

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	3 MONTHS	3 MONTHS	CURRENT YTD	PRECEDING
	ENDED	ENDED	ENDED	YTD ENDED
	30-Jun-22	30-Jun-21	12 MONTHS	12 MONTHS
	RM'000	RM'000	30-Jun-22	30-Jun-21
			RM'000	RM'000
<b>Continuing operations</b>				
Revenue	6,820	3,918	15,931	10,036
Cost of sales	(3,106)	(2,884)	(8,175)	(4,902)
Gross profit	3,714	1,034	7,756	5,134
Other operating income	8,062	(120)	12,746	655
Other operating expenses	(10,948)	(15,938)	(18,320)	(24,013)
Finance costs	(168)	(84)	(385)	(199)
Share of loss of an equity-accounted associate	(10)	(12)	(44)	(39)
<b>Profit/(Loss) before tax</b>	650	(15,120)	1,753	(18,462)
Tax income/(expense)	115	36	124	(108)
<b>Profit/(Loss) after tax from continuing operations</b>	765	(15,084)	1,877	(18,570)
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	-	(83)	(879)	(216)
<b>Profit/(Loss) for the financial quarter / year</b>	765	(15,167)	998	(18,786)
<b>Other comprehensive loss, net of tax</b>				
- Item that will be reclassified subsequently to profit or loss				
Foreign currency translation for foreign operations, net of tax	(89)	(31)	(69)	(60)
<b>Other comprehensive loss for the financial quarter / period, net of tax</b>	(89)	(31)	(69)	(60)
<b>Total comprehensive income/(loss) for the financial quarter / period</b>	676	(15,198)	929	(18,846)
<b>Profit/(Loss) attributable to:-</b>				
Owners of the parent - continuing operations	(26)	(14,741)	1,504	(18,410)
- discontinued operation	-	(83)	(879)	(216)
Non-controlling interests	791	(343)	373	(160)
<b>Profit/(Loss) after tax from continuing operations</b>	765	(15,167)	998	(18,786)
<b>Total comprehensive income/(loss) attributable to:-</b>				
Owners of the parent - continuing operations	(115)	(14,772)	1,435	(18,470)
- discontinued operation	-	(83)	(879)	(216)
Non-controlling interests	791	(343)	373	(160)
<b>Total comprehensive income/(loss) for the financial quarter / period</b>	676	(15,198)	929	(18,846)
EPS attributable to owners of the parent (sen)				
- Basic and diluted				
Continuing operations	(0.00)	(1.98)	0.20	(2.47)
Discontinued operation	-	(0.01)	(0.12)	(0.03)
	(0.00)	(1.99)	0.08	(2.50)

(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 30 JUNE 2022**

	<b>UNAUDITED AS AT 30-Jun-22 RM'000</b>	<b>AUDITED AS AT 30-Jun-21 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	3,134	4,746
Right-of-use assets	439	355
Intangible assets	-	800
Goodwill on consolidation	8,726	732
Investment in an associate	117	162
Cash and bank balances	525	-
	<u>12,941</u>	<u>6,795</u>
<b>Current Assets</b>		
Inventories	1,958	1,854
Trade receivables	6,730	4,285
Other receivables, deposits and prepayments	6,856	4,557
Current tax assets	566	501
Cash and bank balances	26,511	24,479
	<u>42,621</u>	<u>35,676</u>
<b>TOTAL ASSETS</b>	<u>55,562</u>	<u>42,471</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	60,054	60,054
Reverse acquisition reserve	(131,013)	(131,013)
Exchange translation reserve	(3,324)	(3,488)
Retained earnings	100,097	99,472
	<u>25,814</u>	<u>25,025</u>
Non-controlling interest	4,196	537
<b>TOTAL EQUITY</b>	<u>30,010</u>	<u>25,562</u>
<b>Non-Current Liabilities</b>		
Borrowings	3,380	-
Lease liabilities/Finance lease liabilities	218	243
Provision for restoration cost	34	34
Other payables	525	-
Deferred tax liabilities	34	-
	<u>4,191</u>	<u>277</u>
<b>Current Liabilities</b>		
Trade payables	2,510	300
Other payables, deposits and accruals	12,223	11,504
Borrowings	5,570	4,674
Lease liabilities/Finance lease liabilities	252	124
Current tax payables	806	30
	<u>21,361</u>	<u>16,632</u>
	<u>25,552</u>	<u>16,909</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>55,562</u>	<u>42,471</u>
<b>Net assets per share* (sen)</b>	<u>3.46</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 YEAR ENDED 30 JUNE 2022**

