

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	INDIVIDUAL QUARTER UNAUDITED		CUMULATIVE PERIOD UNAUDITED	
	3 MONTHS 31-Mar-22 RM'000	3 MONTHS 31-Mar-21 RM'000	CURRENT PTD ENDED 9 MONTHS 31-Mar-22 RM'000	CORRESPONDIN G PTD ENDED 9 MONTHS 31-Mar-21 RM'000
Revenue	2,330	3,130	10,094	9,535
Cost of sales	(1,228)	(1,692)	(5,989)	(4,489)
Gross profit	1,102	1,438	4,105	5,046
Other operating income	109	448	4,692	873
Other operating expenses	(2,684)	(2,804)	(8,322)	(9,235)
Finance costs	(75)	(78)	(217)	(115)
Share of loss of an equity-accounted associate	(12)	(11)	(34)	(27)
Profit/(Loss) before tax	(1,560)	(1,007)	224	(3,458)
Tax income/(expense)	9	(44)	9	(161)
Profit/(Loss) for the financial quarter / period	(1,551)	(1,051)	233	(3,619)
Other comprehensive income / (loss), net of tax - Item that will be reclassified subsequently to profit or loss				
Foreign currency translation for foreign operations, net of tax	(17)	(99)	20	(29)
Other comprehensive income/ (loss) for the financial quarter / period, net of tax	(17)	(99)	20	(29)
Total comprehensive income/ (loss) for the financial quarter / period	(1,568)	(1,150)	253	(3,648)
Profit/ (Loss) attributable to:-				
Owners of the parent	(1,405)	(1,076)	651	(3,802)
Non-controlling interests	(146)	25	(418)	183
Profit/(Loss) for the financial quarter / period	(1,551)	(1,051)	233	(3,619)
Total comprehensive income / (loss) attributable to:-				
Owners of the parent	(1,422)	(1,175)	671	(3,831)
Non-controlling interests	(146)	25	(418)	183
Total comprehensive income/ (loss) for the financial quarter / period	(1,568)	(1,150)	253	(3,648)
EPS attributable to Owners of the parent (sen) - Basic and diluted	(0.19)	(0.14)	0.09	(0.51)

(The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these consolidated interim financial information and the audited financial statements for the financial year ended 30 June 2021.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	UNAUDITED AS AT 31-Mar-22 RM'000	AUDITED AS AT 30-Jun-21 RM'000
Non-Current Assets		
Property, plant and equipment	5,412	4,746
Right-of-use assets	252	355
Intangible assets	1,554	800
Goodwill on consolidation	732	732
Investment in an associate	128	162
	<u>8,078</u>	<u>6,795</u>
Current Assets		
Inventories	3,324	1,854
Trade receivables	2,341	4,285
Other receivables, deposits and prepayments	3,212	4,557
Current tax assets	633	501
Cash and bank balances	18,596	24,479
	<u>28,106</u>	<u>35,676</u>
TOTAL ASSETS	<u>36,184</u>	<u>42,471</u>
Equity attributable to owners of the parent		
Share capital	60,054	60,054
Reverse acquisition reserve	(131,013)	(131,013)
Exchange translation reserve	(3,235)	(3,488)
Retained earnings	100,123	99,472
	<u>25,929</u>	<u>25,025</u>
Non-controlling interest	119	537
TOTAL EQUITY	<u>26,048</u>	<u>25,562</u>
Non-Current Liabilities		
Lease liabilities/Finance lease liabilities	137	243
Provision for restoration cost	34	34
	<u>171</u>	<u>277</u>
Current Liabilities		
Trade payables	301	300
Other payables, deposits and accruals	5,474	11,504
Bank overdraft	4,050	4,674
Lease liabilities/Finance lease liabilities	140	124
Current tax payables	-	30
	<u>9,965</u>	<u>16,632</u>
TOTAL LIABILITIES	<u>10,136</u>	<u>16,909</u>
TOTAL EQUITY AND LIABILITIES	<u>36,184</u>	<u>42,471</u>
Net assets per share* (sen)	<u>3.48</u>	<u>3.36</u>

* Net assets per share attributable to owners of the Company is computed based on Total Shareholders' Funds (excluding Non-controlling interests) divided by the total number of ordinary shares in issue.

