

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020



	INDIVIDUAL QUARTER UNAUDITED		CUMULATIVE PERIOD UNAUDITED	
	3 MONTHS 31-Dec-20 RM'000	3 MONTHS 31-Dec-19 RM'000	CURRENT YTD ENDED 6 MONTHS 31-Dec-20 RM'000	UNAUDITED PRECEDING YTD ENDED 6 MONTHS 31-Dec-19 RM'000
Continuing operations				
Revenue	2,904	4,036	6,405	8,265
Cost of sales	(1,216)	(2,125)	(2,797)	(4,211)
Gross profit	1,688	1,911	3,608	4,054
Other operating income	177	342	425	647
Other operating expenses	(3,360)	(2,733)	(6,431)	(5,664)
Finance costs	(19)	(169)	(37)	(315)
Share of loss of an equity-accounted associate	(8)	-	(16)	-
Loss before tax	(1,522)	(649)	(2,451)	(1,278)
Tax expense	(6)	(43)	(117)	(151)
Loss after tax from continuing operations	(1,528)	(692)	(2,568)	(1,429)
Discontinued operation				
Profit from discontinued operation, net of tax	-	1,476	-	1,681
(Loss) / Profit for the financial quarter / year	(1,528)	784	(2,568)	252
Other comprehensive (loss) / income, net of tax - Item that will be reclassified subsequently to profit or loss				
Foreign currency translation for foreign operations, net of tax	(6)	(197)	70	313
Other comprehensive (loss) / income for the financial quarter / year, net of tax	(6)	(197)	70	313
Total comprehensive (loss) / income for the financial quarter / year	(1,534)	587	(2,498)	565
(Loss) / Profit attributable to:-				
Owners of the parent - continuing operations	(1,522)	(673)	(2,726)	(1,331)
- discontinued operation	-	1,476	-	1,681
Non-controlling interests	(6)	(19)	158	(98)
(Loss) / Profit for the financial quarter / year	(1,528)	784	(2,568)	252
Total comprehensive (loss) / income attributable to:-				
Owners of the parent - continuing operations	(1,528)	(870)	(2,656)	(1,018)
- discontinued operation	-	1,476	-	1,681
Non-controlling interests	(6)	(19)	158	(98)
Total comprehensive (loss) / income for the financial quarter / year	(1,534)	587	(2,498)	565
EPS attributable to Owners of the parent (sen)				
- Basic and diluted				
Continuing operations	(0.20)	(0.09)	(0.37)	(0.18)
Discontinued operation	-	0.20	-	0.23
	(0.20)	0.11	(0.37)	0.05

(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 31 DECEMBER 2020**

	UNAUDITED AS AT 31-Dec-20 RM'000	AUDITED AS AT 30-Jun-20 RM'000
Non-Current Assets		
Property, plant and equipment	2,658	1,502
Right-of-use assets	496	497
Intangible assets	235	197
Goodwill on consolidation	730	729
Investment in an associate	185	201
	<u>4,304</u>	<u>3,126</u>
Current Assets		
Inventories	2,678	1,999
Trade receivables	14,441	16,814
Other receivables, deposits and prepayments	3,437	1,888
Current tax assets	414	1,343
Cash and bank balances	28,037	31,291
	<u>49,007</u>	<u>53,335</u>
TOTAL ASSETS	<u>53,311</u>	<u>56,461</u>
Equity attributable to owners of the parent		
Share capital	60,054	60,054
Reverse acquisition reserve	(131,013)	(131,013)
Exchange translation reserve	(3,358)	(3,428)
Retained earnings	115,372	118,098
	<u>41,055</u>	<u>43,711</u>
Non-controlling interest	826	668
TOTAL EQUITY	<u>41,881</u>	<u>44,379</u>
Non-Current Liabilities		
Lease liabilities/Finance lease liabilities	321	320
Provision for restoration cost	32	32
	<u>353</u>	<u>352</u>
Current Liabilities		
Trade payables	1,247	1,541
Other payables, deposits and accruals	8,330	8,146
Bank overdraft	1,149	1,797
Lease liabilities/Finance lease liabilities	208	213
Current tax payables	143	33
	<u>11,077</u>	<u>11,730</u>
TOTAL LIABILITIES	<u>11,430</u>	<u>12,082</u>
TOTAL EQUITY AND LIABILITIES	<u>53,311</u>	<u>56,461</u>
Net assets per share* (sen)	<u>5.51</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 31 DECEMBER 2020



