



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

	INDIVIDUAL QUARTER UNAUDITED		CUMULATIVE PERIOD UNAUDITED	
	3 MONTHS 31-Dec-21 RM'000	3 MONTHS 31-Dec-20 RM'000	CURRENT PTD ENDED 6 MONTHS 31-Dec-21 RM'000	PRECEDING CORRESPONDING PTD ENDED 6 MONTHS 31-Dec-20 RM'000
Revenue	4,490	2,904	7,764	6,405
Cost of sales	(2,804)	(1,216)	(4,761)	(2,797)
Gross profit	1,686	1,688	3,003	3,608
Other operating income	4,375	177	4,583	425
Other operating expenses	(2,980)	(3,360)	(5,638)	(6,431)
Finance costs	(72)	(19)	(142)	(37)
Share of loss of an equity-accounted associate	(11)	(8)	(22)	(16)
<b>Profit/(Loss) before tax</b>	<b>2,998</b>	<b>(1,522)</b>	<b>1,784</b>	<b>(2,451)</b>
Tax expense	-	(6)	-	(117)
<b>Profit/(Loss) for the financial quarter / period</b>	<b>2,998</b>	<b>(1,528)</b>	<b>1,784</b>	<b>(2,568)</b>
<b>Other comprehensive income / (loss), net of tax - Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation for foreign operations, net of tax	43	(6)	37	70
<b>Other comprehensive income/ (loss) for the financial quarter / period, net of tax</b>	<b>43</b>	<b>(6)</b>	<b>37</b>	<b>70</b>
<b>Total comprehensive income/ (loss) for the financial quarter / period</b>	<b>3,041</b>	<b>(1,534)</b>	<b>1,821</b>	<b>(2,498)</b>
<b>Profit/ (Loss) attributable to:-</b>				
Owners of the parent	3,129	(1,522)	2,056	(2,726)
Non-controlling interests	(131)	(6)	(272)	158
<b>Profit/(Loss) for the financial quarter / period</b>	<b>2,998</b>	<b>(1,528)</b>	<b>1,784</b>	<b>(2,568)</b>
<b>Total comprehensive income / (loss) attributable to:-</b>				
Owners of the parent	3,172	(1,528)	2,093	(2,656)
Non-controlling interests	(131)	(6)	(272)	158
<b>Total comprehensive income/ (loss) for the financial quarter / period</b>	<b>3,041</b>	<b>(1,534)</b>	<b>1,821</b>	<b>(2,498)</b>
EPS attributable to Owners of the parent (sen) - Basic and diluted	0.42	(0.20)	0.28	(0.37)

(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 2021.)



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2021**

	<b>UNAUDITED AS AT 31-Dec-21 RM'000</b>	<b>AUDITED AS AT 30-Jun-21 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	5,297	4,746
Right-of-use assets	287	355
Intangible assets	1,162	800
Goodwill on consolidation	732	732
Investment in an associate	140	162
	<u>7,618</u>	<u>6,795</u>
<b>Current Assets</b>		
Inventories	3,453	1,854
Trade receivables	3,071	4,285
Other receivables, deposits and prepayments	2,517	4,557
Current tax assets	624	501
Cash and bank balances	20,296	24,479
	<u>29,961</u>	<u>35,676</u>
<b>TOTAL ASSETS</b>	<u>37,579</u>	<u>42,471</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	(3,218)	(3,488)
Retained earnings	101,528	99,472
	<u>27,351</u>	<u>25,025</u>
Non-controlling interest	265	537
<b>TOTAL EQUITY</b>	<u>27,616</u>	<u>25,562</u>
<b>Non-Current Liabilities</b>		
Lease liabilities/Finance lease liabilities	222	243
Provision for restoration cost	34	34
	<u>256</u>	<u>277</u>
<b>Current Liabilities</b>		
Trade payables	720	300
Other payables, deposits and accruals	5,243	11,504
Bank overdraft	3,657	4,674
Lease liabilities/Finance lease liabilities	87	124
Current tax payables	-	30
	<u>9,707</u>	<u>16,632</u>
<b>TOTAL LIABILITIES</b>	<u>9,963</u>	<u>16,909</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>37,579</u>	<u>42,471</u>
<b>Net assets per share* (sen)</b>	<u>3.67</u>	<u>3.36</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 2021.)*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	<----- Attributable to owners of the Parent ----->						Non-controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->			<-Distributable ->				
Unaudited <u>Six Months Financial Period Ended 31 December 2021</u>	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000			
Balance as at 1 July 2021	60,054	(131,013)	(3,488)	99,472	25,025	537	25,562	
Deconsolidation of a subsidiary	-	-	233	-	233	-	233	
Profit/(Loss) for the financial period	-	-	-	2,056	2,056	(272)	1,784	
Foreign currency translation for foreign operations, net of tax	-	-	37	-	37	-	37	
Total comprehensive income/ (loss) for the financial period	-	-	37	2,056	2,093	(272)	1,821	
Balance as at 31 December 2021	<u>60,054</u>	<u>(131,013)</u>	<u>(3,218)</u>	<u>101,528</u>	<u>27,351</u>	<u>265</u>	<u>27,616</u>	

