

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021



	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	3 MONTHS 30-Jun-21 RM'000	3 MONTHS 30-Jun-20 RM'000	CURRENT YTD ENDED 12 MONTHS 30-Jun-21 RM'000	CORRESPONDING PRECEDING YTD ENDED 12 MONTHS 30-Jun-20 RM'000
Continuing operations				
Revenue	4,500	2,951	14,035	14,467
Cost of sales	<u>(3,227)</u>	<u>(1,544)</u>	<u>(7,716)</u>	<u>(7,347)</u>
Gross profit	1,273	1,407	6,319	7,120
Other operating income	(101)	1,972	772	10,278
Other operating expenses	(16,279)	(7,652)	(25,514)	(20,908)
Finance costs	(84)	(95)	(199)	(485)
Share of loss of an equity-accounted associate	(12)	(8)	(39)	(44)
Loss before tax	<u>(15,203)</u>	<u>(4,376)</u>	<u>(18,661)</u>	<u>(4,039)</u>
Tax (expense)/income	36	(3,793)	(125)	(3,919)
Loss after tax from continuing operations	<u>(15,167)</u>	<u>(8,169)</u>	<u>(18,786)</u>	<u>(7,958)</u>
Discontinued operation				
Profit from discontinued operation, net of tax	-	795	-	2,476
Loss for the financial quarter / year	<u>(15,167)</u>	<u>(7,374)</u>	<u>(18,786)</u>	<u>(5,482)</u>
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	(31)	132	(60)	391
Other comprehensive (loss) / income for the financial quarter / year, net of tax	<u>(31)</u>	<u>132</u>	<u>(60)</u>	<u>391</u>
Total comprehensive loss for the financial quarter / year	<u>(15,198)</u>	<u>(7,242)</u>	<u>(18,846)</u>	<u>(5,091)</u>
(Loss) / Profit attributable to:-				
Owners of the parent - continuing operations	(14,824)	(8,340)	(18,626)	(8,054)
- discontinued operation	-	795	-	2,476
Non-controlling interests	(343)	171	(160)	96
Loss for the financial quarter / year	<u>(15,167)</u>	<u>(7,374)</u>	<u>(18,786)</u>	<u>(5,482)</u>
Total comprehensive (loss) / income attributable to:-				
Owners of the parent - continuing operations	(14,855)	(8,208)	(18,686)	(7,663)
- discontinued operation	-	795	-	2,476
Non-controlling interests	(343)	171	(160)	96
Total comprehensive loss for the financial quarter / year	<u>(15,198)</u>	<u>(7,242)</u>	<u>(18,846)</u>	<u>(5,091)</u>
EPS attributable to Owners of the parent (sen)				
- Basic and diluted				
Continuing operations	(1.99)	(1.12)	(2.50)	(1.08)
Discontinued operation	-	0.11	-	0.33
	<u>(1.99)</u>	<u>(1.01)</u>	<u>(2.50)</u>	<u>(0.75)</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 30 JUNE 2021

	UNAUDITED AS AT 30-Jun-21 RM'000	AUDITED AS AT 30-Jun-20 RM'000
Non-Current Assets		
Property, plant and equipment	4,746	1,502
Right-of-use assets	355	497
Intangible assets	800	197
Goodwill on consolidation	732	729
Investment in an associate	162	201
	<u>6,795</u>	<u>3,126</u>
Current Assets		
Inventories	1,854	1,999
Trade receivables	4,285	16,814
Other receivables, deposits and prepayments	4,557	1,888
Current tax assets	501	1,343
Cash and bank balances	24,479	31,291
	<u>35,676</u>	<u>53,335</u>
TOTAL ASSETS	<u>42,471</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	(3,488)	(3,428)
Retained earnings	99,472	118,098
	<u>25,025</u>	<u>43,711</u>
Non-controlling interest	537	668
TOTAL EQUITY	<u>25,562</u>	<u>44,379</u>
Non-Current Liabilities		
Lease liabilities/Finance lease liabilities	243	320
Provision for restoration cost	34	32
	<u>277</u>	<u>352</u>
Current Liabilities		
Trade payables	300	1,541
Other payables, deposits and accruals	11,504	8,146
Bank overdraft	4,674	1,797
Lease liabilities/Finance lease liabilities	124	213
Current tax payables	30	33
	<u>16,632</u>	<u>11,730</u>
TOTAL LIABILITIES	<u>16,909</u>	<u>12,082</u>
TOTAL EQUITY AND LIABILITIES	<u>42,471</u>	<u>56,461</u>
Net assets per share* (sen)	<u>3.36</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 YEAR ENDED 30 JUNE 2021

