



	INDIVIDUAL QUARTER UNAUDITED		CUMULATIVE PERIOD UNAUDITED	
	3 MONTHS 30-Sep-20 RM'000	3 MONTHS 30-Sep-19 RM'000	CURRENT YTD ENDED 3 MONTHS 30-Sep-20 RM'000	UNAUDITED PRECEDING YTD ENDED CORRESPONDING 3 MONTHS 30-Sep-19 RM'000
<b>Continuing operations</b>				
Revenue	3,501	4,229	3,501	4,229
Cost of sales	(1,581)	(2,086)	(1,581)	(2,086)
Gross profit	1,920	2,143	1,920	2,143
Other operating income	248	305	248	305
Other operating expenses	(3,071)	(2,930)	(3,071)	(2,930)
Finance costs	(18)	(146)	(18)	(146)
Share of loss of an equity-accounted associate	(8)	-	(8)	-
<b>Loss before tax</b>	(929)	(628)	(929)	(628)
Tax expense	(111)	(108)	(111)	(108)
<b>Loss after tax from continuing operations</b>	(1,040)	(736)	(1,040)	(736)
<b>Discontinued operation</b>				
Profit from discontinued operation, net of tax	-	205	-	205
<b>Loss for the financial quarter / year</b>	(1,040)	(531)	(1,040)	(531)
<b>Other comprehensive income, net of tax</b>				
<b>- Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation for foreign operations, net of tax	76	510	76	510
<b>Other comprehensive income for the financial quarter / year, net of tax</b>	76	510	76	510
<b>Total comprehensive loss for the financial quarter / year</b>	(964)	(21)	(964)	(21)
<b>(Loss) / Profit attributable to:-</b>				
Owners of the parent - continuing operations	(1,204)	(657)	(1,204)	(657)
- discontinued operation	-	205	-	205
Non-controlling interests	164	(79)	164	(79)
<b>Loss for the financial quarter / year</b>	(1,040)	(531)	(1,040)	(531)
<b>Total comprehensive (loss) / income attributable to:-</b>				
Owners of the parent - continuing operations	(1,128)	(147)	(1,128)	(147)
- discontinued operation	-	205	-	205
Non-controlling interests	164	(79)	164	(79)
<b>Total comprehensive loss for the financial quarter / year</b>	(964)	(21)	(964)	(21)
EPS attributable to Owners of the parent (sen)				
- Basic and diluted				
Continuing operations	(0.16)	(0.09)	(0.16)	(0.09)
Discontinued operation	-	0.03	-	0.03
	(0.16)	(0.06)	(0.16)	(0.06)

(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 2020.)



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 SEPTEMBER 2020**

	<b>UNAUDITED AS AT 30-Sep-20 RM'000</b>	<b>AUDITED AS AT 30-Jun-20 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	2,390	1,502
Right-of-use assets	496	497
Intangible assets	249	197
Goodwill on consolidation	729	729
Investment in an associate	193	201
	<u>4,057</u>	<u>3,126</u>
<b>Current Assets</b>		
Inventories	2,027	1,999
Trade receivables	14,984	16,814
Other receivables, deposits and prepayments	3,158	1,888
Current tax assets	355	1,343
Cash and bank balances	30,275	31,291
	<u>50,799</u>	<u>53,335</u>
<b>TOTAL ASSETS</b>	<u>54,856</u>	<u>56,461</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	(3,352)	(3,428)
Retained earnings	116,894	118,098
	<u>42,583</u>	<u>43,711</u>
Non-controlling interest	832	668
<b>TOTAL EQUITY</b>	<u>43,415</u>	<u>44,379</u>
<b>Non-Current Liabilities</b>		
Lease liabilities/Finance lease liabilities	321	320
Provision for restoration cost	32	32
	<u>353</u>	<u>352</u>
<b>Current Liabilities</b>		
Trade payables	487	1,541
Other payables, deposits and accruals	8,803	8,146
Bank overdraft	1,445	1,797
Lease liabilities/Finance lease liabilities	209	213
Current tax payables	144	33
	<u>11,088</u>	<u>11,730</u>
<b>TOTAL LIABILITIES</b>	<u>11,441</u>	<u>12,082</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>54,856</u>	<u>56,461</u>
<b>Net assets per share* (sen)</b>	<u>5.71</u>	<u>5.86</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 2020.)*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020



