

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	3 MONTHS	3 MONTHS	CURRENT PTD	PRECEDING
	31-Dec-22	31-Dec-21	ENDED	CORRESPONDING
	RM'000	RM'000	6 MONTHS	PTD ENDED
			31-Dec-22	6 MONTHS
			RM'000	31-Dec-21
				RM'000
<b>Continuing operations</b>				
Revenue	29,699	4,036	35,361	7,150
Cost of sales	(22,458)	(2,413)	(25,019)	(4,171)
Gross profit	7,241	1,623	10,342	2,979
Other operating income	(43)	4,373	363	4,588
Other operating expenses	(3,514)	(2,649)	(6,492)	(5,005)
Finance costs	(211)	(72)	(383)	(142)
Share of loss of an equity-accounted associate	(2)	(11)	(13)	(22)
<b>Profit before tax</b>	<b>3,471</b>	<b>3,264</b>	<b>3,817</b>	<b>2,398</b>
Tax income	(435)	-	(675)	-
<b>Profit after tax from continuing operations</b>	<b>3,036</b>	<b>3,264</b>	<b>3,142</b>	<b>2,398</b>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	-	(266)	-	(609)
<b>Profit for the financial quarter / period</b>	<b>3,036</b>	<b>2,998</b>	<b>3,142</b>	<b>1,789</b>
<b>Other comprehensive income, net of tax</b>				
- Item that will be reclassified subsequently to profit or loss				
Foreign currency translation for foreign operations, net of tax	(67)	43	(161)	37
<b>Other comprehensive income for the financial quarter / period, net of tax</b>	<b>(67)</b>	<b>43</b>	<b>(161)</b>	<b>37</b>
<b>Total comprehensive income for the financial quarter / period</b>	<b>2,969</b>	<b>3,041</b>	<b>2,981</b>	<b>1,826</b>
<b>Profit attributable to:-</b>				
Owners of the parent - continuing operations	2,317	3,395	1,958	2,670
- discontinued operation	-	(266)	-	(609)
Non-controlling interests	719	(131)	1,184	(272)
<b>Profit after tax from continuing operations</b>	<b>3,036</b>	<b>2,998</b>	<b>3,142</b>	<b>1,789</b>
<b>Total comprehensive income attributable to:-</b>				
Owners of the parent - continuing operations	2,250	3,438	1,797	2,707
- discontinued operation	-	(266)	-	(609)
Non-controlling interests	719	(131)	1,184	(272)
<b>Total comprehensive income for the financial quarter / period</b>	<b>2,969</b>	<b>3,041</b>	<b>2,981</b>	<b>1,826</b>
EPS attributable to owners of the parent (sen)				
- Basic and diluted				
Continuing operations	0.31	0.47	0.26	0.37
Discontinued operation	-	(0.04)	-	(0.08)
	<b>0.31</b>	<b>0.42</b>	<b>0.26</b>	<b>0.28</b>

(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 2022.)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2022**

