

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021



	INDIVIDUAL QUARTER UNAUDITED		CUMULATIVE PERIOD UNAUDITED	
	3 MONTHS 31-Mar-21 RM'000	3 MONTHS 31-Mar-20 RM'000	CURRENT YTD ENDED 9 MONTHS 31-Mar-21 RM'000	CORRESPONDING PRECEDING YTD ENDED 9 MONTHS 31-Mar-20 RM'000
<b>Continuing operations</b>				
Revenue	3,130	3,251	9,535	11,516
Cost of sales	<u>(1,692)</u>	<u>(1,592)</u>	<u>(4,489)</u>	<u>(5,803)</u>
Gross profit	1,438	1,659	5,046	5,713
Other operating income	448	7,659	873	8,306
Other operating expenses	(2,804)	(7,591)	(9,235)	(13,255)
Finance costs	(78)	(75)	(115)	(390)
Share of loss of an equity-accounted associate	(11)	(36)	(27)	(36)
<b>(Loss) / Profit before tax</b>	<u>(1,007)</u>	<u>1,616</u>	<u>(3,458)</u>	<u>338</u>
Tax (expense)/income	(44)	25	(161)	(126)
<b>(Loss) / Profit after tax from continuing operations</b>	<u>(1,051)</u>	<u>1,641</u>	<u>(3,619)</u>	<u>212</u>
<b>Discontinued operation</b>				
Profit from discontinued operation, net of tax	-	-	-	1,681
<b>(Loss) / Profit for the financial quarter / year</b>	<u>(1,051)</u>	<u>1,641</u>	<u>(3,619)</u>	<u>1,893</u>
<b>Other comprehensive (loss) / 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	(99)	(54)	(29)	259
<b>Other comprehensive (loss) / income for the financial quarter / year, net of tax</b>	<u>(99)</u>	<u>(54)</u>	<u>(29)</u>	<u>259</u>
<b>Total comprehensive (loss) / income for the financial quarter / year</b>	<u>(1,150)</u>	<u>1,587</u>	<u>(3,648)</u>	<u>2,152</u>
<b>(Loss) / Profit attributable to:-</b>				
Owners of the parent - continuing operations	(1,076)	1,618	(3,802)	287
- discontinued operation	-	-	-	1,681
Non-controlling interests	25	23	183	(75)
<b>(Loss) / Profit for the financial quarter / year</b>	<u>(1,051)</u>	<u>1,641</u>	<u>(3,619)</u>	<u>1,893</u>
<b>Total comprehensive (loss) / income attributable to:-</b>				
Owners of the parent - continuing operations	(1,175)	1,564	(3,831)	546
- discontinued operation	-	-	-	1,681
Non-controlling interests	25	23	183	(75)
<b>Total comprehensive (loss) / income for the financial quarter / year</b>	<u>(1,150)</u>	<u>1,587</u>	<u>(3,648)</u>	<u>2,152</u>
<b>EPS attributable to Owners of the parent (sen)</b>				
<b>- Basic and diluted</b>				
Continuing operations	(0.14)	0.22	(0.51)	0.04
Discontinued operation	-	-	-	0.23
	<u>(0.14)</u>	<u>0.22</u>	<u>(0.51)</u>	<u>0.27</u>

(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 MARCH 2021

	UNAUDITED AS AT 31-Mar-21 RM'000	AUDITED AS AT 30-Jun-20 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	3,323	1,502
Right-of-use assets	417	497
Intangible assets	222	197
Goodwill on consolidation	730	729
Investment in an associate	174	201
	4,866	3,126
<b>Current Assets</b>		
Inventories	3,014	1,999
Trade receivables	16,241	16,814
Other receivables, deposits and prepayments	6,168	1,888
Current tax assets	456	1,343
Cash and bank balances	26,330	31,291
	52,209	53,335
<b>TOTAL ASSETS</b>	57,075	56,461
<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	(3,457)	(3,428)
Retained earnings	114,296	118,098
	39,880	43,711
Non-controlling interest	851	668
<b>TOTAL EQUITY</b>	40,731	44,379
<b>Non-Current Liabilities</b>		
Lease liabilities/Finance lease liabilities	284	320
Provision for restoration cost	34	32
	318	352
<b>Current Liabilities</b>		
Trade payables	1,989	1,541
Other payables, deposits and accruals	9,772	8,146
Bank overdraft	4,039	1,797
Lease liabilities/Finance lease liabilities	119	213
Current tax payables	107	33
	16,026	11,730
<b>TOTAL LIABILITIES</b>	16,344	12,082
<b>TOTAL EQUITY AND LIABILITIES</b>	57,075	56,461
<b>Net assets per share* (sen)</b>	5.35	5.86

