



**DPI HOLDINGS BERHAD (1249778-M)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2018**

**3 JANUARY 2019**



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2018**

	<b>Unaudited As at 30.11.2018 RM'000</b>	<b>Audited As at 31.05.2018 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSET</b>		
Property, plant and equipment	5,983	5,724
	<u>5,983</u>	<u>5,724</u>
<b>CURRENT ASSETS</b>		
Inventories	9,435	8,974
Trade receivables	8,376	8,453
Other receivables, deposits and prepayments	3,101	967
Amount owing by a related party	-	15
Current tax assets	625	288
Fixed deposits with licensed banks	6,985	5,081
Cash and bank balances	10,446	12,946
	<u>38,968</u>	<u>36,724</u>
<b>TOTAL ASSETS</b>	<u><b>44,951</b></u>	<u><b>42,448</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	36,017	36,017
Merger deficit	(28,698)	(28,698)
Retained profits	30,410	27,248
<b>TOTAL EQUITY</b>	<u><b>37,729</b></u>	<u><b>34,567</b></u>
<b>NON-CURRENT LIABILITY</b>		
Deferred tax liabilities	268	165
<b>CURRENT LIABILITIES</b>		
Trade payables	5,365	6,317
Other payables and accruals	1,589	1,379
Current tax liabilities	-	20
	<u>6,954</u>	<u>7,716</u>
<b>TOTAL LIABILITIES</b>	<u><b>7,222</b></u>	<u><b>7,881</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>44,951</b></u>	<u><b>42,448</b></u>
	<b>RM</b>	<b>RM</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u><b>0.10</b></u>	<u><b>0.10</b></u>

*The above condensed consolidated statement of financial position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 November 2018 and the accompanying explanatory notes attached to these interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2018**

	← Attributable to owners of the company →			Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	
<b>At 31 May 2018, as previously reported (Audited)</b>	36,017	(28,698)	27,248	34,567
Effects of adoption of MFRS 9 (see Note 2.1(ii))	-	-	(243)	(243)
<b>At 1 June 2018, as restated</b>	36,017	(28,698)	27,005	34,324
Profit after taxation/Total comprehensive income for the financial period	-	-	3,405	3,405
<b>At 30 November 2018 (Unaudited)</b>	<b>36,017</b>	<b>(28,698)</b>	<b>30,410</b>	<b>37,729</b>
<b>At 1 June 2017</b>	7,320	-	18,078	25,398
Profit after taxation/Total comprehensive income for the financial period	-	-	11,640	11,640
Distribution to owners of the Company: - Dividends	-	-	(5,990)	(5,990)
<b>At 30 November 2017 (Audited)</b>	<b>7,320</b>	<b>-</b>	<b>23,728</b>	<b>31,048</b>

*The above condensed consolidated statement of changes in equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 November 2018 and the accompanying explanatory notes attached to these interim financial statements. Information pertaining to the preceding year's corresponding year-to-date has been extracted from the Prospectus Exposure and which had been audited.*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2018**

	Year-To-Date Ended	
	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000
<b>Note</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,716	13,580
Adjustments for:-		
Allowance for impairment losses on trade receivables	60	-
Bad debts written off	-	9
Depreciation of investment properties	-	7
Depreciation of property, plant and equipment	203	194
Inventories written down	-	54
Listing expenses	419	-
Property, plant equipment written off	1	-
Interest income	(65)	(99)
Gain on disposal of investment properties	-	(7,018)
Gain on disposal of property, plant and equipment	-	(985)
Unrealised (gain)/loss on foreign exchange	(202)	66
Operating profit before working capital changes	5,132	5,808
Increase in inventories	(461)	(2,183)
Increase in trade and other receivables	(2,160)	(738)
Decrease in amount owing by a related party	15	519
(Decrease)/Increase in trade and other payables	(742)	345
<b>CASH FROM OPERATIONS</b>	<b>1,784</b>	<b>3,751</b>
Income tax paid	(1,565)	(1,347)
Income tax refunded	-	35
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>219</b>	<b>2,439</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Interest received	65	99
Advances to related parties	-	(775)
Decrease in fixed deposit with licensed banks	-	4,500
Purchase of property, plant and equipment	(463)	(59)
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>	<b>(398)</b>	<b>3,765</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Payment of listing expenses	(566)	-
Repayment to a director	-	(314)
Repayment to related parties	-	(25)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(566)</b>	<b>(339)</b>