	←----- Attributable to owners of the Parent -----→						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	Total RM'000	Non-controlling interest RM'000	
<b>Unaudited</b> <b>Three Months Financial Period Ended 30 September 2020</b>							
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	-	-	-	(1,204)	(1,204)	164	(1,040)
Foreign currency translation for foreign operations, net of tax	-	-	76	-	76	-	76
Total comprehensive (loss) / income for the financial period	-	-	76	(1,204)	(1,128)	164	(964)
Balance as at 30 September 2020	<u>60,054</u>	<u>(131,013)</u>	<u>(3,352)</u>	<u>116,894</u>	<u>42,583</u>	<u>832</u>	<u>43,415</u>

	←----- Attributable to owners of the Parent -----→						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	Total RM'000	Non-controlling interest RM'000	
<b>Unaudited</b> <b>Three Months Financial Period Ended 30 September 2019</b>							
Balance as at 1 July 2019	60,054	(131,013)	(533)	126,680	55,188	521	55,709
Effect of adoption of MFRS 16	-	-	-	(20)	(20)	-	(20)
As at 1 July 2019, restated	60,054	(131,013)	(533)	126,660	55,168	521	55,689
Loss for the financial period	-	-	-	(452)	(452)	(79)	(531)
Foreign currency translation for foreign operations, net of tax	-	-	510	-	510	-	510
Total comprehensive income / (loss) for the financial period	-	-	510	(452)	58	(79)	(21)
Balance as at 30 September 2019	<u>60,054</u>	<u>(131,013)</u>	<u>(23)</u>	<u>126,208</u>	<u>55,226</u>	<u>442</u>	<u>55,668</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 2020.)

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**



	<b>UNAUDITED CURRENT YEAR TO DATE ENDED 30-Sep-20 RM'000</b>	<b>UNAUDITED PRECEDING FINANCIAL PERIOD ENDED 30-Sep-19 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax from :		
- continuing operations	(929)	(628)
- discontinued operation	-	256
	<u>(929)</u>	<u>(372)</u>
Adjustment for non-cash items:		
Amortisation of intangible assets	13	-
Depreciation of property, plant and equipment	155	390
Depreciation of right-of-use assets	1	102
Fair value adjustments on non-current trade receivables	-	(220)
Interest expense	18	146
Interest income	(82)	(86)
Inventories written off/written down	-	19
Net unrealised loss on foreign exchange	332	4
Reversal of impairment losses on trade receivables	-	(1,323)
Share of loss of an equity-accounted associate	8	-
	<u>(484)</u>	<u>(1,340)</u>
Operating loss before working capital changes		
Net changes in assets	623	569
Net changes in liabilities	(343)	(4,696)
	<u>(204)</u>	<u>(5,467)</u>
Cash used in operations		
Tax paid	(44)	(1,505)
Tax refund	1,032	275
	<u>784</u>	<u>(6,697)</u>
Net cash from/(used in) operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,043)	(413)
Purchase of intangible assets	(65)	-
Placement of deposits with licensed banks	(36)	(5,875)
Acquisition of subsidiary, net of cash acquired	-	500
Interest received	82	86
	<u>(1,062)</u>	<u>(5,702)</u>
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to related parties	(142)	-
Repayment of lease liabilities/finance lease liabilities	(3)	(102)
Interest paid	(18)	(146)
	<u>(163)</u>	<u>(248)</u>
Net cash used in financing activities		
Net change in cash and cash equivalents	(441)	(12,647)
Cash and cash equivalents at beginning of financial year	22,723	14,374
Effect of foreign exchange on opening balance	(259)	1,225
	<u>22,023</u>	<u>2,952</u>
Cash and cash equivalents at end of financial year		

*(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 2020.)*

**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 2020. 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 2020.

**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 2020 except for the adoption of new MFRSs and Interpretations and Amendments to certain MFRSs which are effective for the Group from 1 July 2020.

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 16	Covid 19 – Related Rent Concessions

Adoption of these new MFRSs and Interpretations and Amendments to certain MFRSs did not have any material effect on the financial performance or position of 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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
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 9	Extension of the Temporary Exemptions from Applying MFRS 9
Amendments to MFRS 101	Classification of liabilities as Current or Non-current
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 2020 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.

**PART A:**

**Notes to the Consolidated Interim Financial Information**

**6 Material changes in estimates**

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

**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, distribution and reselling of hardware and software and related services and subsidiaries that have ceased operations and remained inactive.