(The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these consolidated interim financial information and the audited financial statements for the financial year ended 30 June 2021.)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	<----- Attributable to owners of the Parent ----->				Total RM'000	Non-controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->		<-Distributable ->				
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000			
Unaudited							
<u>Nine Months Financial Period Ended 31 March 2022</u>							
Balance as at 1 July 2021	60,054	(131,013)	(3,488)	99,472	25,025	537	25,562
Deconsolidation of a subsidiary	-	-	233	-	233	-	233
Profit/(Loss) for the financial period	-	-	-	651	651	(418)	233
Foreign currency translation for foreign operations, net of tax	-	-	20	-	20	-	20
Total comprehensive income/ (loss) for the financial period	-	-	20	651	671	(418)	253
Balance as at 31 March 2022	<u>60,054</u>	<u>(131,013)</u>	<u>(3,235)</u>	<u>100,123</u>	<u>25,929</u>	<u>119</u>	<u>26,048</u>

	<----- Attributable to owners of the Parent ----->				Total RM'000	Non-controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->		<-Distributable ->				
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000			
Unaudited							
<u>Nine Months Financial Period Ended 31 March 2021</u>							
Balance as at 1 July 2020	60,054	(131,013)	(3,428)	118,098	43,711	668	44,379
(Loss)/Profit for the financial period	-	-	-	(3,802)	(3,802)	183	(3,619)
Foreign currency translation for foreign operations, net of tax	-	-	(29)	-	(29)	-	(29)
Total comprehensive (loss) / income for the financial period	-	-	(29)	(3,802)	(3,831)	183	(3,648)
Balance as at 31 March 2021	<u>60,054</u>	<u>(131,013)</u>	<u>(3,457)</u>	<u>114,296</u>	<u>39,880</u>	<u>851</u>	<u>40,731</u>

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these consolidated interim financial information and the audited financial statements for the financial year ended 30 June 2021.)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	UNAUDITED CURRENT PERIOD TO DATE ENDED 31-Mar-22 RM'000	UNAUDITED PRECEDING FINANCIAL PERIOD ENDED 31-Mar-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	224	(3,458)
Adjustment for non-cash items:		
Amortisation of intangible assets	44	40
Depreciation of property, plant and equipment	495	461
Depreciation of right-of-use assets	103	180
Gain on early termination of lease contract	-	(31)
Gain on disposal of property, plant and equipment	(6)	(111)
Gain on deconsolidation of a subsidiary	(4,339)	-
Impairment losses on trade receivables	15	-
Interest expense	217	115
Interest income	(125)	(194)
Inventories written off/written down	10	252
Net unrealised loss/(gain) on foreign exchange	(61)	387
Property, plant and equipment written off	-	51
Share of loss of an equity-accounted associate	34	27
Operating loss before working capital changes	(3,389)	(2,281)
Net changes in assets	1,855	(4,626)
Net changes in liabilities	263	601
Cash used in operations	(1,271)	(6,306)
Interest paid	(197)	-
Tax paid	(153)	(233)
Tax refund	-	1,032
Net cash used in operating activities	(1,621)	(5,507)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired	-	(1)
Interest received	125	194
Placement of deposits with licensed banks	(84)	(90)
Placement of deposits with licensed banks with maturity more than three months	-	(1)
Proceed from disposal of property, plant and equipment	14	114
Purchase of intangible assets	(798)	(65)
Purchase of property, plant and equipment	(1,169)	(2,336)
Repayment from an associate	3	-
Net cash used in investing activities	(1,909)	(2,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities/finance lease liabilities	(91)	(198)
(Advance to)/Repayment from related parties	(1,804)	1,109
Interest paid	(21)	(115)
Net cash (used in)/from financing activities	(1,916)	796
Net change in cash and cash equivalents	(5,446)	(6,896)
Cash and cash equivalents at beginning of financial period	12,956	22,723
Effect of foreign exchange on opening balance	103	(398)
Cash and cash equivalents at end of financial period	7,613	15,429

(The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these consolidated interim financial information and the audited financial statements for the financial year ended 30 June 2021.)