**DPI HOLDINGS BERHAD** (1249778-M)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2018**

	Note	Year-To-Date Ended	
		Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(745)	5,865
EFFECT OF FOREIGN EXCHANGE TRANSLATION		202	(117)
EFFECT OF PROVISION FOR EXPECTED CREDIT LOSS		(53)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		18,027	9,225
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	11	17,431	14,973

*The above condensed consolidated statement of cash flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 November 2018 and the accompanying explanatory notes attached to these interim financial statements. Information pertaining to the preceding year's corresponding year-to-date has been extracted from the Prospectus Exposure and which had been audited.*

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

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**1. BASIS OF PREPARATION**

These condensed consolidated financial statements ("Condensed Report") have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*. The Condensed Report has been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies.

This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Listing Requirements.

This Condensed Report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 November 2018. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2018.

This is the first announcement on the Company's consolidated results for the second quarter ended 30 November 2018, which is announced in compliance with the Listing Requirements. Hence, there is no comparative figures for the preceding year's corresponding quarter. Notwithstanding the above, information pertaining to the preceding year's corresponding year-to-date has been extracted from the Prospectus Exposure and which had been audited.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the Condensed Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 May 2018, except for the following:-

- 2.1 During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**Effective for the financial periods beginning on or after 1 January 2018**

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 140 - Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 - 2016 Cycles:

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value
- Amendments to MFRS 15 and clarifications

The adoptions of the above new MFRSs, amendments and IC interpretations (including the consequential amendments, if any) did not have any material impact on the interim financial statements of the Group. Nevertheless, we highlight the followings:-

MFRS 9 Financial Instruments

MFRS 9 (IFRS issued by IASB in July 2014) replaces MFRS 139 and amends the previous requirements in three main areas: (i) classification and measurement of financial assets; (ii) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model; and (iii) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. The impact of MFRS 9 adoption are described below:-

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- 2.1 During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any) (Cont'd):-

MFRS 9 Financial Instruments (Cont'd)

- (i) Classification and Measurement (Cont'd)

The Group does not expect a significant impact on its statement of financial position on applying the classification and measurement requirements of MFRS 9.

Loans and receivables financial assets are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria to be measured at amortised cost under MFRS 9. Therefore, the Group does not expect the standard to affect the measurement of its debt financial assets.

In addition, the Group expects to continue measuring at fair value all financial assets currently held at fair value.

- (ii) Impairment of Financial Assets

MFRS 9 replaces that 'incurred loss' model in MFRS 139 with an 'expected credit loss' ("ECL") model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes.

The new impairment model applies to financial assets measured at amortised cost.

In addition, the Group applied the simplified approach prescribed by MFRS 9 and record lifetime ECLs on trade receivables.

The assessment has resulted in a decrease of RM0.24 million in retained earnings with a corresponding adjustment to trade receivables of RM0.18 million, fixed deposits with licensed banks of RM0.02 million and cash at banks of RM0.04 million as at 1 June 2018.

- (iii) Hedge accounting

The new hedge accounting guidance in MFRS 9 aligns the hedge accounting treatment more closely with the Group's risk management practices. The adoption of the new accounting requirements did not have any material impact on the reporting period.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Based on the assessments undertaken to date, the Group has determined that the impact on its financial statements upon the initial application of MFRS 15 is insignificant as the timing and amount of revenue to be recognised for the sale of aerosol product, thinners and solvent under the new standard are unlikely to be materially different from its current practice. However, the Group is required to disclose additional information about its contracts with customers in the financial statements.



**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- 2.2 As at the date of the authorisation of this Condensed Report, the following Standards and Amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group. The Group expects that the adoption of the relevant pronouncements will not have any significant impact on the Group's financial statements.