	<----- Attributable to owners of the Parent ----->						Non-controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->			<-Distributable ->				
Unaudited <u>Six Months Financial Period Ended 31 December 2020</u>	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000			
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>	

(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 2021.)



**CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	<b>UNAUDITED CURRENT PERIOD TO DATE ENDED 31-Dec-21 RM'000</b>	<b>UNAUDITED PRECEDING FINANCIAL PERIOD ENDED 31-Dec-20 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	1,784	(2,451)
Adjustment for non-cash items:		
Amortisation of intangible assets	29	27
Depreciation of property, plant and equipment	349	306
Depreciation of right-of-use assets	69	1
Gain on disposal of property, plant and equipment	(6)	(6)
Gain on deconsolidation of a subsidiary	(4,339)	-
Impairment losses on trade receivables	15	-
Interest expense	142	37
Interest income	(90)	(142)
Inventories written off/written down	3	1
Net unrealised loss/(gain) on foreign exchange	(16)	699
Property, plant and equipment written off	-	2
Share of loss of an equity-accounted associate	22	16
Operating loss before working capital changes	(2,038)	(1,510)
Net changes in assets	(278)	595
Net changes in liabilities	449	(1,456)
Cash used in operations	(1,867)	(2,371)
Interest paid	(128)	-
Tax paid	(153)	(110)
Tax refund	-	1,032
Net cash used in operating activities	(2,148)	(1,449)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary, net of cash acquired	-	(1)
Interest received	90	142
Placement of deposits with licensed banks	(56)	(63)
Proceed from disposal of property, plant and equipment	14	8
Purchase of intangible assets	(391)	(65)
Purchase of property, plant and equipment	(908)	(1,467)
Advance to an associate	3	-
Net cash used in investing activities	(1,248)	(1,446)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities/finance lease liabilities	(59)	(4)
Advance from related parties	169	906
Interest paid	(15)	(37)
Net cash from financing activities	95	865
Net change in cash and cash equivalents	(3,301)	(2,030)
Cash and cash equivalents at beginning of financial period	12,956	22,723
Effect of foreign exchange on opening balance	78	(641)
Cash and cash equivalents at end of financial period	9,733	20,052

*(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 2021.)*

**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 2021. 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 2021.

**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 2021 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

Amendments to MFRS 9, Interest Rate Benchmark Reform - Phase 2  
MFRS 139, MFRS7, MFRS4  
and MFRS16

The adoption of the above Amendments to MFRSs does not have significant financial impact to the Group.

The following are new standards, amendments and that have been issued by the MASB but have not been early adopted by the Group:

Amendments to MFRS 3	Reference to the Conceptual Frameworks
Amendments to MFRS 116	Property, plant and equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020
MFRS 17	Insurance Contracts
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 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definitions of Accounting Estimates
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

These new and amended standards will have no material impact on the financial statements of the Group upon their initial application.

**3 Qualification of independent auditors' report on preceding annual audited financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2021 was an unqualified opinion.

**4 Seasonal and cyclical factors**

The business of the Group was not affected by any seasonal and cyclical factors.