Business Segments	Discontinued operation	Continuing operations -----			Total Continuing operations RM'000	Eliminations RM'000	Consolidation RM'000
	Business Performance Services RM'000	Digital, Infrastructure & Integration Services RM'000	Food Manufacturing RM'000	Others RM'000			
<b>Three Months Financial Period Ended 30 September 2020</b>							
External sales	-	2,150	1,342	9	3,501	-	3,501
Inter segment sales	-	-	-	120	120	(120)	-
Total sales	-	2,150	1,342	129	3,621	(120)	3,501
Segment results	-	(173)	(39)	(781)	(993)	-	(993)
Finance costs	-	(18)	-	-	(18)	-	(18)
Interest Income	-	36	2	44	82	-	82
Loss before tax	-	(155)	(37)	(737)	(929)	-	(929)
Taxation	-	(111)	-	-	(111)	-	(111)
Loss for the year	-	(266)	(37)	(737)	(1,040)	-	(1,040)
Segment assets	-	29,908	3,805	68,536	102,249	(47,393)	54,856
<b>Three Months Financial Period Ended 30 September 2019</b>							
External sales	16,965	2,662	1,567	-	4,229	-	21,194
Inter segment sales	-	-	-	120	120	(120)	-
Total sales	16,965	2,662	1,567	120	4,349	(120)	21,194
Segment results	256	(601)	346	(312)	(567)	-	(311)
Finance costs	-	(146)	-	-	(146)	-	(146)
Interest Income	-	59	-	26	85	-	85
Loss before tax	256	(688)	346	(286)	(628)	-	(372)
Taxation	(51)	(9)	(83)	(16)	(108)	-	(159)
Loss for the year	205	(697)	263	(302)	(736)	-	(531)
Segment assets	39,954	41,851	2,577	51,074	95,502	(40,834)	94,622

**Major Customers**

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

	RM'000
Customer A	567
Customer B	1,169

**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-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000	3 MONTHS ENDED 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000
Sale of goods and services to related parties	88	653	88	653
Purchase of goods and services from related parties	1	-	1	-
Corporate secretarial services fees paid/payable to related parties	15	9	15	9
Share office, network, data center and other services	71	(9)	71	(9)

**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**

- a) On 26 October 2020, the Company acquired 1 ordinary share representing entire issued share in Paragon Spectrum Sdn Bhd ("PSSB"), a private limited shelf company incorporated in Malaysia for a purchase consideration of RM1.00.

On the same date, the Company subscribed for additional 599 ordinary shares in PSSB at an issue price of RM1.00 each for a total consideration of RM599, and Insas Technology Berhad, a major shareholder of the Company and a wholly-owned subsidiary of Insas Berhad had subscribed for 400 ordinary shares in PSSB at an issue price of RM1.00 each.

Upon the completion, PSSB became a 60% owned subsidiary of DGSB.

- b) On 29 October 2020, PSSB entered into a Share Sale and Subscription Agreement for the investment in Duramitt Sdn Bhd ("DSB") as follows:-

- (i) Proposed acquisition of 1,289,500 ordinary shares from existing owners of DSB for a cash consideration of RM10.0 million;
- (ii) Proposed subscription of 1,934,250 new ordinary shares in DSB for a cash consideration of RM15.0 million; and
- (iii) Proposed subscription of 15.0 million redeemable preference shares in DSB for a cash consideration of RM15.0 million.

(Collectively, the "Proposed Investments")

Upon the completion of the Proposed Investments, DSB will be a 50.1% owned subsidiary of PSSB and an indirect subsidiary of DGSB. The Proposed Investments are inter-conditional and is subject to approval of the shareholders of DGSB at an Extraordinary General Meeting to be held at a later date.

Save for 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	498



**PART A:**  
**Notes to the Consolidated Interim Financial Information**

**15 Cash and bank balances**

For the purpose of the statement of cash flows, cash and cash equivalents include the following:

	<b>AS AT 30-Sep-20 RM'000</b>
Cash and bank balances	15,459
Fixed deposits with licensed financial institutions	14,816
	<hr/>
	30,275
Less: Fixed deposits pledged with licensed banks	(6,807)
Less: Bank overdraft	(1,445)
	<hr/>
	<u>22,023</u>