	<----- Attributable to owners of the Parent ----->				Total RM'000	Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000			
<b>Unaudited</b>							
<b>Twelve Months Financial Year Ended 30 June 2022</b>							
Balance as at 1 July 2021	60,054	(131,013)	(3,488)	99,472	25,025	537	25,562
Deconsolidation of subsidiaries	-	-	233	-	233	(91)	142
Profit for the financial year	-	-	-	625	625	373	998
Foreign currency translation for foreign operations, net of tax	-	-	(69)	-	(69)	-	(69)
Acquisition of subsidiaries	-	-	-	-	-	3,377	3,377
Total comprehensive income/(loss) for the financial year	-	-	(69)	625	556	3,750	4,306
Balance as at 30 June 2022	<u>60,054</u>	<u>(131,013)</u>	<u>(3,324)</u>	<u>100,097</u>	<u>25,814</u>	<u>4,196</u>	<u>30,010</u>

	<----- Attributable to owners of the Parent ----->				Total RM'000	Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000			
<b>Audited</b>							
<b>Twelve Months Financial Year Ended 30 June 2021</b>							
Balance as at 1 July 2020	60,054	(131,013)	(3,428)	118,098	43,711	668	44,379
Loss for the financial year	-	-	-	(18,626)	(18,626)	(160)	(18,786)
Foreign currency translation for foreign operations, net of tax	-	-	(60)	-	(60)	-	(60)
Acquisition of subsidiaries	-	-	-	-	-	29	29
Total comprehensive loss for the financial year	-	-	(60)	(18,626)	(18,686)	(131)	(18,817)
Balance as at 30 June 2021	<u>60,054</u>	<u>(131,013)</u>	<u>(3,488)</u>	<u>99,472</u>	<u>25,025</u>	<u>537</u>	<u>25,562</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 YEAR ENDED 30 JUNE 2022**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>CURRENT YEAR</b>	<b>PRECEDING</b>
	<b>TO DATE ENDED</b>	<b>FINANCIAL YEAR</b>
	<b>30-Jun-22</b>	<b>ENDED</b>
	<b>RM'000</b>	<b>30-Jun-21</b>
		<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax		
- continuing operations	1,753	(18,462)
- discontinued operation	(879)	(199)
	<u>874</u>	<u>(18,661)</u>
Adjustment for non-cash items:		
Amortisation of intangible assets	58	54
Depreciation of property, plant and equipment	648	619
Depreciation of right-of-use assets	160	212
Gain on early termination of lease contract	-	(31)
Gain on disposal of property, plant and equipment	(6)	(111)
Gain on deconsolidation of a subsidiary	(2,136)	-
Gain on disposal of a subsidiaries	(2,557)	-
Impairment losses on intangible assets	886	-
Impairment losses on receivables	4,447	12,887
Interest expense	385	199
Interest income	(431)	(235)
Inventories written off/written down	397	79
Net unrealised (gain)/loss on foreign exchange	(307)	388
Property, plant and equipment written off	56	51
Reversal of obsolete stock	(34)	-
Rent Concessions	-	(24)
Share of loss of an equity-accounted associate	44	39
Waiver of debt	(7,048)	-
Operating loss before working capital changes	<u>(4,564)</u>	<u>(4,534)</u>
Net changes in assets	1,176	(1,733)
Net changes in liabilities	7,715	756
Cash generated from/(used in) operations	<u>4,327</u>	<u>(5,511)</u>
Interest paid	(307)	(159)
Tax paid	(319)	(324)
Tax refund	43	1,039
Net cash from/(used in) operating activities	<u>3,744</u>	<u>(4,955)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary, net of cash acquired	-	30
Interest received	(3,377)	(1)
Placement of deposits with licensed banks	199	235
Proceed from disposal of property, plant and equipment	(85)	(118)
Proceed from deconsolidation of subsidiaries, net of cash from deconsolidation	169	114
Purchase of intangible assets	3,426	-
Purchase of property, plant and equipment	(798)	(657)
Repayment from an associate	(1,235)	(3,914)
(Placement)/Withdrawal of deposits with licensed banks with maturity more than three months	17	-
Net cash used in investing activities	<u>(4,954)</u>	<u>40</u>
	<u>(6,638)</u>	<u>(4,271)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities/finance lease liabilities	(143)	(181)
Repayment of borrowings	(28)	-
(Repayment to)/Advance from related parties	(246)	118
Interest paid	(78)	(40)
Net cash used in financing activities	<u>(495)</u>	<u>(103)</u>
Net change in cash and cash equivalents	<u>(3,389)</u>	<u>(9,329)</u>
Cash and cash equivalents at beginning of financial period	12,956	22,723
Effect of foreign exchange on opening balance	335	(438)
Cash and cash equivalents at end of financial period	<u>9,902</u>	<u>12,956</u>