	<----- Attributable to owners of the Parent ----->						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	Total RM'000			
Unaudited Twelve Months Financial Year Ended 30 June 2021								
Balance as at 1 July 2020	60,054	(131,013)	(3,428)	118,098	43,711	668	44,379	
(Loss)/Profit for the financial year	-	-	-	(18,626)	(18,626)	(160)	(18,786)	
Foreign currency translation for foreign operations, net of tax	-	-	(60)	-	(60)	-	(60)	
Acquisition of subsidiaries	-	-	-	-	-	29	29	
Total comprehensive (loss) / income for the financial year	-	-	(60)	(18,626)	(18,686)	(131)	(18,817)	
Balance as at 30 June 2021	<u>60,054</u>	<u>(131,013)</u>	<u>(3,488)</u>	<u>99,472</u>	<u>25,025</u>	<u>537</u>	<u>25,562</u>	

	<----- Attributable to owners of the Parent ----->						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	Total RM'000			
Audited Twelve Months Financial Year Ended 30 June 2020								
Balance as at 1 July 2019	60,054	(131,013)	(533)	126,679	55,187	522	55,709	
Effect of adoption of MFRS 16	-	-	-	(20)	(20)	-	(20)	
As at 1 July 2019, restated	60,054	(131,013)	(533)	126,659	55,167	522	55,689	
Profit for the financial year	-	-	-	(5,579)	(5,579)	96	(5,483)	
Foreign currency translation for foreign operations, net of tax	-	-	391	-	391	-	391	
Deconsolidation of subsidiaries	-	-	(3,286)	-	(3,286)	-	(3,286)	
Dividend to owners of the Company	-	-	-	(2,982)	(2,982)	-	(2,982)	
Acquisition of a subsidiary	-	-	-	-	-	50	50	
Total comprehensive income for the financial year	-	-	(2,895)	(8,561)	(11,456)	146	(11,310)	
Balance as at 30 June 2020	<u>60,054</u>	<u>(131,013)</u>	<u>(3,428)</u>	<u>118,098</u>	<u>43,711</u>	<u>668</u>	<u>44,379</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 YEAR ENDED 30 JUNE 2021**