	←----- Attributable to owners of the Parent -----→						
	←----- 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	Total equity RM'000
Unaudited Six Months Financial Period Ended 31 December 2020							
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	-	-	-	(2,726)	(2,726)	158	(2,568)
Foreign currency translation for foreign operations, net of tax	-	-	70	-	70	-	70
Total comprehensive (loss) / income for the financial period	-	-	70	(2,726)	(2,656)	158	(2,498)
Balance as at 31 December 2020	<u>60,054</u>	<u>(131,013)</u>	<u>(3,358)</u>	<u>115,372</u>	<u>41,055</u>	<u>826</u>	<u>41,881</u>

	←----- Attributable to owners of the Parent -----→						
	←----- 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	Total equity RM'000
Unaudited Six Months Financial Period Ended 31 December 2019							
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
Profit for the financial period	-	-	-	154	154	98	252
Foreign currency translation for foreign operations, net of tax	-	-	313	-	313	-	313
Deconsol of a subsidiary	-	-	99	-	99	-	99
Total comprehensive income for the financial period	-	-	412	154	566	98	664
Balance as at 31 December 2019	<u>60,054</u>	<u>(131,013)</u>	<u>(121)</u>	<u>126,814</u>	<u>55,734</u>	<u>619</u>	<u>56,353</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.)



**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	UNAUDITED CURRENT YEAR TO DATE ENDED 31-Dec-20 RM'000	UNAUDITED PRECEDING FINANCIAL PERIOD ENDED 31-Dec-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax from :		
- continuing operations	(2,451)	2,100
- discontinued operation	-	(1,278)
	<u>(2,451)</u>	<u>822</u>
Adjustment for non-cash items:		
Amortisation of intangible assets	27	-
Depreciation of property, plant and equipment	306	757
Depreciation of right-of-use assets	1	-
Fair value adjustments on non-current trade receivables	-	(439)
Gain on disposal of property, plant & equipment	(6)	(1)
Impairment losses on trade receivables	-	1,189
Interest expense	37	315
Interest income	(142)	(208)
Inventories written off/written down	1	35
Net movement for post-employment benefits	-	480
Net unrealised loss/(gain) on foreign exchange	699	(71)
Property, plant & equipment written off	2	-
Reversal of impairment losses on trade receivables	-	(8)
Share of loss of an equity-accounted associate	16	-
	<u>(1,510)</u>	<u>2,871</u>
Operating (loss)/profit before working capital changes		
Net changes in assets	595	(7,128)
Net changes in liabilities	(1,456)	(4,314)
	<u>(2,371)</u>	<u>(8,571)</u>
Cash used in operations		
Tax paid	(110)	(138)
Tax refund	1,032	584
	<u>(1,449)</u>	<u>(8,125)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,467)	(618)
Purchase of intangible assets	(65)	-
Investment in an associate	-	(245)
Placement of deposits with licensed banks	(63)	(910)
Placement of deposits with licensed banks with maturity more than three months	-	(4)
Proceed from disposal of property, plant and equipment	8	(1)
Acquisition of subsidiary, net of cash acquired	(1)	-
Interest received	142	208
	<u>(1,446)</u>	<u>(1,570)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to related parties	906	-
Repayment of lease liabilities/finance lease liabilities	(4)	(5)
Interest paid	(37)	(315)
	<u>865</u>	<u>(320)</u>
Net cash from/(used in) financing activities		
Net change in cash and cash equivalents	(2,030)	(10,015)
Cash and cash equivalents at beginning of financial year	22,723	14,374
Effect of foreign exchange on opening balance	(641)	(213)
	<u>20,052</u>	<u>4,146</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			
Six Months Financial Period Ended 31 December 2020							
External sales	-	4,072	2,311	22	6,405	-	6,405
Inter segment sales	-	-	-	240	240	(240)	-
Total sales	-	4,072	2,311	262	6,645	(240)	6,405
Segment results	-	(924)	(88)	(1,544)	(2,556)	-	(2,556)
Finance costs	-	(37)	-	-	(37)	-	(37)
Interest Income	-	63	5	74	142	-	142
Loss before tax	-	(898)	(83)	(1,470)	(2,451)	-	(2,451)
Taxation	-	(117)	-	-	(117)	-	(117)
Loss for the year	-	(1,015)	(83)	(1,470)	(2,568)	-	(2,568)
Segment assets	-	29,565	3,239	68,357	101,161	(47,850)	53,311
Six Months Financial Period Ended 31 December 2019							
External sales	40,845	5,705	2,560	-	8,265	-	49,110
Inter segment sales	-	-	-	242	242	(242)	-
Total sales	40,845	5,705	2,560	242	8,507	(242)	49,110
Segment results	2,064	(960)	437	(612)	(1,135)	-	929
Finance costs	-	(315)	-	-	(315)	-	(315)
Interest Income	36	111	-	61	172	-	208
Loss before tax	2,100	(1,164)	437	(551)	(1,278)	-	822
Taxation	(419)	-	(105)	(46)	(151)	-	(570)
Loss for the year	1,681	(1,164)	332	(597)	(1,429)	-	252
Segment assets	47,936	42,579	2,440	49,952	94,971	(40,569)	102,338