*(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, Interest Rate Benchmark Reform - Phase 2  
MFRS 139, MFRS7, MFRS4  
and MFRS16

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	Annual Improvements to MFRS Standards 2018 - 2020
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 4	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:-

- Information and Communication Technology ("ICT") – Provision of a comprehensive range of tele/data communication, network infrastructure industrial automation and network performance monitoring solutions 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	Discontinued operation	----- Continuing operations -----			Eliminations RM'000	Consolidation RM'000
	Food Manufacturing RM'000	ICT RM'000	Others RM'000	Total Continuing Operations RM'000		
<b>Twelve Months Financial Year Ended 30 June 2022</b>						
External sales	983	15,330	601	15,931	-	16,914
Inter segment sales	490	17	480	497	(987)	-
<b>Total sales</b>	<b>1,473</b>	<b>15,347</b>	<b>1,081</b>	<b>16,428</b>	<b>(987)</b>	<b>16,914</b>
Segment results	(781)	5,514	(2,674)	2,840	(1,231)	828
Finance costs	(133)	(385)	-	(385)	133	(385)
Interest Income	-	90	414	504	(73)	431
Loss before tax	(914)	5,219	(2,260)	2,959	(1,171)	874
Taxation	-	124	-	124	-	124
<b>Loss for the year</b>	<b>(914)</b>	<b>5,343</b>	<b>(2,260)</b>	<b>3,083</b>	<b>(1,171)</b>	<b>998</b>
Segment assets	-	37,303	30,471	67,774	(12,212)	55,562

**Twelve Months Financial Year Ended 30 June 2021**

External sales	3,999	9,925	111	10,036	-	14,035
Inter segment sales	-	-	480	480	(480)	-
<b>Total sales</b>	<b>3,999</b>	<b>9,925</b>	<b>591</b>	<b>10,516</b>	<b>(480)</b>	<b>14,035</b>
Segment results	(207)	(15,468)	(3,022)	(18,490)	-	(18,697)
Finance costs	-	(199)	-	(199)	-	(199)
Interest Income	8	118	109	227	-	235
Loss before tax	(199)	(15,549)	(2,913)	(18,462)	-	(18,661)
Taxation	(17)	(108)	-	(108)	-	(125)
<b>Loss for the year</b>	<b>(216)</b>	<b>(15,657)</b>	<b>(2,913)</b>	<b>(18,570)</b>	<b>-</b>	<b>(18,786)</b>
Segment assets	4,854	20,380	31,190	51,570	(13,953)	42,471