	UNAUDITED	AUDITED
	CURRENT YEAR TO DATE ENDED 30-Jun-21 RM'000	PRECEDING FINANCIAL YEAR ENDED 30-Jun-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax from :		
- continuing operations	(18,661)	(4,039)
- discontinued operation	-	3,363
	<u>(18,661)</u>	<u>(676)</u>
Adjustment for non-cash items:		
Bad debts written off	-	912
Amortisation of intangible assets	54	7
Depreciation of property, plant and equipment	619	1,035
Depreciation of right-of-use assets	212	283
Fair value adjustments on non-current trade receivables	-	(2,155)
Gain on early termination of lease contract	(31)	-
Gain on disposal of property, plant and equipment	(111)	-
Gain on disposal of a subsidiary	-	(6,585)
Impairment losses on trade receivables	12,887	3,355
Interest expense	199	495
Interest income	(235)	(426)
Inventories written off/written down	79	912
Loss on deconsolidate of a subsidiary	-	99
Net movement for post-employment benefits	-	480
Net unrealised loss/(gain) on foreign exchange	388	(699)
Property, plant and equipment written off	51	-
Rent Concessions	(24)	-
Share of loss of an equity-accounted associate	39	44
	<u>(4,534)</u>	<u>(2,919)</u>
Operating loss before working capital changes		
Net changes in assets	(1,733)	(342)
Net changes in liabilities	756	(3,300)
	<u>(5,511)</u>	<u>(6,561)</u>
Cash used in operations		
Interest paid	(159)	(430)
Tax paid	(324)	(321)
Tax refund	1,039	500
	<u>(4,955)</u>	<u>(6,812)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,914)	(934)
Purchase of intangible assets	(657)	(204)
Investment in an associate	-	(245)
Net placement of deposits with licensed banks	(118)	(1,019)
(Placement)/withdrawal of deposits with licensed banks with maturity more than three months:	40	(7)
Proceed from disposal of property, plant and equipment	114	-
Proceed from disposal of a subsidiary, net of cash disposal	-	27,726
Acquisition of subsidiary, net of cash acquired	(1)	50
Acquisition of non-controlling interests	30	-
Interest received	235	426
	<u>(4,271)</u>	<u>25,793</u>
Net cash (used in)/from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the company	-	(2,982)
Repayment of lease liabilities/finance lease liabilities	(181)	(264)
Repayment from/(to) related parties	118	(8,342)
Interest paid	(40)	(59)
	<u>(103)</u>	<u>(11,647)</u>
Net cash used in financing activities		
Net change in cash and cash equivalents	(9,329)	7,334
Cash and cash equivalents at beginning of financial year	22,723	14,374
Effect of foreign exchange on opening balance	(438)	1,015
	<u>12,956</u>	<u>22,723</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	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			
Twelve Months Financial Year Ended 30 June 2021							
External sales	-	9,925	3,999	111	14,035	-	14,035
Inter segment sales	-	-	-	480	480	(480)	-
Total sales	-	9,925	3,999	591	14,515	(480)	14,035
Segment results	-	(15,468)	(207)	(3,022)	(18,697)	-	(18,697)
Finance costs	-	(199)	-	-	(199)	-	(199)
Interest Income	-	118	8	109	235	-	235
Loss before tax	-	(15,549)	(199)	(2,913)	(18,661)	-	(18,661)
Taxation	-	(108)	(17)	-	(125)	-	(125)
Loss for the year	-	(15,657)	(216)	(2,913)	(18,786)	-	(18,786)
Segment assets	-	20,380	4,854	31,190	56,424	(13,953)	42,471
Twelve Months Financial Year Ended 30 June 2020							
External sales	41,846	9,889	4,573	5	14,467	-	56,313
Inter segment sales	-	-	-	480	480	(480)	-
Total sales	41,846	9,889	4,573	485	14,947	(480)	56,313
Segment results	3,336	(6,568)	182	2,443	(3,943)	-	(607)
Finance costs	(10)	(485)	-	-	(485)	-	(495)
Interest Income	37	215	24	150	389	-	426
Profit/(Loss) before tax	3,363	(6,838)	206	2,593	(4,039)	-	(676)
Taxation	(887)	(3,874)	(45)	-	(3,919)	-	(4,806)
Profit/(Loss) for the year	2,476	(10,712)	161	2,593	(7,958)	-	(5,482)
Segment assets	-	30,210	2,256	69,100	101,566	(45,105)	56,461

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	3,466
Customer B		3,257

PART A:
Notes to the Consolidated Interim Financial Information

10 Related Party Disclosures

Significant related party transactions are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Jun-21 RM'000	3 MONTHS ENDED 30-Jun-20 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-20 RM'000
Sale of goods and services to related parties	232	37	423	1,275
Purchase of goods and services from related parties	-	537	36	671
Corporate secretarial services fees paid/payable to related parties	12	17	73	89
Consultancy services fees paid/payable to a related party	-	-	-	300
Share office, network, data center and other services	11	59	205	172

11 Carrying amount of revalued assets

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

12 Subsequent events

On 30 July 2021, DGSB announced that Duramitt Sdn Bhd ("DSB") and Paragon Spectrum Sdn Bhd ("PSSB") have mutually agreed to terminate the SSSA dated 29 October 2020, by way of a termination agreement dated 30 July 2021 and the RM1 million deposit paid upon the signing of SSSA dated 29 October 2020 has been refunded by DSB to PSSB.

Please refer to Part B, section 8 for more details.

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:-

	RM'000
Bank guarantees given by financial institutions in respect of projects of the Group	524

15 Cash and bank balances

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

	AS AT 30-Jun-21 RM'000
Cash and bank balances	17,630
Fixed deposits with licensed financial institutions	6,849
	<u>24,479</u>
Less: Fixed deposits pledged with licensed banks	(6,849)
Less: Bank overdraft	(4,674)
	<u>12,956</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 JUNE 2021