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	642
Customer B	1,898

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-20 RM'000	3 MONTHS ENDED 31-Dec-19 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-19 RM'000
Sale of goods and services to related parties	50	513	138	1,166
Purchase of goods and services from related parties	8	134	9	134
Corporate secretarial services fees paid/payable to related parties	33	51	48	60
Consultancy services fees paid/payable to a related party	-	161	-	161
Share office, network, data center and other services	64	(11)	135	(20)

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

There were no material events subsequent to the end of the quarter under review.

13 Change in the composition of the Group

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.

There were no other 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>513</u>

15 Cash and bank balances

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

	AS AT 31-Dec-20 RM'000
Cash and bank balances	14,029
Fixed deposits with licensed financial institutions	<u>14,007</u>
	28,036
Less: Fixed deposits pledged with licensed banks	(6,835)
Less: Bank overdraft	<u>(1,149)</u>
	<u>20,052</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 31 DECEMBER 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 31-Dec-20 RM'000	3 MONTHS ENDED 31-Dec-19 RM'000	Variance %	6 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-19 RM'000	Variance %
Continuing operations						
Digital, Infrastructure & Integration Services	1,922	3,043	(36.8)	4,072	5,705	(28.6)
Food Manufacturing	969	993	(2.4)	2,311	2,560	(9.7)
Others	133	122	9.0	262	242	8.3
	<u>3,024</u>	<u>4,158</u>	<u>(27.3)</u>	<u>6,645</u>	<u>8,507</u>	<u>(21.9)</u>
Less : Inter Segment Revenue	(120)	(122)		(240)	(242)	
External Revenue	<u>2,904</u>	<u>4,036</u>	<u>(28.0)</u>	<u>6,405</u>	<u>8,265</u>	<u>(22.5)</u>
Revenue from discontinued operation						
Business Performance Services	<u>-</u>	<u>23,880</u>	<u>>-100.0</u>	<u>-</u>	<u>40,845</u>	<u>>-100.0</u>
Total Group Revenue	<u>2,904</u>	<u>27,916</u>	<u>(89.6)</u>	<u>6,405</u>	<u>49,110</u>	<u>(87.0)</u>

The Group recorded revenue of RM2.90 million for the quarter ended 31 December 2020, a decrease of RM1.13 million (28.0%) against revenue achieved in the previous corresponding quarter. The lower revenue was attributable to the lower billings generated 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 31-Dec-20 RM'000	3 MONTHS ENDED 31-Dec-19 RM'000	Variance %	6 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-19 RM'000	Variance %
Continuing operations						
Digital, Infrastructure & Integration Services	(743)	(476)	(56.1)	(898)	(1,164)	22.9
Food Manufacturing	(46)	91	>-100.0	(83)	437	>-100.0
Others	(733)	(264)	>-100.0	(1,470)	(551)	>-100.0
Loss before tax	<u>(1,522)</u>	<u>(649)</u>	<u>>-100.0</u>	<u>(2,451)</u>	<u>(1,278)</u>	<u>(91.8)</u>
Profit before tax from discontinued operation						
Business Performance Services	<u>-</u>	<u>1,844</u>	<u>>-100.0</u>	<u>-</u>	<u>2,100</u>	<u>>-100.0</u>
(Loss)/Profit before tax	<u>(1,522)</u>	<u>1,195</u>	<u>>-100.0</u>	<u>(2,451)</u>	<u>822</u>	<u>>-100.0</u>

In the financial quarter under review, the Group recorded loss before tax of RM1.52 million, compared to loss before tax of RM0.65 million in the corresponding financial period of the preceding financial period which due to lower billings generated from Digital, Infrastructure & Integration Services; higher staff costs due to new recruitment for business, product and project development; and unrealised loss on foreign exchange for the current quarter under review.