**5 Unusual items due to their nature, size or incidence**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review.

**6 Material changes in estimates**

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

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**PART A:**

**Notes to the Consolidated Interim Financial Information**

**7 Debt and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

**8 Dividends paid**

There were no dividends paid during the quarter under review.

**9 Segmental information**

The Group's reportable segments were identified as follows:-

- 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, sales and distribution and reselling of hardware and software products, consumer food and related products and services and subsidiaries that have ceased operations and remained inactive.

Business Segments	Digital, Infrastructure & Integration Services RM'000	Food Manufacturing RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Consolidation RM'000
<b>Six months financial period ended 31 December 2021</b>						
External sales	6,714	614	436	7,764	-	7,764
Inter segment sales	3	359	240	602	(602)	-
Total sales	6,717	973	676	8,366	(602)	7,764
Segment results	(867)	(543)	3,244	1,834	2	1,836
Finance costs	(142)	(66)	-	(208)	66	(142)
Interest Income	56	-	211	267	(177)	90
Profit/(Loss) before tax	(953)	(609)	3,455	1,893	(109)	1,784
Taxation	-	-	-	-	-	-
Profit/(Loss) for the year	(953)	(609)	3,455	1,893	(109)	1,784
Segment assets	18,407	7,215	29,315	54,937	(17,358)	37,579

<b>Six months financial period ended 31 December 2020</b>						
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

**Major Customers**

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

	<b>RM'000</b>
Customer A	1,420
Customer B	1,111
Customer C	914

**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-21 RM'000	3 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000
Sale of goods and services to related parties	108	50	203	138
Purchase of goods and services from related parties	11	8	11	9
Corporate secretarial services fees paid/payable to related parties	35	33	46	48
Consultancy services fees paid/payable to a related party	-	-	-	-
Share office, network, data center and other services	133	64	192	135

**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 23 November 2021, DGSB entered into the following non-binding term-sheets with :

- i) Mr. Lu Khin Phin ("**Thomas**") and Ms. Geh Kooi Hong ("**Catherine**") for the proposed acquisition of 510,000 ordinary shares in Excel Commerce Solutions Sdn Bhd ("**Excel**"), representing 51.0% equity interest in Excel for a cash consideration of RM4,590,000 ("**Term Sheet 1**"); and
- ii) Encik Faizal Bin Bahadon ("**Faizal**") and Mr. Chan Ming Chong ("**MC**") for the proposed acquisition of 255,000 ordinary shares in Finther Tecnologica Sdn Bhd ("**Finther**"), representing 51.0% equity interest in Finther for a cash consideration of RM7,650,000 ("**Term Sheet 2**").

(Collectively, referred to as the "**Term Sheets**")

The Term Sheets are non-binding and are subject to definitive sale and purchase agreements ("**Definitive Agreements**") to be negotiated and executed by the parties to the Term Sheets.

b) On 4 January 2022, DGSB entered into the following agreements :

- i) a conditional share sale and purchase agreement ("**SSA-1**") to acquire 510,000 ordinary shares representing 51.0% equity interest in Excel from Thomas for a cash consideration of RM4,590,000 ("**Proposed Excel Acquisition**");
- ii) a conditional share sale and purchase agreement ("**SSA-2**") to acquire 255,000 ordinary shares representing 51.0% equity interest in Finther from Faizal and MC for a total cash consideration of RM7,650,000 ("**Proposed Finther Acquisition**");

(The Proposed Excel Acquisition and Proposed Finther Acquisition are collectively referred to as "**Proposed Acquisitions**", the Excel Vendor and Finther Vendors are collectively referred to as "**Vendors**"); and

- iii) a conditional share sale and purchase agreement ("**Disposal SSA**") to dispose of its entire 70% equity interest in QBI Packaging Sdn Bhd and Makan Channel Sdn Bhd to Insas Technology Berhad for a total cash consideration of RM3,500,000 ("**Proposed Disposal**").

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

**PART A:**

**Notes to the Consolidated Interim Financial Information**

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

On 11 October 2021, DGSB announced that ISS Consulting (S) Pte Ltd ("ISS(S)", a wholly-owned subsidiary of DGSB, incorporated in The Republic of Singapore, held its EGM on 9 October 2021, at which it was resolved that ISS(S) be wound-up under Creditors' Voluntary Winding-Up pursuant to Section 160(1)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018).

