 at 11:00 a.m.

POLL VOTING

The voting at the 18th AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed ShareWorks Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn. Bhd. as Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting. The Scrutineers will verify and announce the poll results followed by the Chairman's declaration of whether the resolution is duly passed or otherwise.

The results of the voting for all resolutions will be announced at the 18th AGM and on Bursa Securities' website at www.bursamalaysia.com.

RECORDING/PHOTOGRAPHY

By participating at the 18th AGM, you agree that no part of the 18th AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

ADMINISTRATIVE NOTES (CONT'D)

FOR THE EIGHTEENTH ANNUAL GENERAL MEETING ("18TH AGM" OR "MEETING") OF DGB ASIA BERHAD ("DGB" OR "THE COMPANY")

NO DOOR GIFTS OR VOUCHERS

There will be NO distribution of door gifts or vouchers.

OTHER INFORMATION FOR PHYSICAL ATTENDANCE AT THE 18TH AGM

(a) Parking bays are available at Menara Lien Hoe. Kindly use Touch 'n Go card, debit card or credit card to enter the parking bay as it is a cashless payment system.
(b) All attendees are required to register with the security personnel at the lobby of the building before they access to the meeting venue.
(c) Although the wearing of face mask in an enclosed area is now optional, attendees are encouraged to wear the face mask throughout the meeting session.

ENQUIRY

If you have any enquiry prior to the Meeting, please contact the following persons during office hours (from 9:00 a.m. to 5:30 p.m. Mondays to Fridays except public holidays):-

For Registration, logging in and system related:	For Proxy and other matters:
Name : Ms Eris / Mr Calvin / Ms Ameera Telephone No. : +603-7688 1013 Email : vgm@mlabs.com	Name : Mr Chan Wai Kien & Ms Heemala Telephone No. : +603-6201 1120 Email : ir@shareworks.com.my

DGB ASIA BERHAD
200601001857 (721605-K)
(Incorporated in Malaysia)

CDS Account No.	
No. of shares held	

PROXY FORM

I/We, ...
(Full name in block and NRIC No. / Registration No.)

Tel. No.: .... of ....
(address)

....
(address)

....
(address)

with email address .... mobile phone no. ....

being a member of DGB Asia Berhad ("the Company"), hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact number		

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact number		

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Eighteenth Annual General Meeting ("18th AGM" or "Meeting") of DGB Asia Berhad ("DGB" or "the Company") will be held at the Main Venue at Level 4.1, Menara Lien Hoe, No. 8, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan and virtual basis through live streaming and online remote participation and voting facilities at https://rebrand.ly/DGB-AGM operated by InsHub Sdn. Bhd. on Tuesday, 24 June 2025 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/or benefits of up to RM1,000,000 for the period commencing from the date immediately after this 18th AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Mr. Ong Tee Kein as a Director of the Company.		
3.	To re-elect Mr. Ho Jien Shiung as a Director of the Company.		
4.	To re-appoint ChengCo PLT as Auditors of the Company.		
5.	To retain Mr. Ong Tee Kein as the Independent Non-Executive Director of the Company.		
6.	To approve the authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		
8.	To approve the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

* delete whichever is not applicable

Dated this .... *day of* *2025*

....
Signature(s)/Common Seal of Shareholder(s)

NOTES:

(a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or via email at ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 13 June 2025. Only members whose names appear in the General Meeting Record of Depositors as at 13 June 2025 shall be regarded as members and entitled to attend and vote at the Meeting.

(h) All the resolutions as set out in this Notice of Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration and voting process for the Meeting.

(j) Kindly check Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.dgbasia.com for the latest updates on the status of the Meeting.

fold here

Affix
Stamp

The Share Registrar
DGB ASIA BERHAD [200601001857 (721605-K)]

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan

fold here

DGB ASIA BERHAD
200601001857 (721605-K)

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