**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 2,231
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**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 30-Jun-22 RM'000	3 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-22 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000
Sale of goods and services to related parties	116	232	424	423
Purchase of goods and services from related parties	(4)	-	7	36
Corporate secretarial services fees paid/payable to related parties	10	12	127	73
Share office, network, data center and other services	102	11	391	205

**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**

On 5 July 2022, DFX announced that the Company proposes to undertake the Proposed Regularisation Plan to regularise its financial condition in accordance with Rule 8.04(3) of the Listing Requirements, as follows:

- (i) a proposed renounceable rights issue on the basis of 1 new ordinary share in DFX ("**Rights Share(s)**") for every 2 existing ordinary shares held in DFX ("**DFX Share**" or "**Share(s)**"), together with free detachable warrants ("**Warrants**") on the basis of 1 Warrant for every 1 Rights Share subscribed for, by the entitled shareholders whose names appear in the record of depositors of the Company on an entitlement date to be determined later ("**Proposed Rights Issue with Warrants**"); and
- (ii) a proposed establishment of an employees' share options scheme ("**Scheme**") of up to 15.0% of the total issued DFX Shares (excluding treasury shares, if any) at any point in time during the duration of the scheme, for the eligible directors and employees of the Group ("**Proposed ESOS**").

(Collectively referred to as "Proposed Regularisation Plan")

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**

Following the completion of the Disposal and Acquisitions on 14 April 2022 and 17 May 2022 respectively, Excel and Finther became 51.0% owned subsidiaries of the Company and QBI Packaging Sd. Bhd. ("QBI") and Makan Channel Sdn. Bhd. ("MCSB") ceased to be 70.0% owned subsidiaries of the Company.

Other than the above, 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:-

	<b>RM'000</b>
Bank guarantees given by financial institutions in respect of projects of the Group	<u>543</u>

DIVFEX BERHAD ("DFX")

(formerly known as Diversified Gateway Solutions Berhad) 200401036851 (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:

	<b>AS AT 30-Jun-22 RM'000</b>
Cash and bank balances	13,112
Fixed deposits with licensed financial institutions	13,924
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	27,036
Less: Fixed deposits pledged with licensed banks	(6,895)
Less: Fixed deposits with licensed banks with maturity more than three months	(4,994)
Less: Bank overdraft	(5,245)
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	<b>9,902</b>



**PART B:****EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 30-Jun-22 RM'000	3 MONTHS ENDED 30-Jun-21 RM'000	Variance %	12 MONTHS ENDED 30-Jun-22 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000	Variance %
<b>Continuing operations</b>						
ICT	6,834	3,863	76.9	15,347	9,925	54.6
Others	120	175	(31.4)	1,081	591	82.9
	<u>6,954</u>	<u>4,038</u>	72.2	<u>16,428</u>	<u>10,516</u>	56.2
Less : Inter Segment Revenue	(134)	(120)		(497)	(480)	
External Revenue	<u>6,820</u>	<u>3,918</u>	74.1	<u>15,931</u>	<u>10,036</u>	58.7
<b>Revenue from discontinued operation</b>						
Food Manufacturing	-	582	>+100.0	983	3,999	(75.4)
<b>Total Group Revenue</b>	<u>6,820</u>	<u>4,500</u>	51.6	<u>16,914</u>	<u>14,035</u>	20.5

In the financial quarter under review, the ICT business segment recorded higher revenue of RM6.83 million, compared to revenue achieved in the previous corresponding quarter due to revenue contribution from Excel and Finther, the two new subsidiaries acquired in the current quarter under review.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 30-Jun-22 RM'000	3 MONTHS ENDED 30-Jun-21 RM'000	Variance %	12 MONTHS ENDED 30-Jun-22 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000	Variance %
<b>Continuing operations</b>						
ICT	7,018	(13,756)	>+100.0	5,334	(15,549)	>+100.0
Others	(6,368)	(1,364)	>-100.0	(3,581)	(2,913)	(22.9)
Profit/(Loss) before tax	<u>650</u>	<u>(15,120)</u>		<u>1,753</u>	<u>(18,462)</u>	
<b>Loss before tax from discontinued operation</b>						
Food Manufacturing	-	(83)	>+100.0	(879)	(199)	>-100.0
<b>Profit/(Loss) before tax</b>	<u>650</u>	<u>(15,203)</u>	>+100.0	<u>874</u>	<u>(18,661)</u>	>+100.0