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**PART B:**

**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

**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-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000	Variance %	3 MONTHS ENDED 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000	Variance %
<b>Continuing operations</b>						
Digital, Infrastructure & Integration Services	2,150	2,662	(19.2)	2,150	2,662	(19.2)
Food Manufacturing	1,342	1,567	(14.4)	1,342	1,567	(14.4)
Others	129	120	7.5	129	120	7.5
	<u>3,621</u>	<u>4,349</u>	(16.7)	<u>3,621</u>	<u>4,349</u>	(16.7)
Less : Inter Segment Revenue	(120)	(120)		(120)	(120)	
External Revenue	<u>3,501</u>	<u>4,229</u>	(17.2)	<u>3,501</u>	<u>4,229</u>	(17.2)
<b>Revenue from discontinued operation</b>						
Business Performance Services	<u>-</u>	<u>16,965</u>	>-100.0	<u>-</u>	<u>16,965</u>	>-100.0
<b>Total Group Revenue</b>	<u>3,501</u>	<u>21,194</u>	(83.5)	<u>3,501</u>	<u>21,194</u>	(83.5)

The Group recorded revenue of RM3.50 million for the quarter ended 30 September 2020, a decrease of RM0.73 million (17.2%) against revenue achieved in the previous corresponding quarter. The lower revenue was attributable to the lower billing of maintenance services under Digital, Infrastructure & Integration Services for the current quarter under review.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000	Variance %	3 MONTHS ENDED 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000	Variance %
<b>Continuing operations</b>						
Digital, Infrastructure & Integration Services	(155)	(688)	77.5	(155)	(688)	77.5
Food Manufacturing	(37)	346	>-100.0	(37)	346	>-100.0
Others	<u>(737)</u>	<u>(286)</u>	>-100.0	<u>(737)</u>	<u>(286)</u>	>-100.0
Loss before tax	<u>(929)</u>	<u>(628)</u>	(47.9)	<u>(929)</u>	<u>(628)</u>	(47.9)
<b>Profit before tax from discontinued operation</b>						
Business Performance Services	<u>-</u>	<u>256</u>	>-100.0	<u>-</u>	<u>256</u>	>-100.0
<b>Loss before tax</b>	<u>(929)</u>	<u>(372)</u>	>-100.0	<u>(929)</u>	<u>(372)</u>	>-100.0

In the financial quarter under review, the Group recorded loss before tax of RM0.93 million, compared to loss before tax of RM0.63 million in the corresponding financial period of the preceding financial period which due to unrealised loss on foreign exchange in current quarter under review.

**PART B:**  
**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

**2 Variation of results against preceding quarter**

	<b>3 months ended 30-Sep-20 RM'000</b>	<b>3 months ended 30-Jun-20 RM'000</b>
Revenue		
Continuing operations	3,501	2,951
Discontinued operation	-	-
	<u>3,501</u>	<u>2,951</u>
Loss before tax		
Continuing operations	(929)	(3,651)
Discontinued operation	-	-
	<u>(929)</u>	<u>(3,651)</u>

The Group's revenue for the current quarter was RM0.55 mil higher compared to the immediate preceding quarter due to higher billing generated from industrial automation under Digital, Infrastructure & Integration Services segment and Food Manufacturing segment. The loss before tax for the current quarter was RM2.72 mil lower as compared to the immediate preceding quarter which due to impairment loss of trade receivables, bad debts written off and inventories written down in immediate preceding quarter under review.

**3 Prospects**

The Group operates under the following two (2) key business segment; Digital, Infrastructure & Integration Services and Food Technology.

For FY2021, the operating environment for the Telecommunications & Infrastructure segment under DGB are expected to remain challenging with the delay of the government's award of 5G spectrum and rollout of NFPCP; delays in decisions/approvals and the implementation/rollout of projects in the private sector arising from the movement restriction (work-from-home) and economic uncertainties due to the ongoing Covid-19 pandemic.

Our digital media screens and vending machines which commenced rollout in early 2020 have also faced slower rollout during the current quarter under review due to similar movement control restrictions.

QBI's factory operations for the ghee and dry packaging resumed normally during current quarter under RMCO rules. The new sweetened creamer project has been delayed further into early 2021 from planned October/November 2020 time-frame due to Covid-19 continuing to disrupt installation and commissioning of the new production line. The restriction of cross-border travel for engineering & marketing personnel impacts our food technology operations significantly. We now expect the new projects in Food Technology to contribute to the Group's revenue only beginning in 3Q FY2021.