**Effective for financial periods beginning on or after 1 January 2019**

MFRS 16 Leases

Amendments to MFRS 9 Financial Instruments - *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 Employee Benefits - *Plan Amendment Curtailment and Settlement*

Amendments to MFRS 128 Investments in Associates and Joint Ventures - *Long-term Interests in Associates and Joint Ventures*

Annual Improvements to MFRS Standards 2015 - 2017 Cycle:

- Amendments to MFRS 3 Business Combinations - *Previously held interest in a joint operation*
  - Amendments to MFRS 11 Joint Arrangements - *Previously held interest in a joint operation*
  - Amendments to MFRS 112 Income Taxes - *Income tax consequences of payments of financial instruments classified as equity*
  - Amendments to MFRS 123 Borrowing Costs - *Borrowing costs eligible for capitalisation*
- IC Interpretation 23 Uncertainty over Income Tax Treatments

**Effective for financial periods beginning on or after 1 January 2020**

Amendments to MFRS 2 Share-based Payment

Amendments to MFRS 3 Business combinations

Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources

Amendments to MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS 134 Interim Financial Reporting

Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

Amendment to MFRS 138 Intangible Assets

Amendments to IC Interpretation 12 Service Concession Arrangements

Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to IC Interpretation 132 Intangible Assets - Web Site costs

**Effective for financial periods beginning on or after 1 January 2021**

MFRS 17 Insurance Contracts

**Effective date of these Standards have been deferred, and yet to be announced**

Amendments to MFRS 10 Consolidated financial Statements and MFRS 128 Investment in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group's business operations during the current financial quarter and year-to-date ended 30 November 2018 were not materially affected by any major seasonal or cyclical factors.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and year-to-date ended 30 November 2018.

**5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect during the current financial quarter and year-to-date ended 30 November 2018.

**6. DEBT AND EQUITY SECURITIES**

There were no issuance, repurchase or repayment of debt and equity securities, shares buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter and year-to-date ended 30 November 2018.

**7. DIVIDEND PAID**

There was no dividend was paid during the current financial quarter and year-to-date ended 30 November 2018.

**8. REVENUE**

	Quarter Ended			Year-To-Date Ended		
	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000	Changes %
Aerosol products	7,916	N/A	N/A	20,687	20,260	2.1
Solvents and thinners	2,132	N/A	N/A	4,933	4,602	7.2
	10,048	N/A	N/A	25,620	24,862	3.0

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. SEGMENT INFORMATION

There have been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the last annual financial statements.

Business Segment

The Group's financial information analysed by business segment is as follows:-

	Quarter Ended											
	Aerosol products			Solvents and thinners			Others			Total		
	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Changes %
<b>Revenue</b>												
External revenue (Note 8)	7,916	N/A	N/A	2,132	N/A	N/A	-	-	-	10,048	N/A	N/A
Inter-segment revenue	1,468	N/A	N/A	165	N/A	N/A	-	-	-	1,633	N/A	N/A
	9,384	N/A	N/A	2,297	N/A	N/A	-	-	-	11,681	N/A	N/A
Consolidated adjustments										(1,633)	N/A	N/A
Consolidated revenue										10,048	N/A	N/A
<b>Results</b>												
Segment profit before interest and taxation	1,723	N/A	N/A	(84)	N/A	N/A	(460)	N/A	N/A	1,179	N/A	N/A

	Year-To-Date Ended											
	Aerosol products			Solvents and thinners			Others			Total		
	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000	Changes %
<b>Revenue</b>												
External revenue (Note 8)	20,687	20,260	2.1	4,933	4,602	7.2	-	-	-	25,620	24,862	3.0
Inter-segment revenue	3,708	2,645	40.2	965	1,689	(42.9)	-	-	-	4,673	4,334	7.8
	24,395	22,905	6.5	5,898	6,291	(6.2)	-	-	-	30,293	29,196	3.8
Consolidated adjustments										(4,673)	(4,334)	7.8
Consolidated revenue										25,620	24,862	3.0
<b>Results</b>												
Segment profit before interest and taxation	5,371	13,552	(60.4)	(20)	(186)	(89.2)	(635)	214	(396.7)	4,716	13,580	(65.3)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. SEGMENT INFORMATION (CONT'D)

Business Segment (Cont'd)