	<b>UNAUDITED AS AT 31-Dec-22 RM'000</b>	<b>AUDITED AS AT 30-Jun-22 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	3,042	3,134
Right-of-use assets	305	439
Goodwill on consolidation	8,726	8,726
Investment in an associate	104	117
Cash and bank balances	525	525
	<u>12,702</u>	<u>12,941</u>
<b>Current Assets</b>		
Inventories	3,596	3,229
Trade receivables	18,170	6,733
Other receivables, deposits and prepayments	5,089	5,577
Current tax assets	557	566
Cash and bank balances	25,397	26,511
	<u>52,809</u>	<u>42,616</u>
<b>TOTAL ASSETS</b>	<u>65,511</u>	<u>55,557</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	(3,485)	(3,324)
Retained earnings	102,055	100,097
	<u>27,611</u>	<u>25,814</u>
Non-controlling interest	5,380	4,196
<b>TOTAL EQUITY</b>	<u>32,991</u>	<u>30,010</u>
<b>Non-Current Liabilities</b>		
Lease liabilities/Finance lease liabilities	120	240
Borrowings	786	3,380
Provision for restoration cost	21	34
Other payables	525	525
Deferred tax liabilities	34	34
	<u>1,486</u>	<u>4,213</u>
<b>Current Liabilities</b>		
Trade payables	12,712	2,510
Other payables, deposits and accruals	10,539	12,218
Lease liabilities/Finance lease liabilities	234	230
Redeemable preference shares	4,000	-
Borrowings	3,217	5,570
Current tax payables	332	806
	<u>31,034</u>	<u>21,334</u>
	<u>32,520</u>	<u>25,547</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>65,511</u>	<u>55,557</u>
<b>Net assets per share* (sen)</b>	<u>3.70</u>	<u>3.46</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 2022.)*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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			
<b>Unaudited Six Months Financial Period Ended 31 December 2022</b>							
Balance as at 1 July 2022	60,054	(131,013)	(3,324)	100,097	25,814	4,196	30,010
Profit for the financial period	-	-	-	1,958	1,958	1,184	3,142
Foreign currency translation for foreign operations, net of tax	-	-	(161)	-	(161)	-	(161)
Total comprehensive income for the financial period	-	-	(161)	1,958	1,797	1,184	2,981
Balance as at 31 December 2022	<u>60,054</u>	<u>(131,013)</u>	<u>(3,485)</u>	<u>102,055</u>	<u>27,611</u>	<u>5,380</u>	<u>32,991</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			
<b>Unaudited Six Months Financial Period Ended 31 December 2021</b>							
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 for the financial period	-	-	-	2,061	2,061	(272)	1,789
Foreign currency translation for foreign operations, net of tax	-	-	37	-	37	-	37
Total comprehensive income for the financial period	-	-	37	2,061	2,098	(272)	1,826
Balance as at 31 December 2021	<u>60,054</u>	<u>(131,013)</u>	<u>(3,218)</u>	<u>101,533</u>	<u>27,356</u>	<u>265</u>	<u>27,621</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 2022.)

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

	UNAUDITED CURRENT PERIOD TO DATE ENDED 31-Dec-22 RM'000	UNAUDITED PRECEDING FINANCIAL PERIOD ENDED 31-Dec-21 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax		
- continuing operations	3,817	2,396
- discontinued operation	-	(609)
	<u>3,817</u>	<u>1,787</u>
Adjustment for non-cash items:		
Amortisation of intangible assets	-	29
Depreciation of property, plant and equipment	345	349
Depreciation of right-of-use assets	134	69
Loss/(Gain) on disposal of property, plant and equipment	19	(6)
Gain on deconsolidation of a subsidiary	-	(4,339)
Impairment losses on trade receivables	55	15
Interest expense	383	142
Interest income	(124)	(90)
Inventories written off/written down	-	3
Net unrealised gain on foreign exchange	(78)	(16)
Property, plant and equipment written off	3	-
Reversal of obsolete stock	(15)	-
Share of loss of an equity-accounted associate	13	22
	<u>4,552</u>	<u>(2,035)</u>
Operating profit/(loss) before working capital changes		
Net changes in assets	(11,326)	(278)
Net changes in liabilities	8,455	449
	<u>1,681</u>	<u>(1,864)</u>
Cash generated from operations		
Interest paid	(211)	(128)
Tax paid	(1,141)	(153)
	<u>329</u>	<u>(2,145)</u>
Net cash from operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	124	90
Placement of deposits with licensed banks	-	(56)
Proceed from disposal of property, plant and equipment	(275)	14
Purchase of intangible assets	-	(391)
Purchase of property, plant and equipment	-	(908)
Advance to an associate	9	3
Placement of deposits with licensed banks with maturity more than three months	(954)	-
Proceed from issue of redeemable preference shares to non-controlling interest in a subsidiary company	4,000	-
	<u>2,904</u>	<u>(1,248)</u>
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities/finance lease liabilities	(115)	(59)
Repayment of borrowings	(2,842)	-
Repayment by related parties	(24)	169
Interest paid	(168)	(15)
	<u>(3,149)</u>	<u>95</u>
Net cash used in financing activities		
Net change in cash and cash equivalents	84	(3,298)
Cash and cash equivalents at beginning of financial period	9,942	12,956
Effect of foreign exchange on opening balance	(48)	78
	<u>9,978</u>	<u>9,736</u>
Cash and cash equivalents at end of financial period		

(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 2022.)