The Covid-19 pandemic is showing no signs of ending and it is expected to impact the Food Technology segment's results for the rest of FY2021.

The Group continues to monitor the Covid-19 situation closely and to optimize its operations to adapt to the challenging business environment in order to mitigate the ongoing impact of the pandemic; however, we are unable to control disruption brought about by external factors such as delays in public and private sector spending on Digital Infrastructure and Media; and restrictions on cross-border travel central to our Food Technology business.

On 30 October 2020, the Group announced the proposed investment and diversification of our business to include the production of rubber gloves, both for industrial and medical examination use. We expect that the proposed investment, if approved, will add both revenue and profits to the Group immediately after completion of the investment, which is expected to close by the end of Q3FY2021.

**4 Profit forecast**

Not applicable.

**5 Tax expense**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 MONTHS ENDED 30-Sep-20 RM'000</b>	<b>3 MONTHS ENDED 30-Sep-19 RM'000</b>	<b>3 MONTHS ENDED 30-Sep-20 RM'000</b>	<b>3 MONTHS ENDED 30-Sep-19 RM'000</b>
Current tax expense				
- Malaysia taxation	111	108	111	108
- Foreign taxation	-	51	-	51
	<u>111</u>	<u>159</u>	<u>111</u>	<u>159</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.

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**PART B:**

**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

**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**

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

On 30 October 2020, the Company announced that its 60% owned subsidiary, PSSB had on 29 October 2020 entered into a Share Sale and Subscription Agreement ("SSSA") for the proposed acquisition of 50.1% equity interest in DSB for a total investment sum of RM40.0 million, details of which is disclosed in paragraph 12 of Part A. DSB is involved in the manufacturing and trading of industrial, specialised and medical examination gloves, and the Board is cautiously optimistic that the diversification into the glove manufacturing business will generate sufficient revenue and income in the foreseeable future to regularise this ALI condition.

The SSSA is subject to approval of the shareholders of DGSB at an Extraordinary General Meeting to be held at a later date.

**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	Approved Utilisation	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	
For the operation of :-					
- QBI packaging Sdn Bhd	-	10,000	1,500	8,500	Within 18 months
Payment of "Golden Handcuff" incentive to Wisit Wirayagorn	-	4,459	3,790	669	Within 24 months
Repayment of short-term borrowings	Completed	6,000	6,000	-	Within 12 months
Proposed special dividend	Completed	3,000	3,000	-	Within 9 months
DGSB working capital	Completed	8,122	8,122	-	Within 9 months
Estimated expenses in relation to the Proposed Disposal	Completed	450	450	-	Immediately
		<b>32,031</b>	<b>22,862</b>	<b>9,169</b>	

**10 Borrowings and debts securities**

The Group's bank borrowings as at 30 September 2020 are as follows:

	RM'000
Short term bank borrowings	
- Finance lease liabilities	4
- Bank overdraft - secured	1,445
Long term bank borrowings	
- Finance lease liabilities	-
	<u>1,449</u>

Incorporated in Malaysia

**PART B:**

**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

**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 September 2020.

**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 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000	3 MONTHS ENDED 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000
(Loss)/Profit after tax attributable to the owners of the parent				
Continuing operations	(1,204)	(657)	(1,204)	(657)
Discontinued operation	-	205	-	205
	<u>(1,204)</u>	<u>(452)</u>	<u>(1,204)</u>	<u>(452)</u>
WA number of ordinary shares in issue ('000)	745,731	745,731	745,731	745,731
Basic profit per ordinary share (sen)				
Continuing operations	(0.16)	(0.09)	(0.16)	(0.09)
Discontinued operation	-	0.03	-	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.

**14 Loss before tax**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000	3 MONTHS ENDED 30-Sep-20 RM'000	3 MONTHS ENDED 30-Sep-19 RM'000
Loss before tax is arrived at after charging:-				
Amortisation of intangible assets	13	-	13	-
Depreciation of property, plant and equipment	155	390	155	390
Depreciation of right-of-use assets	1	102	1	102
Inventories written off	-	19	-	19
Interest expenses	18	146	18	146
Realised loss on foreign exchange	7	1	7	1
Unrealised loss on foreign exchange	332	4	332	4
And crediting:-				
Fair value gain on long term trade receivables	-	220	-	220
Reversal of impairment losses on trade receivables	-	1,323	-	1,323
Interest income	82	86	82	86
Realised gain on foreign exchange	3	1	3	1