\* 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 MARCH 2021

	<----- 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
<b>Unaudited Ninth Months Financial Period Ended 31 March 2021</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	-	-	-	(3,802)	(3,802)	183	(3,619)
Foreign currency translation for foreign operations, net of tax	-	-	(29)	-	(29)	-	(29)
Total comprehensive (loss) / income for the financial period	-	-	(29)	(3,802)	(3,831)	183	(3,648)
Balance as at 31 March 2021	<u>60,054</u>	<u>(131,013)</u>	<u>(3,457)</u>	<u>114,296</u>	<u>39,880</u>	<u>851</u>	<u>40,731</u>

	<----- 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
<b>Unaudited Ninth Months Financial Period Ended 31 March 2020</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
Profit for the financial period	-	-	-	1,818	1,818	75	1,893
Foreign currency translation for foreign operations, net of tax	-	-	259	-	259	-	259
Disposal of a subsidiary	-	-	(3,110)	-	(3,110)	-	(3,110)
Deconsol of a subsidiary	-	-	99	-	99	-	99
Acquisition of a subsidiary	-	-	-	-	-	50	50
Total comprehensive income for the financial period	-	-	(2,752)	1,818	(934)	125	(809)
Balance as at 31 March 2020	<u>60,054</u>	<u>(131,013)</u>	<u>(3,285)</u>	<u>128,478</u>	<u>54,234</u>	<u>646</u>	<u>54,880</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 MARCH 2021**