Other than the above, 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	520

**15 Cash and bank balances**

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

	<b>AS AT 31-Dec-21 RM'000</b>
Cash and bank balances	10,374
Fixed deposits with licensed financial institutions	9,922
	20,296
Less: Fixed deposits pledged with licensed banks	(6,906)
Less: Bank overdraft	(3,657)
	9,733



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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 DECEMBER 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-Dec-21 RM'000	3 MONTHS ENDED 31-Dec-20 RM'000	Variance %	6 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000	Variance %
Digital, Infrastructure & Integration Services	3,869	1,922	>+100.0	6,717	4,072	65.0
Food Manufacturing	594	969	(38.7)	973	2,311	(57.9)
Others	287	133	>+100.0	676	262	>+100
	<u>4,750</u>	<u>3,024</u>	57.1	<u>8,366</u>	<u>6,645</u>	25.9
Less : Inter Segment Revenue	(260)	(120)		(602)	(240)	
<b>Total Group Revenue</b>	<b><u>4,490</u></b>	<b><u>2,904</u></b>	<b>54.6</b>	<b><u>7,764</u></b>	<b><u>6,405</u></b>	<b>21.2</b>

In the financial quarter under review, the Digital, Infrastructure & Integration Services segment recorded higher revenue of RM3.87 million, compared to revenue achieved in the previous corresponding quarter due to higher billings generated from contract sales. The Food Manufacturing segment recorded lower revenue of RM0.60 million, a decrease of 38.1% compared to revenue in the previous corresponding quarter.

QBI launched its new pure ghee product under the brand name "DESI'Q" at the end of August 2021 and its palm-oil based ghee blend product under the brand name "VEGELA'Q" in November 2021. As new brands, QBI is actively working to improve the brand recognition and distribution of these two products into the market. The full commissioning of the production line for the new sweetened creamer project was planned for the end of Q2 FY2022 but has been delayed due to unprecedented flooding affecting the factory site in Shah Alam in late December 2021. Fortunately, the equipment was only lightly damaged and as at mid-February 2022, commissioning has almost been completed. Sample products have been run successfully, and currently both product and production processes are at the fine-tuning stage. The production line will be ready by the end of March 2022.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 31-Dec-21 RM'000	3 MONTHS ENDED 31-Dec-20 RM'000	Variance %	6 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000	Variance %
Digital, Infrastructure & Integration Services	(458)	(743)	38.4	(957)	(898)	(6.6)
Food Manufacturing	(260)	(46)	>-100.0	(606)	(83)	>-100.0
Others	3,716	(733)	>+100.0	3,347	(1,470)	>+100.0
<b>Profit/(Loss) before tax</b>	<b><u>2,998</u></b>	<b><u>(1,522)</u></b>	<b>&gt;+100.0</b>	<b><u>1,784</u></b>	<b><u>(2,451)</u></b>	<b>&gt;+100.0</b>

The Group recorded profit before tax of RM3.00 million, compared to loss before tax of RM1.52 million in the corresponding quarter of the preceding financial year primarily due to gain on deconsolidation of a subsidiary which commenced Creditors Voluntary Winding-up during 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 PERIOD ENDED 31 DECEMBER 2021**

**2 Variation of results against preceding quarter**

	<b>3 months ended 31-Dec-21 RM'000</b>	<b>3 months ended 30-Sep-21 RM'000</b>
Revenue	4,490	3,274
Profit/(Loss) before tax	2,998	(1,214)

The Group's revenue for the current quarter was RM4.49 million higher compared to the immediate preceding quarter due to higher billings generated under Digital, Infrastructure & Integration Services segment.

The Group's recorded profit before tax of RM3.00 million, compared to loss before tax of RM1.21 million in the immediate preceding quarter mainly due to gain on deconsolidation of a subsidiary which commenced Creditors Voluntary Winding-up during the current quarter under review.

**3 Prospects**

The Group operates under the following two (2) key business segments; Digital, Infrastructure & Integration Services and Food Technology in FY2022.