1 Detailed analysis of performance

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

	INDIVIDUAL QUARTER		Variance %	CUMULATIVE PERIOD		Variance %
	3 MONTHS ENDED 30-Jun-21 RM'000	3 MONTHS ENDED 30-Jun-20 RM'000		12 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-20 RM'000	
Continuing operations						
Digital, Infrastructure & Integration Services	3,863	2,044	89.0	9,925	9,889	0.4
Food Manufacturing	582	905	(35.7)	3,999	4,573	(12.6)
Others	175	32	>+100.0	591	485	21.9
	<u>4,620</u>	<u>2,981</u>	55.0	<u>14,515</u>	<u>14,947</u>	(2.9)
Less : Inter Segment Revenue	(120)	(30)		(480)	(480)	
External Revenue	<u>4,500</u>	<u>2,951</u>	52.5	<u>14,035</u>	<u>14,467</u>	(3.0)
Revenue from discontinued operation						
Business Performance Services	-	1,001	>-100.0	-	41,846	>-100.0
Total Group Revenue	<u>4,500</u>	<u>3,952</u>	13.9	<u>14,035</u>	<u>56,313</u>	(75.1)

The Group recorded revenue of RM4.50 million for the quarter ended 30 June 2021, an increase of RM1.55 million (52.5%) against revenue achieved in the previous corresponding quarter. The higher revenue was attributable to the higher 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 follow:-

	INDIVIDUAL QUARTER		Variance %	CUMULATIVE PERIOD		Variance %
	3 MONTHS ENDED 30-Jun-21 RM'000	3 MONTHS ENDED 30-Jun-20 RM'000		12 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-20 RM'000	
Continuing operations						
Digital, Infrastructure & Integration Services	(13,756)	(5,263)	>-100.0	(15,549)	(6,838)	>-100.0
Food Manufacturing	(82)	(131)	37.4	(199)	206	>-100.0
Others	(1,365)	1,018	>-100.0	(2,913)	2,593	>-100.0
Loss before tax	<u>(15,203)</u>	<u>(4,376)</u>	>-100.0	<u>(18,661)</u>	<u>(4,039)</u>	>-100.0
Profit before tax from discontinued operation						
Business Performance Services	-	1,262	>-100.0	-	3,363	>-100.0
Loss before tax	<u>(15,203)</u>	<u>(3,114)</u>	>-100.0	<u>(18,661)</u>	<u>(676)</u>	>-100.0

In the financial quarter under review, the Group recorded higher loss before tax of RM15.20 million, compared to loss before tax of RM4.38 million in the corresponding quarter of the preceding financial year due to prudent impairment on trade receivables of RM12.90 million arising from weak Digital Out-Of-Home ("Digital OOH") screen advertising business resulting from the Covid pandemic since March 2020. The Group is still working on restructuring the Digital OOH screen advertising business with the major client concerned which still holds relevant licenses to Digital OOH screen advertising at government offices and establishments.

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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 JUNE 2021

2 Variation of results against preceding quarter

	3 months ended 30-Jun-21 RM'000	3 months ended 31-Mar-21 RM'000
Revenue		
Continuing operations	4,500	3,130
Discontinued operation	-	-
	<u>4,500</u>	<u>3,130</u>
Loss before tax		
Continuing operations	(15,203)	(1,007)
Discontinued operation	-	-
	<u>(15,203)</u>	<u>(1,007)</u>

The Group's revenue for the current quarter was RM1.37 mil higher compared to the immediate preceding quarter due to higher billings generated under Digital, Infrastructure & Integration Services segment.

The Group's loss before tax was RM15.20 million higher compared to the immediate preceding quarter due to prudent impairment on trade receivables of RM12.90 million arising from weak Digital OOH screen advertising business resulting from the Covid pandemic since March 2020.

3 Prospects

The Group operates under the following two (2) key business segments; Digital, Infrastructure & Integration Services and Food Technology in FY2021.

For FY2021, the business performance of the Group has been directly affected by the continued Covid-19 pandemic since March 2020. The operating environment for the Digital Infrastructure segment under DGB remains challenging with the continued high Covid infection rates and resulting MCOs. Although recent high levels of vaccination has brought about easing of movement control, Covid SOPs remain and the still high infection rates is still slowing rollout of telco and network infrastructure projects. DGB's business is also directly impacted by the recent slowdown in the sea landing of international internet traffic. Some of the new international internet traffic appears now to be landing overland instead via the southern Causeway and together with the expected easing of movement controls, DGB is optimistic for better business in FY2022 in this segment.

Our media-linked Vendlah vending machines which commenced rollout in early 2020 have increased to more than 100 units in ubiquitous locations in the Klang Valley and will continue to grow in numbers, and is showing increasing sales and margins as footfalls improve with softening movement controls.