**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 2022. 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 2022.

**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 2022, except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

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

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:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
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 2022 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.

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 operations			----- Continuing operations -----			Eliminations RM'000	Consolidation RM'000
	Food Manufacturing RM'000	ICT RM'000	Others RM'000	Total Continuing Operations RM'000	Total Continuing and Discontinued Operations RM'000			
<b>Six Months Financial Period Ended 31 December 2022</b>								
External sales	-	35,361	-	35,361	35,361	-	-	35,361
Inter segment sales	-	367	240	607	607	(607)	-	-
Total sales	-	35,728	240	35,968	35,968	(607)	-	35,361
Segment results	-	4,773	(10)	4,763	4,763	(687)	-	4,076
Finance costs	-	(383)	-	(383)	(383)	-	-	(383)
Interest Income	-	117	7	124	124	-	-	124
Profit/(loss) before tax	-	4,507	(3)	4,504	4,504	(687)	-	3,817
Taxation	-	(675)	-	(675)	(675)	-	-	(675)
Profit/(Loss) for the year	-	3,832	(3)	3,829	3,829	(687)	-	3,142
Segment assets	-	47,698	47,924	95,622	95,622	(30,111)	-	65,511
<b>Six Months Financial Period Ended 31 December 2021</b>								
External sales	614	6,714	436	7,150	7,764	-	-	7,764
Inter segment sales	359	3	240	243	602	(602)	-	-
Total sales	973	6,717	676	7,393	8,366	(602)	-	7,764
Segment results	(543)	(867)	3,244	2,377	1,834	2	-	1,836
Finance costs	(66)	(142)	-	(142)	(208)	66	-	(142)
Interest Income	-	56	211	267	267	(177)	-	90
Profit/(Loss) before tax	(609)	(953)	3,455	2,502	1,893	(109)	-	1,784
Taxation	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	(609)	(953)	3,455	2,502	1,893	(109)	-	1,784
Segment assets	7,215	18,407	29,315	47,722	54,937	(17,358)	-	37,579

**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	15,002
	<u>9,381</u>

**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-Dec-22 RM'000	3 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-22 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000
Sale of goods and services to related parties	216	108	327	203
Purchase of goods and services from related parties	-	11	3	11
Corporate secretarial services fees paid/payable to related parties	33	35	81	46
Share office, network, data center and other services	169	133	300	192

**11 Carrying amount of revalued assets**

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

**12 Change in the composition of the Group**

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

**13 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	1,392

**14 Cash and bank balances**

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

	AS AT 31-Dec-22 RM'000
Cash and bank balances	11,056
Fixed deposits with licensed financial institutions	14,865
	<u>25,921</u>
Less: Fixed deposits pledged with licensed banks	(6,958)
Less: Fixed deposits with licensed banks with maturity more than three months	(5,845)
Less: Bank overdraft	(3,140)
	<u>9,978</u>

## PART B:

## EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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-Dec-22 RM'000	3 MONTHS ENDED 31-Dec-21 RM'000	Variance %	6 MONTHS ENDED 31-Dec-22 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000	Variance %
<b>Continuing operations</b>						
ICT	29,995	3,869	>+100.0	35,728	6,717	>+100.0
Others	120	287	(58.2)	240	676	(64.5)
	<u>30,115</u>	<u>4,156</u>	>+100.0	<u>35,968</u>	<u>7,393</u>	>+100.0
Less : Inter Segment Revenue	(416)	(120)		(607)	(243)	
External Revenue	<u>29,699</u>	<u>4,036</u>	>+100.0	<u>35,361</u>	<u>7,150</u>	>+100.0
<b>Revenue from discontinued operations</b>						
Food Manufacturing	-	454	>-100.0	-	614	>-100.0
<b>Total Group Revenue</b>	<u>29,699</u>	<u>4,490</u>	>+100.0	<u>35,361</u>	<u>7,764</u>	>+100.0