For the quarter under review, the operating environment for the Digital Infrastructure segment under DGB has begun to experience recovery with new telco and network infrastructure project awards and rollout. DGB's business is expected to continue to grow and the Digital Infrastructure segment is expected to perform positively upon completion of the Proposed Acquisitions of Excel and Finther. Business collaboration at the working level has already commenced.

Our media-linked Vendlah vending machines which commenced rollout in early 2020 has now more than 100 units in various locations in the Klang Valley. The vending business has also seen increasing sales trend alongside improved footfalls with the softening movement controls with the NRP although the quick spreading Omicron variant has dampened footfalls since mid-January 2022.

The Group continues to monitor the Covid-19 situation closely and looks forward to better business beginning with the 4<sup>th</sup> quarter of FY2022 when the Proposed Acquisitions and Disposal will be completed. The downside risks are the emergence of more deadly Covid variants, expansion of the Ukraine conflict, and continuing global supply chain disruptions leading to project and billing delays, and cost inflation of incoming hardware, raw materials and consumables.

**4 Profit forecast**

Not applicable.

**5 Tax expense**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 MONTHS ENDED 31-Dec-21 RM'000</b>	<b>3 MONTHS ENDED 31-Dec-20 RM'000</b>	<b>6 MONTHS ENDED 31-Dec-21 RM'000</b>	<b>6 MONTHS ENDED 31-Dec-20 RM'000</b>
Current tax expense				
- Malaysia taxation	-	6	-	117

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 PERIOD ENDED 31 DECEMBER 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 24 December 2021, DGSB submitted an application for extension of time of 12 months up to 6 January 2023 to submit its regularisation plan to Bursa Securities. On 28 January 2022, DGSB received approval from Bursa Securities for a six-month extension to 6 July 2022 to submit a regularisation plan.

On 23 November 2021, DGSB entered into non-binding term sheets in relation to the proposed acquisition of 51% equity interest in Excel Commerce Solutions Sdn Bhd and Finther Tecnologica Sdn Bhd.

On 4 January 2022, DGSB signed the following conditional agreements :-

- i. the proposed acquisition of 51% equity interest in Excel Commerce Solutions Sdn Bhd and Finther Tecnologica Sdn Bhd.
- ii. the proposed disposal of 70% equity interest in QBI Packaging Sdn Bhd and Makan Channel Sdn Bhd

Please refer to Part A12 (1) for further details.

The above proposals are currently pending shareholders' approval at an EGM to be convened. Meanwhile, 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	Within 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
		<b>32,031</b>	<b>26,362</b>	<b>5,669</b>	

Incorporated in Malaysia

**PART B:**

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

**10 Borrowings and debts securities**

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

**RM'000**

Short term bank borrowings

- Bank overdraft - secured

3,657

**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 31-Dec-21 RM'000	3 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000
Profit/(Loss) after tax attributable to the owners of the parent	<u>3,129</u>	<u>(1,522)</u>	<u>2,056</u>	<u>(2,726)</u>
WA number of ordinary shares in issue ('000)	745,731	745,731	745,731	745,731
Basic profit/(loss) per ordinary share (sen)	<u>0.42</u>	<u>(0.20)</u>	<u>0.28</u>	<u>(0.37)</u>

**(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.

Incorporated in Malaysia

**PART B:**

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

**14 Profit/(Loss) before tax**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 31-Dec-21 RM'000	3 MONTHS ENDED 31-Dec-20 RM'000	6 MONTHS ENDED 31-Dec-21 RM'000	6 MONTHS ENDED 31-Dec-20 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Amortisation of intangible assets	15	14	29	27
Depreciation of property, plant and equipment	176	151	349	306
Depreciation of right-of-use assets	33	-	69	1
Inventories written off	-	1	3	1
Interest expenses	72	19	142	37
Impairment loss on trade receivables	15	-	15	-
Property, plant and equipment written off	-	2	-	2
Realised loss on foreign exchange	2	4	2	11
Unrealised loss on foreign exchange	-	367	-	699
And crediting:-				
Gain on disposal of property, plant and equipment	6	6	6	6
Gain on deconsolidation of a subsidiary	4,339	-	4,339	-
Interest income	45	60	90	142
Realised gain on foreign exchange	(16)	(3)	16	-