The Group recorded profit before tax of RM0.65 million, compared to loss before tax of RM15.12 million in the corresponding quarter of the preceding financial year due to impairment loss on intangible assets of RM0.87 million, waiver of debts of RM7.05 million and impairment loss on receivables of RM4.43 million arising from deconsolidation of a subsidiary which under Creditors Voluntary Winding-up and also gain of RM2.56 million for the disposal of QBI and MCSB completed in the current 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 YEAR ENDED 30 JUNE 2022****2 Variation of results against preceding quarter**

	<b>3 months ended 30-Jun-22 RM'000</b>	<b>3 months ended 31-Mar-22 RM'000</b>
Revenue		
Continuing operations	6,820	,1,830
Discontinued operation	-	500
	<u>6,820</u>	<u>2,330</u>
Profit/(Loss) before tax		
Continuing operations	650	(1,287)
Discontinued operation	-	(273)
	<u>650</u>	<u>(1,560)</u>

The Group's revenue of RM6.82 million for the current quarter is higher compared to the immediate preceding quarter due to revenue contribution from the two new subsidiaries acquired in the current quarter under review.

The Group's recorded profit before tax of RM0.65 million, compared to loss before tax of RM1.56 million in the immediate preceding quarter is due to gain on disposal of subsidiaries in the current quarter under review less impairment losses arising from deconsolidation of a subsidiary.

**3 Prospects**

The disposal of Food Technology business segment under QBI was completed on 14 April 2022, resulting in the Group's exit from this segment. After disposal of the Food Technology business segment on 14 April 2022, the Group is refocussing and regrouping its business under the Information and Communication Technology (ICT) business segment.

For the current quarter ending 30 June 2022 under review, the operating environment for the ICT business segment under DGB experienced recovery but faced continued long lead times in delivery of high end network equipment, currently quoted up to 12 months, from typically two months pre-Covid. While the order book is healthy, this situation has led to delayed rollouts and billings during the current quarter. This situation is expected to continue for the first two quarters of FY2023 pending improvement and normalisation in delivery lead times in the light of reported softening demand for electronic products in other sectors such as consumer electronics.

The ICT businesses of Excel and Finther are not affected significantly by the global high end equipment delivery delays due to the services and software nature of their businesses and have contributed positively to the results of the Group's ICT business segment for the current quarter under review. The investment by the Company into these two companies was completed on 17 May 2022.

The Group is continuing its ICT business transformation over the next few quarters and is positive on its business given the continued growth in the Malaysian economy post movement controls. The downside risks remain supply chain delays affecting project rollouts and the strong USD affecting margins as a significant portion of the equipment and software licensing is imported and the USD is the settlement currency.

**4 Profit forecast**

Not applicable.

**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 YEAR ENDED 30 JUNE 2022****5 Tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Jun-22 RM'000	3 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-22 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000
Current tax expense				
- Malaysia taxation	(105)	(36)	(105)	108
Over provision in prior year				
- Malaysia taxation	-	-	(9)	-
Deferred tax	(10)	-	(10)	-
	<u>(115)</u>	<u>(36)</u>	<u>(124)</u>	<u>108</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.

**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 was originally given 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 6-month extension up to 6 July 2022 to submit a regularisation plan.

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

**(I) Acquisition by DFX of:-**

- i. 51.0% equity interest in Excel from Thomas Lu Khin Phin for a cash consideration of RM4,590,000; and
- ii. 51.0% equity interest in Finther from Faizal Bin Bahadon and Chan Ming Chong for a cash consideration of RM7,650,000.