	<b>UNAUDITED CURRENT YEAR TO DATE ENDED 31-Mar-21 RM'000</b>	<b>UNAUDITED PRECEDING FINANCIAL PERIOD ENDED 31-Mar-20 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax from :		
- continuing operations	(3,458)	338
- discontinued operation	-	2,100
	<u>(3,458)</u>	<u>2,438</u>
Adjustment for non-cash items:		
Bad debts written off	-	24
Amortisation of intangible assets	40	-
Depreciation of property, plant and equipment	461	901
Depreciation of right-of-use assets	180	-
Fair value adjustments on non-current trade receivables	-	(659)
Gain on derecognition of lease creditor	(31)	-
Gain on disposal of property, plant and equipment	(111)	(1)
Gain on disposal of a subsidiary	-	(7,122)
Impairment losses on trade receivables	-	1,189
Interest expense	115	390
Interest income	(194)	(319)
Inventories written off/written down	252	46
Loss on deconsolidate of a subsidiary	-	99
Net movement for post-employment benefits	-	480
Net unrealised loss/(gain) on foreign exchange	387	(50)
Property, plant and equipment written off	51	-
Reversal of impairment losses on trade receivables	-	(8)
Share of loss of an equity-accounted associate	27	-
	<u>(2,281)</u>	<u>(2,592)</u>
Operating loss before working capital changes		
Net changes in assets	(4,626)	(4,154)
Net changes in liabilities	601	(7,777)
	<u>(6,306)</u>	<u>(14,523)</u>
Cash used in operations		
Tax paid	(233)	(288)
Tax refund	1,032	584
	<u>(5,507)</u>	<u>(14,227)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,336)	(869)
Purchase of intangible assets	(65)	-
Investment in an associate	-	(208)
Net (placement)/withdrawal of deposits with licensed banks	(90)	5,212
Placement of deposits with licensed banks with maturity more than three months	(1)	(4)
Proceed from disposal of property, plant and equipment	114	1
Proceed from disposal of a subsidiary, net of cash disposal	-	22,167
Acquisition of subsidiary, net of cash acquired	(1)	50
Interest received	194	319
	<u>(2,185)</u>	<u>26,668</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment from related parties	1,109	-
Repayment of lease liabilities/finance lease liabilities	(198)	(8)
Interest paid	(115)	(390)
	<u>796</u>	<u>(398)</u>
Net cash from/(used in) financing activities		
Net change in cash and cash equivalents	(6,896)	12,043
Cash and cash equivalents at beginning of financial year	22,723	14,374
Effect of foreign exchange on opening balance	(398)	(354)
	<u>15,429</u>	<u>26,063</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 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><u>Ninth Months Financial Period Ended 31 March 2021</u></b>							
External sales	-	6,062	3,417	56	9,535	-	9,535
Inter segment sales	-	-	-	360	360	(360)	-
Total sales	-	6,062	3,417	416	9,895	(360)	9,535
Segment results	-	(1,769)	(124)	(1,644)	(3,537)	-	(3,537)
Finance costs	-	(115)	-	-	(115)	-	(115)
Interest Income	-	91	7	96	194	-	194
Loss before tax	-	(1,793)	(117)	(1,548)	(3,458)	-	(3,458)
Taxation	-	(144)	(17)	-	(161)	-	(161)
Loss for the year	-	(1,937)	(134)	(1,548)	(3,619)	-	(3,619)
Segment assets	-	34,010	4,857	68,218	107,085	(50,010)	57,075
<b><u>Ninth Months Financial Period Ended 31 March 2020</u></b>							
External sales	40,845	7,845	3,668	3	11,516	-	52,361
Inter segment sales	-	-	-	450	450	(450)	-
Total sales	40,845	7,845	3,668	453	11,966	(450)	52,361
Segment results	2,064	(1,347)	316	1,476	445	-	2,509
Finance costs	-	(390)	-	-	(390)	-	(390)
Interest Income	36	162	21	100	283	-	319
Profit/(Loss) before tax	2,100	(1,575)	337	1,576	338	-	2,438
Taxation	(419)	-	(83)	(43)	(126)	-	(545)
Profit/(Loss) for the year	1,681	(1,575)	254	1,533	212	-	1,893
Segment assets	44,543	39,167	2,539	75,277	116,983	(93,740)	67,786

**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	<b>RM'000</b>
	<b>2,958</b>

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

**10 Related Party Disclosures**

Significant related party transactions are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-21 RM'000	3 MONTHS ENDED 31-Mar-20 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-20 RM'000
Sale of goods and services to related parties	53	72	191	1,238
Purchase of goods and services from related parties	27	-	36	134
Corporate secretarial services fees paid/payable to related parties	13	12	61	72
Consultancy services fees paid/payable to a related party	-	139	-	300
Share office, network, data center and other services	59	58	194	113

**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**

12.1 On 22 April 2021, DGSB convened the Extraordinary General Meeting ("EGM") on the following Proposals :

a) Proposed investment in Duramitt Sdn Bhd ("DSB") comprising :

- (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 RM15.0 million new redeemable preference shares in DSB.

b) Proposed diversification of the principal activities of DGSB and its subsidiaries to include the sale, manufacturing and trading of industrial and examination gloves.

All of the above Proposals were approved by the Shareholders at the EGM.

12.2 On 3 May 2021, DGSB announced that DSB and PSSB have mutually agreed to extend the completion date for fulfilment of the Conditions Precedent stated in the SSSA for an additional period of 2 months from 30 April 2021 to 30 June 2021.