PART A:

Notes to the Consolidated Interim Financial Information

1 Basis of preparation

The consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The consolidated interim financial information should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021. The explanatory notes attached to this consolidated interim financial information provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

2 Significant Accounting Policies

The accounting policies and methods of computation and presentation adopted by the Group in these interim consolidated financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

Amendments to MFRS 9, MFRS 139, MFRS7, MFRS4 and MFRS16	Interest Rate Benchmark Reform - Phase 2
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The adoption of the above Amendments to MFRSs does not have significant financial impact to the Group.

The following are new standards, amendments and that have been issued by the MASB but have not been early adopted by the Group:

Amendments to MFRS 3	Reference to the Conceptual Frameworks
Amendments to MFRS 116	Property, plant and equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRSs MFRS 17	Annual Improvements to MFRS Standards 2018 - 2020
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 101	Extension of the Temporary Exemptions from Applying MFRS 9
Amendments to MFRS 101	Classification of liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definitions of Accounting Estimates
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

These new and amended standards will have no material impact on the financial statements of the Group upon their initial application.

3 Qualification of independent auditors' report on preceding annual audited financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2021 was an unqualified opinion.

4 Seasonal and cyclical factors

The business of the Group was not affected by any seasonal and cyclical factors.

5 Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review.

6 Material changes in estimates

There were no material changes in estimates during the quarter under review.

PART A:

Notes to the Consolidated Interim Financial Information

7 Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

8 Dividends paid

There were no dividends paid during the quarter under review.

9 Segmental information

The Group's reportable segments were identified as follows:-

- Digital, Infrastructure & Integration Services – Provision of a comprehensive range of tele/data communication, networking solutions, industrial automation and related services.
- Food Manufacturing – Food and contract manufacturing.

Others segment comprises operations related to investment holding activities, sales and distribution and reselling of hardware and software products, consumer food and related products and services and subsidiaries that have ceased operations and remained inactive.

Business Segments	Digital, Infrastructure & Integration Services RM'000	Food Manufacturing RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Consolidation RM'000
<u>Nine months financial period ended 31 March 2022</u>						
External sales	8,510	983	601	10,094	-	10,094
Inter segment sales	3	490	360	853	(853)	-
Total sales	8,513	1,473	961	10,947	(853)	10,094
Segment results	(1,545)	(781)	2,683	357	(41)	316
Finance costs	(217)	(133)	-	(350)	133	(217)
Interest Income	84	-	345	429	(304)	125
Profit/(Loss) before tax	(1,678)	(914)	3,028	436	(212)	224
Taxation	9	-	-	9	-	9
Profit/(Loss) for the year	(1,669)	(914)	3,028	445	(212)	233
Segment assets	17,853	7,823	29,113	54,789	(18,605)	36,184
<u>Nine months financial period ended 31 March 2021</u>						
External sales	6,062	3,417	56	9,535	-	9,535
Inter segment sales	-	-	360	360	(360)	-
Total sales	6,062	3,417	416	9,895	(360)	9,535
Segment results	(1,769)	(124)	(1,644)	(3,537)	-	(3,537)
Finance costs	(115)	-	-	(115)	-	(115)
Interest Income	91	7	96	194	-	194
Loss before tax	(1,793)	(117)	(1,548)	(3,458)	-	(3,458)
Taxation	(144)	(17)	-	(161)	-	(161)
Loss for the year	(1,937)	(134)	(1,548)	(3,619)	-	(3,619)
Segment assets	34,010	4,857	68,218	107,085	(50,010)	57,075

Major Customers

Major customers with revenue equal or more than 10% of the Group's total revenue for current financial period are as follows:

Customer A	RM'000
Customer B	1,667
Customer C	1,451
	1,012

PART A:
Notes to the Consolidated Interim Financial Information

10 Related Party Disclosures

Significant related party transactions are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-22 RM'000	3 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-22 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000
Sale of goods and services to related parties	105	53	308	191
Purchase of goods and services from related parties	-	27	11	36
Corporate secretarial services fees paid/payable to related parties	71	13	117	61
Share office, network, data center and other services	97	59	289	194

11 Carrying amount of revalued assets

There were no changes to the valuation property, plant and equipment during the quarter under review.