QBI finally launched its new pure ghee product under the brand name "DESI'Q" at the end of August 2021 after a delay by the Covid pandemic of almost nine months. QBI will also launch a palm-oil based ghee blend product under the brand name "VEGELA'Q" in October 2021. The commissioning of the production line for the new sweetened creamer project is awaiting final trial runs and acceptance of in the presence of engineers from the United Kingdom in October 2021. The launch & commercial production of the creamer products is now expected take place towards the end of Q2 FY2022. The new ghee, ghee blend and creamer products are expected to contribute appreciably to QBI's performance in FY2022 and beyond.

The Group will continue to monitor the Covid-19 situation closely under current National Recovery Plan. It is actively evaluating various options and proposals for a regularisation plan under Rules 8.03A which should take place under a better economic outlook with change in the government's more open strategy on the Covid pandemic beginning in September 2021.

4 Profit forecast

Not applicable.

5 Tax expense

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Jun-21 RM'000	3 MONTHS ENDED 30-Jun-20 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-20 RM'000
Current tax expense				
- Malaysia taxation	(36)	(48)	108	76
- Foreign taxation	-	-	-	419
Under provision in prior year				
- Malaysia taxation	-	-	17	2
Deferred tax	-	3,841	-	3,841
	<u>(36)</u>	<u>3,793</u>	<u>125</u>	<u>4,338</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 YEAR ENDED 30 JUNE 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

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

On 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. DSB is involved in the manufacturing and trading of industrial, specialised and medical examination gloves.

The shareholders of DGSB have approved the proposed acquisition of 50.1% equity interest in DSB at an EGM held on 22 April 2021.

On 30 July 2021, DGSB announced that DSB and PSSB have mutually agreed to terminate the SSSA dated 29 October 2020, by way of a termination agreement dated 30 July 2021.

DGSB will continue to evaluate other avenues to formulate a regularisation plan for DGSB in relation to being classified as an ALC pursuant to Rule 8.03A of the Listing Requirements.

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	5,000	5,000	Note 1 – extended by another 12 months to 30 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	26,362	5,669	

Note 1

The commissioning of the new production line for the sweetened creamer project is delayed due to cross border travel restrictions brought on by the Covid-19 pandemic. Therefore, the utilisation of the balance of RM5 mil is extended by another 12 months to 30 months.

Incorporated in Malaysia

PART B:

EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

10 Borrowings and debts securities

The Group's bank borrowings as at 30 June 2021 are as follows:

	RM'000
Short term bank borrowings	
- Finance lease liabilities	1
- Bank overdraft - secured	4,674
	4,675

11 Changes in material litigation

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

12 Dividends

No dividends have been recommended during the quarter ended 30 June 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 30-Jun-21 RM'000	3 MONTHS ENDED 30-Jun-20 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-20 RM'000
(Loss)/Profit after tax attributable to the owners of the parent				
Continuing operations	(14,824)	(8,340)	(18,626)	(8,054)
Discontinued operation	-	795	-	2,476
	(14,824)	(7,545)	(18,626)	(5,578)
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	(1.99)	(1.12)	(2.50)	1.08
Discontinued operation	-	0.11	-	0.33
	-	0.11	-	0.33

(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.

PART B:

EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

14 Loss before tax

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Jun-21 RM'000	3 MONTHS ENDED 30-Jun-20 RM'000	12 MONTHS ENDED 30-Jun-21 RM'000	12 MONTHS ENDED 30-Jun-20 RM'000
Loss before tax is arrived at after charging:-				
Amortisation of intangible assets	14	7	54	7
Bad debts written off	-	888	-	912
Depreciation of property, plant and equipment	158	134	619	1,035
Depreciation of right-of-use assets	32	283	212	283
Impairment loss on trade receivables	12,887	2,166	12,887	3,355
Inventories written off	(173)	866	79	912
Interest expenses	84	105	199	495
Loss on deconsolidate of a subsidiary	-	-	-	99
Net movement for post-employment benefits	-	-	-	480
Property, plant and equipment written off	-	-	51	-
Unrealised loss on foreign exchange	1	-	388	-
And crediting:-				
Fair value gain on long term trade receivables	-	1,496	-	2,155
Reversal of impairment losses on trade receivables	-	(8)	-	-
Gain on derecognition of lease creditor	-	-	31	-
Gain on disposal of property, plant and equipment	-	(1)	111	-
Gain on disposal of a subsidiary	-	(537)	-	6,585
Interest income	41	107	235	426
Unrealised gain on foreign exchange	-	649	-	699