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

**13 Change in the composition of the Group**

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

**14 Changes in contingent liabilities or contingent assets**

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

	<b>RM'000</b>
Bank guarantees given by financial institutions in respect of projects of the Group	<u>726</u>



**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</b> <b>31-Mar-21</b> <b>RM'000</b>
Cash and bank balances	14,595
Fixed deposits with licensed financial institutions	11,735
	<hr/>
	26,330
Less: Fixed deposits pledged with licensed banks	(6,862)
Less: Bank overdraft	(4,039)
	<hr/>
	15,429
	<hr/>



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**PART B:**

**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

**1 Detailed analysis of performance**

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 31-Mar-21 RM'000	3 MONTHS ENDED 31-Mar-20 RM'000	Variance %	9 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-20 RM'000	Variance %
<b>Continuing operations</b>						
Digital, Infrastructure & Integration Services	1,990	2,140	(7.0)	6,062	7,845	(22.7)
Food Manufacturing	1,106	1,108	(0.2)	3,417	3,668	(6.8)
Others	154	211	(27.0)	416	453	(8.2)
	<u>3,250</u>	<u>3,459</u>	(6.0)	<u>9,895</u>	<u>11,966</u>	(17.3)
Less : Inter Segment Revenue	(120)	(208)		(360)	(450)	
External Revenue	<u>3,130</u>	<u>3,251</u>	(3.7)	<u>9,535</u>	<u>11,516</u>	(17.2)
<b>Revenue from discontinued operation</b>						
Business Performance Services	-	-		-	40,845	>-100.0
<b>Total Group Revenue</b>	<u>3,130</u>	<u>3,251</u>	(3.7)	<u>9,535</u>	<u>52,361</u>	(81.8)

The Group recorded revenue of RM3.13 million for the quarter ended 31 March 2021, slight decrease of RM0.12 million (3.7%) 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-Mar-21 RM'000	3 MONTHS ENDED 31-Mar-20 RM'000	Variance %	9 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-20 RM'000	Variance %
<b>Continuing operations</b>						
Digital, Infrastructure & Integration Services	(895)	(411)	>-100.0	(1,793)	(1,575)	(13.8)
Food Manufacturing	(34)	(100)	66.0	(117)	337	>-100.0
Others	(78)	2,127	>-100.0	(1,548)	1,576	>-100.0
Loss before tax	<u>(1,007)</u>	<u>1,616</u>	>-100.0	<u>(3,458)</u>	<u>338</u>	>-100.0
<b>Profit before tax from discontinued operation</b>						
Business Performance Services	-	-		-	2,100	>-100.0
<b>(Loss)/Profit before tax</b>	<u>(1,007)</u>	<u>1,616</u>	>-100.0	<u>(3,458)</u>	<u>2,438</u>	>-100.0

In the financial quarter under review, the Group recorded loss before tax of RM1.01 million, compared to profit before tax of RM1.62 million in the corresponding financial period of the preceding financial period which due to gain on disposal of ISST in the corresponding financial period under review.

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**PART B:**

**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

**2 Variation of results against preceding quarter**

	<b>3 months ended 31-Mar-21 RM'000</b>	<b>3 months ended 31-Dec-20 RM'000</b>
Revenue		
Continuing operations	3,130	2,904
Discontinued operation	-	-
	<u>3,130</u>	<u>2,904</u>
Loss before tax		
Continuing operations	(1,007)	(1,522)
Discontinued operation	-	-
	<u>(1,007)</u>	<u>(1,522)</u>

The Group's revenue for the current quarter was RM0.23 mil higher compared to the immediate preceding quarter due to higher billings generated under Digital, Infrastructure & Integration Services segment.

**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 improving but remains challenged with increased Covid infection rates in recent weeks and the impact of MCO3.0. It is unclear the extent to which these recent Covid developments will have impact on the pending government's rollout of 5G projects, and the recovery in rollout of network infrastructure projects in the enterprise sectors in recent months. Our media linked Vendlah vending machines which commenced rollout in early 2020 have increased to 80 units in ubiquitous locations in the Klang Valley. The pipelines for DGB and Vendlah are healthy save for the uncertain impact of Covid.

QBI's food manufacturing business continues to be affected due to continued slowdown in the HORECA sector of the economy. Notwithstanding this, QBI is expected to rollout new ghee and ghee blend products at the start of FY2022. The commissioning of the new production line for the new sweetened creamer project continues to be hampered by quarantine restrictions for cross border travel. Production of the creamer products is now expected to commence only in Q1 FY2022.

The Group is currently undergoing final due diligence work on the Duramitt acquisition and investment, which should be completed during Q4 FY2021. The uncertainties surrounding new Covid variants is expect to help keep demand for Duramitt's products strong.