In the financial quarter under review, the ICT business segment recorded higher revenue of RM29.70 million, compared to revenue of RM3.87 million achieved in the previous corresponding quarter due to higher revenue contribution from all three ICT companies, Diversified Gateway Berhad ("DGB"), Excel Commerce Solutions Sdn. Bhd. ("EXCEL") and Finther Tecnologica Sdn. Bhd. ("FINTHER").

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 31-Dec-22 RM'000	3 MONTHS ENDED 31-Dec-21 RM'000	Variance %	6 MONTHS ENDED 31-Dec-22 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000	Variance %
<b>Continuing operations</b>						
ICT	4,167	(458)	>+100.0	4,504	(953)	>+100.0
Others	(696)	3,716	>-100.0	(687)	3,355	>-100.0
Profit before tax	<u>3,471</u>	<u>3,258</u>		<u>3,817</u>	<u>2,390</u>	
<b>Loss before tax from discontinued operations</b>						
Food Manufacturing	-	(260)	>+100.0	-	(609)	>+100.0
<b>Profit before tax</b>	<u>3,471</u>	<u>2,998</u>	+14.8	<u>3,817</u>	<u>1,784</u>	>+100.0

The Group recorded increase in profit before tax of RM3.47 million, compared to profit before tax of RM3.00 million in the corresponding quarter of the preceding year.



**PART B:**
**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**
**2 Variation of results against preceding quarter**

	<b>3 months ended 31-Dec-22 RM'000</b>	<b>3 months ended 30-Sep-22 RM'000</b>
Revenue		
Continuing operations	29,699	5,662
Discontinued operations	-	-
	<u>29,699</u>	<u>5,662</u>
Profit before tax		
Continuing operations	3,471	346
Discontinued operations	-	-
	<u>3,471</u>	<u>346</u>

The Group recorded a higher revenue of RM29.70 million for the current quarter as compared to the immediate preceding quarter due to high project billings for the current quarter under review following post pandemic recovery in the economy.

The Group recorded a higher profit before tax of RM3.44 million, compared to profit before tax of RM0.35 million in the immediate preceding quarter due to profit contribution from higher revenue during the current quarter under review.

**3 Prospects**

The Group's key operations are focussed in the ICT business segment for FY2023.

For the current quarter ending 31 December 2022 under review, the ICT business recorded significant revenue growth due to the post-pandemic rolling out of projects in the Malaysian economy.

Despite the improved revenues for its ICT business and reported oversupply in the semiconductor chip market, DGB continues to experience long delivery lead times for high end network equipment, disappointingly still being quoted up to 12 months, from typically two months pre-pandemic. We can hope this situation will improve progressively as supply chains continue to regularise across industries.

The ICT businesses of EXCEL and FINETHER have separately begun to contribute positively to the Group's revenue and profit for the current quarter under review. Meanwhile, the Group is continuing to integrate the businesses of DGB, EXCEL and FINETHER in the ICT segment over the next few quarters and the Group's results will remain positive for the rest of FY2023.

**4 Profit forecast**

Not applicable.

**5 Tax expense**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 MONTHS ENDED 31-Dec-22 RM'000</b>	<b>3 MONTHS ENDED 31-Dec-21 RM'000</b>	<b>6 MONTHS ENDED 31-Dec-22 RM'000</b>	<b>6 MONTHS ENDED 31-Dec-21 RM'000</b>
Current tax expense				
- Malaysia taxation	443	-	683	-
Over provision in prior year				
- Malaysia taxation	(8)	-	(8)	-
	<u>435</u>	<u>-</u>	<u>675</u>	<u>-</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 DECEMBER 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 Corporation ("ALC") under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") on 6 January 2020, upon completion of the disposal of 24,500 ordinary shares, representing 100.0% equity interest in ISS Consulting (Thailand) Ltd ("ISST"). The Company was originally given 24 months from 6 January 2020 to regularise its condition.