12 Subsequent events

At the Extraordinary General Meeting ("EGM") held on 31 March 2022, the shareholders of DFX approved the following Proposals :

- (I) Proposed acquisition by DFX of:-
- i. 51.0% equity interest in Excel Commerce Solutions Sdn Bhd ("Excel") from Thomas Lu Khin Phin ("Excel Vendor") for a cash consideration of RM4,590,000 ("Proposed Excel Acquisition"); and
 - ii. 51.0% equity interest in Finther Tecnologica Sdn Bhd ("Finther") from Faizal Bin Bahadon and Chan Ming Chong ("Finther Vendors") for a cash consideration of RM7,650,000 ("Proposed Finther Acquisition"). (Collectively referred to as "Proposed Acquisitions")
- (II) Proposed disposal by DFX of 70.0% equity interest in QBI Packaging Sdn Bhd and 70.0% equity interest in Makan Channel Sdn Bhd to Insas Technology Berhad for a total cash consideration of RM3,500,000 ("Proposed Disposal")
- (III) Proposed change of name of the Company from Diversified Gateway Solutions Berhad to Divfex Berhad ("Proposed Change of Name")

The Proposed Disposal and Proposed Acquisitions were completed on 14 April 2022 and 17 May 2022 respectively.

Other than the above, there were no other material events subsequent to the end of the quarter under review.

13 Change in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

14 Changes in contingent liabilities or contingent assets

Bank guarantee granted for the quarter under review are as follows:-

	RM'000
Bank guarantees given by financial institutions in respect of projects of the Group	<u>520</u>

DIVFEX BERHAD ("DFX")

(formerly known as Diversified Gateway Solutions Berhad) 200401086851 (675362-P)

Incorporated in Malaysia



PART A:

Notes to the Consolidated Interim Financial Information

15 Cash and bank balances

For the Consolidated Statement of Cash Flows, cash and cash equivalents include the following:

	AS AT 31-Mar-22 RM'000
Cash and bank balances	10,655
Fixed deposits with licensed financial institutions	7,941
	<hr/>
	18,596
Less: Fixed deposits pledged with licensed banks	(6,933)
Less: Bank overdraft	(4,050)
	<hr/>
	7,613

PART B:

EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

1 Detailed analysis of performance

The detailed breakdown of revenue by operating segments of the Group are as follows:-

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 31-Mar-22 RM'000	3 MONTHS ENDED 31-Mar-21 RM'000	Variance %	9 MONTHS ENDED 31-Mar-22 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000	Variance %
Digital, Infrastructure & Integration Services	1,796	1,990	(9.7)	8,513	6,062	40.4
Food Manufacturing	500	1,106	(54.8)	1,473	3,417	(56.9)
Others	285	154	85.1	961	416	>+100
	<u>2,581</u>	<u>3,250</u>	(20.6)	<u>10,947</u>	<u>9,895</u>	10.6
Less : Inter Segment Revenue	(120)	(120)		(853)	(360)	
Total Group Revenue	<u>2,330</u>	<u>3,130</u>	(25.6)	<u>10,094</u>	<u>9,535</u>	5.9

In the financial quarter under review, the Digital, Infrastructure & Integration Services segment recorded lower revenue of RM1.80 million, compared to revenue achieved in the previous corresponding quarter due to lower project billings during the current quarter under review. The lower project billings are mainly due to project rescheduling arising from delays in the arrival of equipment from overseas suppliers. The Food Manufacturing segment recorded lower revenue of RM0.50 million, a decrease of 54.8% compared to revenue in the previous corresponding quarter, due to the lower sales of its own ghee and ghee blend products which QBI started manufacturing in the previous quarter.

The detailed breakdown of loss before tax by business segments of the Group are as follow:-

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 31-Mar-22 RM'000	3 MONTHS ENDED 31-Mar-21 RM'000	Variance %	9 MONTHS ENDED 31-Mar-22 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000	Variance %
Digital, Infrastructure & Integration Services	(727)	(895)	18.8	(1,684)	(1,793)	(6.1)
Food Manufacturing	(273)	(34)	>-100.0	(879)	(117)	>-100.0
Others	(560)	(78)	>-100.0	2,787	(1,548)	>+100.0
Profit/(Loss) before tax	<u>(1,560)</u>	<u>(1,007)</u>	(54.9)	<u>224</u>	<u>(3,458)</u>	>+100.0

The Group recorded slightly higher loss before tax of RM1.56 million, compared to loss before tax of RM1.01 million in the corresponding quarter of the preceding financial year due to unrealised gain on foreign exchange in previous corresponding quarter under review.