(Collectively referred to as "Acquisitions")

**(II) Disposal by DFX of 70.0% equity interest in QBI and 70.0% equity interest in MCSB to Insas Technology Berhad for a total cash consideration of RM3,500,000 ("Disposal").**

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

**PART B:**
**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**
**8 Status of corporate proposals (cont'd)**

On 5 July 2022, DFX announced the Company proposed to undertake the Proposed Regularisation Plan to regularise its financial condition in accordance with Rule 8.04(3) of the Listing Requirements, as follows:

- (i) Proposed Rights Issue with Warrants; and
- (ii) Proposed ESOS.

On 5 July 2022, DFX also submitted an application to Bursa Securities for further extension of time of 6 months up to 6 January 2023.

On 5 August 2022, DFX announced that Bursa Securities had vide its letter dated 4 August 2022 granted the Company an extension of time of 6 months up to 5 January 2023 to submit its regularisation plan to Bursa Securities.

**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	Completed	10,000	5,000	5,000	-	Within 30 months
Payment of "Golden Handcuff" incentive to Wisit Wirayagorn	-	4,459	4,459	3,790	669	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	Completed	5,122	13,122	8,122	5,000	Within 36 months
Estimated expenses in relation to the disposal of ISST	Completed	450	450	450	-	Immediately
		<b>32,031</b>	<b>32,031</b>	<b>26,362</b>	<b>5,669</b>	

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The Group's bank borrowings as at 30 June 2022 are as follows:

	<b>RM'000</b>
Short term bank borrowings	
- Finance lease liabilities	252
- Bank overdraft - secured	5,245
- Term loan – secured	325
Long term bank borrowings	
- Finance lease liabilities	218
- Term loan – secured	3,380
	<u>9,420</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 2022.

**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.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 MONTHS ENDED 30-Jun-22 RM'000</b>	<b>3 MONTHS ENDED 30-Jun-21 RM'000</b>	<b>12 MONTHS ENDED 30-Jun-22 RM'000</b>	<b>12 MONTHS ENDED 30-Jun-21 RM'000</b>
Profit/(Loss) after tax attributable to the owners of the parent				
Continuing operations	(26)	(14,742)	1,504	(18,410)
Discontinued operation	-	(82)	(879)	(216)
	<u>(26)</u>	<u>(14,824)</u>	<u>625</u>	<u>(18,626)</u>
WA number of ordinary shares in issue ('000)	745,731	745,731	745,731	745,731
Basic earnings/(loss) per ordinary share (sen)				
Continuing operations	(0.004)	(1.98)	0.20	(2.47)
Discontinued operation	-	(0.01)	(0.12)	(0.03)

**(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.

**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 YEAR ENDED 30 JUNE 2022**

**14 Profit/(Loss) before tax**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Jun-22 RM'000	3 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-22 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Amortisation of intangible assets	14	14	58	54
Depreciation of property, plant and equipment	153	158	648	619
Depreciation of right-of-use assets	57	32	160	212
Impairment loss on receivables				
- third parties	2	12,887	17	12,887
- related party (Note 1)	4,430	-	4,430	-
Inventories written off	387	(173)	397	79
Interest expenses	168	84	385	199
Property, plant and equipment written off	56	-	56	51
Realised loss on foreign exchange	29	-	33	-
Unrealised loss on foreign exchange	31	1	43	388
And crediting:-				
Gain on disposal of property, plant and equipment	-	-	6	111
Gain on early termination of lease contract	-	-	-	31
Gain on deconsolidation of a subsidiary (Note 1)	(2,203)	-	2,136	-
Gain on disposal of subsidiaries	2,557	-	2,557	-
Interest income	306	41	431	235
Reversal of obsolete stock	34	-	34	-
Unrealised gain on foreign exchange	277	-	350	-
Waiver of debts by a related party (Note 1)	7,048	-	7,048	-

**Note 1**

Arising from deconsolidation of a subsidiary which under Creditors Voluntary Winding-up