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

On 5 July 2022, DFX announced that 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) a proposed renounceable rights issue on the basis of 1 new ordinary share in DFX ("Right Share(s)") for every 2 existing ordinary shares held in DFX ("DFX Share(s)" 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 DFX on an entitlement date to be determined later; and
- (ii) a proposed establishment of an employees' share option 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 DFX Group.

(Collectively, referred to as "Proposed Regularisation Plan").

On the same day, DFX submitted an application to Bursa Securities for another 6-month extension of time up to 6 January 2023 to submit its regularisation plan to Bursa Securities.

On 5 August 2022, DFX received approval from Bursa Securities for another 6-month extension up to 5 January 2023 to submit a regularisation plan to Bursa Securities.

On 3 January 2023, DFX submitted another application to Bursa Securities for a further extension of time of 6 months up to 5 July 2023 to submit its regularisation plan to Bursa Securities.

On 7 February 2023, DFX announced that Bursa Securities, via its letter dated 3 February 2023, granted the Company an extension of time of 6 months up to 5 July 2023 to submit its regularisation plan to Bursa Securities.

The due diligence work for the Proposed Regularisation Plan is still ongoing.

**PART B:****EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022****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	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	Note 1 - Extended by another 12 months to 48 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	Note 1 - Extended by another 12 months to 48 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>	

**Note 1** – The Company have extended the utilisation of the unutilised balance of RM5.67 million by another 12 months period

**10 Borrowings and debts securities**

The Group's borrowings and debts securities as at 31 December 2022 are as follows:

**Bank Borrowings**

Short term bank borrowings  
 - Bank overdraft – secured  
 - Term loan – secured

**RM'000**3,140  
77

Long term bank borrowings  
 - Term loan – secured

786

4,003**Debts Securities**

Redeemable Preference Shares ("RPS")  
 RPS to non-controlling interest in a subsidiary company

**RM'000**4,000**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 31 December 2022.

**PART B:**

**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 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-Dec-22 RM'000	3 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-22 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000
Profit/(loss) after tax attributable to the owners of the parent				
Continuing operations	2,317	3,395	1,958	2,670
Discontinued operations	-	(266)	-	(609)
	<u>2,317</u>	<u>3,129</u>	<u>1,958</u>	<u>2,061</u>
WA number of ordinary shares in issue ('000)	745,731	745,731	745,731	745,731
Basic profit/(loss) per ordinary share (sen)				
Continuing operations	0.31	0.46	0.26	0.36
Discontinued operations	-	(0.04)	-	(0.08)

**(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.

**14 Profit before tax**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Dec-22 RM'000	3 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-22 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000
Profit before tax is arrived at after charging:-				
Amortisation of intangible assets	-	15	-	29
Depreciation of property, plant and equipment	163	176	345	349
Depreciation of right-of-use assets	66	33	134	69
Inventories written off	-	-	-	3
Interest expenses	211	72	383	142
Impairment loss on foreign exchange	-	15	-	15
Impairment loss on other receivables	55	-	55	-
Realised loss on foreign exchange	-	2	-	2
Unrealised loss on foreign exchange	244	-	-	-
Loss on disposal of property, plant and equipment	19	-	19	-
Property, plant and equipment written off	-	-	3	-

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 DECEMBER 2022**

And crediting:-

Gain on disposal of property, plant and equipment	-	6	-	6
Gain on deconsolidation of a subsidiary	-	4,339	-	4,339
Interest income	73	45	124	90
Reversal of obsolete stock	4	-	15	-
Unrealised gain on foreign exchange	-	-	78	-
Realised gain on foreign exchange		16		16