DIVFEX BERHAD ("DFX")**(formerly known as Diversified Gateway Solutions Berhad) 200401036851 (675362-P)****Incorporated in Malaysia****PART B:****EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022****2 Variation of results against preceding quarter**

	3 months ended 31-Mar-22 RM'000	3 months ended 31-Dec-21 RM'000
Revenue	2,330	4,490
(Loss)/Profit before tax	(1,560)	2,998

The Group's revenue for the current quarter was RM2.33 million lower compared to the immediate preceding quarter due to lower billings generated under Digital, Infrastructure & Integration Services segment in the current quarter under review.

The Group's recorded loss before tax of RM1.56 million, compared to profit before tax of RM3.00 million in the immediate preceding quarter. The PBT in the immediate preceding quarter was due to the gain on deconsolidation of a subsidiary which commenced Creditors Voluntary Winding-up.

3 Prospects

The Group operated under the following two (2) key business segments; Digital, Infrastructure & Integration Services and Food Technology at the beginning of FY2022.

For the quarter to 31 March 2022 under review, the operating environment for the Digital Infrastructure segment under DGB which has begun to experience recovery with new telco and network infrastructure project awards faced challenges of global equipment supply shortages & delays leading to delayed rollouts and billings. Typical lead times of 2 months are now quoted at 9 to 12 months. While the order book is strong, the delayed hardware deliveries mean DGB's project rollouts will not improve until 1QFY23. With the completion of the Proposed Acquisitions of Excel and Finther on 17 May 2022, the Group has re-organised the Digital, Infrastructure & Integration Services under a new Information & Communications Technology (ICT segment). Collectively, the ICT segment is now expected to grow rapidly and positively for the Group.

Our media-linked Vendlah vending machines which commenced rollout in early 2020 has now more than 100 units in various locations in the Klang Valley. The vending business has also continued to see a trend of increasing sales alongside improved footfalls with the ceasing of movement controls. The Group is currently evaluating the next steps for its media-linked technology business.

The disposal of Food Technology business segment under QBI Packaging Sdn Bhd was completed on 14 April 2022, resulting in the Group's exit from this segment.

4 Profit forecast

Not applicable.

5 Tax expense

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-22 RM'000	3 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-22 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000
Current tax expense				
- Malaysia taxation	-	27	-	144
(Over)/Under provision in prior year				
- Malaysia taxation	(9)	17	(9)	17
	<u>(9)</u>	<u>44</u>	<u>(9)</u>	<u>161</u>

The Group's effective tax rate for the current financial year is disproportionate to the statutory tax rate due to certain expenses being not deductible for tax purposes.

PART B:**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022****6 Unquoted investments and properties**

There were no purchase or disposal of unquoted investments and properties during the financial quarter under review.

7 Quoted securities

There were no acquisitions or disposal of quoted securities during the financial quarter under review.

8 Status of corporate proposals

The Company is deemed an Affected Listed Issuer ("ALI") under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on 6 January 2020, upon the completion of the disposal of ISS Consulting (Thailand) Ltd ("ISST"). The Company has 24 months from 6 January 2020 to regularise its condition and it is currently evaluating its existing core businesses and viable investment opportunities to regularise the ALI condition.

On 27 January 2022, DFX received approval from Bursa Securities for a six-month extension up to 6 July 2022 to submit a regularisation plan.

At the EGM held on 31 March 2022, the shareholders of DFX approved the following Proposals :

- (I) Proposed acquisition by DFX of:-
- i. 51.0% equity interest in Excel Commerce Solutions Sdn Bhd ("Excel") from Thomas Lu Khin Phin ("Excel Vendor") for a cash consideration of RM4,590,000 ("Proposed Excel Acquisition"); and
 - ii. 51.0% equity interest in Finther Technologica Sdn Bhd ("Finther") from Faizal Bin Bahadon and Chan Ming Chong ("Finther Vendors") for a cash consideration of RM7,650,000 ("Proposed Finther Acquisition"). (Collectively referred to as "Proposed Acquisitions")
- (II) Proposed disposal by DFX of 70.0% equity interest in QBI Packaging Sdn Bhd and 70.0% equity interest in Makan Channel Sdn Bhd to Insas Technology Berhad for a total cash consideration of RM3,500,000 ("Proposed Disposal").
- (III) Proposed change of name of the Company from Diversified Gateway Solutions Berhad to Divfex Berhad ("Proposed Change of Name").