Meanwhile, the Group will continue to monitor the Covid-19 situation closely and to optimize constantly its operations to adapt to the variances of the pandemic while pushing to expand pipelines and fulfil order books in all the business segments in anticipation of a strong and much delayed post-Covid-19 recovery.

**4 Profit forecast**

Not applicable.

**5 Tax expense**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 MONTHS ENDED 31-Mar-21 RM'000</b>	<b>3 MONTHS ENDED 31-Mar-20 RM'000</b>	<b>9 MONTHS ENDED 31-Mar-21 RM'000</b>	<b>9 MONTHS ENDED 31-Mar-20 RM'000</b>
Current tax expense				
- Malaysia taxation	27	(27)	144	124
- Foreign taxation	-	-	-	419
Under provision in prior year				
- Malaysia taxation	17	2	17	2
	<u>44</u>	<u>(25)</u>	<u>161</u>	<u>545</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.

Incorporated in Malaysia

**PART B:**

**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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 12.1a. 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 shareholders of DGSB have approved the proposed acquisition of 50.1% equity interest in DSB at an EGM held on 22 April 2021. The completion of the Proposals are currently pending the fulfilment of the conditions precedent of the relevant agreements entered in relation thereto.

On 3 May 2021, DGSB announced that DSB and PSSB have mutually agreed to extend the completion date for fulfilment of the Conditions Precedent stated in the SSSA for an additional period of 2 months from 30 April 2021 to 30 June 2021.

**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 Wirayagom	-	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>24,362</b>	<b>7,669</b>	

**10 Borrowings and debts securities**

The Group's bank borrowings as at 31 March 2021 are as follows:

	RM'000
Short term bank borrowings	
- Finance lease liabilities	4
- Bank overdraft - secured	4,039
Long term bank borrowings	
- Finance lease liabilities	-
	<u>4,043</u>

**11 Changes in material litigation**

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

**PART B:**  
**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

**12 Dividends**

No dividends have been recommended during the quarter ended 31 March 2021.

**13 Earnings per ordinary share**

**(a) Basic earnings per ordinary share**

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-21 RM'000	3 MONTHS ENDED 31-Mar-20 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-20 RM'000
(Loss)/Profit after tax attributable to the owners of the parent				
Continuing operations	(1,076)	1,618	(3,802)	287
Discontinued operation	-	-	-	1,681
	<u>(1,076)</u>	<u>1,618</u>	<u>(3,802)</u>	<u>1,968</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	(0.14)	0.22	(0.51)	0.04
Discontinued operation	-	-	-	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)/Profit before tax**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-21 RM'000	3 MONTHS ENDED 31-Mar-20 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-20 RM'000
(Loss)/Profit before tax is arrived at after charging:-				
Amortisation of intangible assets	13	-	40	-
Bad debts written off	-	24	-	24
Depreciation of property, plant and equipment	155	144	461	901
Depreciation of right-of-use assets	179	-	180	-
Impairment loss on trade receivables	-	-	-	1,189
Inventories written off	251	11	252	46
Interest expenses	78	75	115	390
Loss on deconsolidate of a subsidiary	-	99	-	99
Net movement for post-employment benefits	-	-	-	480
Property, plant and equipment written off	49	-	51	-
Realised loss on foreign exchange	(11)	-	-	-
Unrealised loss on foreign exchange	(312)	-	387	-



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**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Mar-21 RM'000	3 MONTHS ENDED 31-Mar-20 RM'000	9 MONTHS ENDED 31-Mar-21 RM'000	9 MONTHS ENDED 31-Mar-20 RM'000
And crediting:-				
Fair value gain on long term trade receivables	-	220	-	659
Reversal of impairment losses on trade receivables	-	-	-	8
Gain on derecognition of lease creditor	31	-	31	-
Gain on disposal of property, plant and equipment	105	-	111	1
Gain on disposal of a subsidiary	-	7,122	-	7,122
Interest income	52	111	194	319
Unrealised gain on foreign exchange	-	(21)	-	50