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PART B:

EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Variation of results against preceding quarter

	3 months ended 31-Dec-20 RM'000	3 months ended 30-Sep-20 RM'000
Revenue		
Continuing operations	2,904	3,501
Discontinued operation	-	-
	<u>2,904</u>	<u>3,501</u>
Loss before tax		
Continuing operations	(1,522)	(929)
Discontinued operation	-	-
	<u>(1,522)</u>	<u>(929)</u>

The Group's revenue for the current quarter was RM0.60 mil lower compared to the immediate preceding quarter due to lower billings generated under Digital, Infrastructure & Integration Services segment. The Group is impacted by the slowdown in the rolling out of infrastructure and integration projects as well as new sales due to movement control during the quarter.

3 Prospects

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

For FY2021, the operating environment for the Digital Infrastructure segment under DGB is expected to remain challenging with the delay of the government's rollout of 5G spectrum and NFCP; delays in rollout of infrastructure projects in the private sector arising from the movement restriction (work-from-home) and general economic slowdown 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 due to stricter movement control restrictions reimposed during the current quarter under review. However, we expect rollout to speed up during the rest of FY2021.

QBI's factory operations for the ghee and dry packaging remained normal during current quarter due to exemption from MCO rules; business development is however curtailed. The dry packaging business has been impacted by poor demand due to severe downturn in the HORECA sector of the economy. The installation and commissioning of the new production line for the new sweetened creamer project has progressed slower than expected due in part to a Covid infection at the site in Oct 2020 resulting in internal enhanced movement restrictions. Commissioning and start of production is now expected to complete only in Q4 FY2021.

The continuing Covid-19 pandemic is showing no signs of abating during FY2021 and is expected to continue to impact both Digital, Infrastructure & Integration & Food Technology segment's results for the rest of FY2021. Recent good news at the Covid-19 vaccine front give hope for a strong economic recovery during FY2022. Meanwhile, the Group will continue to monitor the Covid-19 situation closely and to optimize constantly its operations to adapt to the ongoing impact of the pandemic while pushing to roll out continuing projects in all the business segments in anticipation of a strong post-Covid-19 recovery.

4 Profit forecast

Not applicable.

5 Tax expense

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Dec-20 RM'000	3 MONTHS ENDED 31-Dec-19 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-19 RM'000
Current tax expense				
- Malaysia taxation	6	43	117	151
- Foreign taxation	-	368	-	419
	<u>6</u>	<u>411</u>	<u>117</u>	<u>570</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 31 DECEMBER 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 Duramitt Sdn Bhd ("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	3,000	7,000	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
		32,031	24,362	7,669	

10 Borrowings and debts securities

The Group's bank borrowings as at 31 December 2020 are as follows:

	RM'000
Short term bank borrowings	
- Finance lease liabilities	3
- Bank overdraft - secured	1,149
Long term bank borrowings	
- Finance lease liabilities	-
	1,152

11 Changes in material litigation

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

Incorporated in Malaysia

PART B:

EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Dividends

No dividends have been recommended during the quarter ended 31 December 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 31-Dec-20 RM'000	3 MONTHS ENDED 31-Dec-19 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-19 RM'000
(Loss)/Profit after tax attributable to the owners of the parent				
Continuing operations	(1,522)	(673)	(2,726)	(1,331)
Discontinued operation	-	1,476	-	1,681
	<u>(1,522)</u>	<u>803</u>	<u>(2,726)</u>	<u>350</u>
WA number of ordinary shares in issue ('000)	745,731	745,731	745,731	745,731
Basic (loss)/profit per ordinary share (sen)				
Continuing operations	(0.20)	(0.09)	(0.37)	(0.18)
Discontinued operation	-	0.20	-	0.23

(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 31-Dec-20 RM'000	3 MONTHS ENDED 31-Dec-19 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-19 RM'000
Loss before tax is arrived at after charging:-				
Amortisation of intangible assets	14	-	27	-
Depreciation of property, plant and equipment	151	265	306	757
Depreciation of right-of-use assets	-	-	1	-
Impairment loss on trade receivables	-	1,189	-	1,189
Inventories written off	1	35	1	35
Interest expenses	19	169	37	315
Net movement for post-employment benefits	-	480	-	480
Property, plant and equipment written off	2	-	2	-
Realised loss on foreign exchange	4	(1)	11	-
Unrealised loss on foreign exchange	367	(4)	699	-
And crediting:-				
Fair value gain on long term trade receivables	-	219	-	439
Reversal of impairment losses on trade receivables	-	-	-	8
Gain on disposal of property, plant and equipment	6	1	6	1
Interest income	60	122	142	208
Realised gain on foreign exchange	(3)	(1)	-	-
Unrealised gain on foreign exchange	-	-	-	71