The Proposed Disposal and Proposed Acquisitions were completed on 14 April 2022 and 17 May 2022 respectively.

DFX is in the midst of working on proposals and available options to regularise the Company's ALI status.

9 Status of approved utilisation of proceeds of the disposal of ISST

The status of the utilisation of the disposal proceeds of ISST are as follows:-

	Status	Original Utilisation of Proceeds	Variation of Utilisation of Proceeds	Utilisation To-date	Remaining Balance	Intended timeframe for utilisation (from the date of completion i.e. 06 January 2020)
Purpose		RM'000	RM'000	RM'000	RM'000	
For the operation of :-						
- QBI Packaging Sdn Bhd	Note 1	10,000	5,000	5,000	-	Within 30 months
Payment of "Golden Handcuff" incentive to Wisit Wirayagorn	-	4,459	4,459	3,790	669	Note 2 – extended by another 12 months to 36 months
Repayment of short-term borrowings	Completed	6,000	6,000	6,000	-	Within 12 months
Proposed special dividend	Completed	6,000	3,000	3,000	-	Within 9 months
DFX working capital	Note 1	5,122	13,122	8,122	5,000	Note 1 – within 36 months
Estimated expenses in relation to the Proposed Disposal	Completed	450	450	450	-	Immediately
		32,031	32,031	26,362	5,669	

PART B:
EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
9 Status of approved utilisation of proceeds of the disposal of ISST (Cont'd)
Note 1

Following the completion of the disposal of QBI Packaging Sdn Bhd on 14 April 2022, the Company will vary the utilisation of the unutilised balance of RM5.0 million for the utilisation of DFX working capital.

Note 2

Pending the post-completion audit for ISST Disposal by the purchaser to be finalised, the Company extended the utilisation of the unutilised balance for Payment of "Golden Handcuff" incentive to Wisit Wirayagorn of RM0.67 million by another 12 months period.

10 Borrowings and debts securities

The Group's bank borrowings as at 31 March 2022 are as follows:

	RM'000
Short term bank borrowings	
- Bank overdraft - secured	<u>4,050</u>

11 Changes in material litigation

There was no material litigation against the Group as at reporting date.

12 Dividends

No dividends have been recommended during the quarter ended 30 June 2021.

13 Earnings per ordinary share
(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial period under review is calculated based on the Group's (loss)/profit after tax and non-controlling interests divided by the weighted average ("WA") number of ordinary shares in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-22	3 MONTHS ENDED 31-Mar-21	9 MONTHS ENDED 31-Mar-22	9 MONTHS ENDED 31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) after tax attributable to the owners of the parent	<u>(1,405)</u>	<u>(1,076)</u>	<u>651</u>	<u>(3,802)</u>
WA number of ordinary shares in issue ('000)	745,731	745,731	745,731	745,731
Basic profit/(loss) per ordinary share (sen)	<u>(0.19)</u>	<u>(0.14)</u>	<u>0.09</u>	<u>(0.51)</u>

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted earnings per share has not been presented.

PART B:

EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

14 Profit/(Loss) before tax

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-22 RM'000	3 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-22 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Amortisation of intangible assets	15	13	44	40
Depreciation of property, plant and equipment	146	155	495	461
Depreciation of right-of-use assets	34	179	103	180
Inventories written off	7	251	10	252
Interest expenses	75	78	217	115
Impairment loss on trade receivables	-	-	15	-
Property, plant and equipment written off	-	49	-	51
Realised loss on foreign exchange	2	(11)	4	-
Unrealised loss on foreign exchange	12	(312)	12	387
And crediting:-				
Gain on disposal of property, plant and equipment	-	105	6	111
Gain on early termination of lease contract	-	31	-	31
Gain on deconsolidation of a subsidiary	-	-	4,339	-
Interest income	35	52	125	194
Realised gain on foreign exchange	57	-	73	-