	Aerosol products			Solvents and thinners			Others			Total		
	Unaudited	Audited	Changes	Unaudited	Audited	Changes	Unaudited	Audited	Changes	Unaudited	Audited	Changes
	30.11.2018	31.05.2018		30.11.2018	31.05.2018		30.11.2018	31.05.2018		30.11.2018	31.05.2018	
RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	
<b>Assets</b>												
Segment assets	39,544	38,995	1.4	7,391	4,846	52.5	37,270	37,129	0.4	84,205	80,970	4.0
Consolidated adjustments										(39,254)	(38,522)	1.9
Consolidated total assets										44,951	42,448	5.9
Addition to non-current assets other than financial instruments is:-												
Property, plant and equipment	450	39	1,053.8	13	70	(81.4)	-	-	-	463	109	324.8
<b>Liabilities</b>												
Segment liabilities/ Consolidated total liabilities	4,463	4,747	(6.0)	2,152	3,087	(30.3)	607	47	1,191.5	7,222	7,881	(8.4)

Geographical Information

Revenue is based on the country in which the customers are located.

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	30.11.2018	30.11.2017		30.11.2018	30.11.2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Malaysia	7,813	N/A	N/A	21,452	20,455	4.9
Outside Malaysia	2,235	N/A	N/A	4,168	4,407	(5.4)
	10,048	N/A	N/A	25,620	24,862	3.0

N/A - No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the second quarter ended 30 November 2018 in compliance with the Listing Requirements of Bursa Securities.

No information is presented on the basis of geographical information for non-current assets as the Group operates primarily in Malaysia during the financial period.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**10. RELATED PARTY DISCLOSURES**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	30.11.2018	30.11.2017		30.11.2018	30.11.2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Rental paid or payable to a company in which a director of the Company has a substantial financial interest	12	N/A	N/A	23	3	667

**11. CASH AND CASH EQUIVALENTS**

The cash and cash equivalents comprise the followings:-

	Unaudited As at 30.11.2018 RM'000	Audited As at 31.05.2018 RM'000
Cash and bank balances	10,446	12,946
Fixed deposits with licensed banks	6,985	5,081
	<u>17,431</u>	<u>18,027</u>

**12. CAPITAL COMMITMENTS**

Capital commitments for the purchase of property, plant and equipment not provided for in the Condensed Report as at the end of the financial period are as follows:-

	Unaudited As at 30.11.2018 RM'000	Audited As at 31.05.2018 RM'000
Approved and not contracted for:- Plant and equipment	23,540	23,540
Approved and contracted for:- Purchases of property and equipment	-	2,216
	<u>23,540</u>	<u>25,756</u>

**13. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets and liabilities at the end of the financial period.

**14. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current financial quarter and year-to-date ended 30 November 2018.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**15. OPERATING LEASE COMMITMENTS**

The Group leases a number of warehouse under non-cancellable operating leases. The lease periods range from 2 to 3 years with an option to renew after that date.

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.11.2018</b>	<b>31.05.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	240	192
Later than 1 year and not later than 5 years	231	272
	<u>471</u>	<u>464</u>

**16. FINANCIAL INSTRUMENTS**

16.1 Classification

The following table analyses the financial assets and financial liabilities of the Group in the condensed consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.11.2018</b>	<b>31.05.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
<b>Financial assets at amortised cost</b>		
Trade receivables	8,376	8,453
Other receivables and deposits	2,565	521
Amount owing by a related party	-	15
Fixed deposits with licensed banks	6,985	5,081
Cash and bank balances	10,446	12,946
<b>Total financial assets</b>	<u>28,372</u>	<u>27,016</u>
<b>Liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Trade payables	5,365	6,317
Other payables and accruals	1,589	1,379
<b>Total financial liabilities</b>	<u>6,954</u>	<u>7,696</u>

16.2 Fair Value Information

At the end of the reporting period, there were no financial instrument carried at fair values in the statement of financial position.

The carrying amount of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values.

**17. EVENT AFTER THE REPORTING PERIOD**

Save as disclosed in Notes 21 and 24, there were no other significant events subsequent to 30 November 2018.

**18. SIGNIFICANT EVENT DURING THE PERIOD**

Save as disclosed in Note 24, there was no other significant event during the period.

**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD**

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**19. REVIEW OF PERFORMANCE**

6 Months Financial Period Ended ("FPE") 30 November 2018 Compared to 6 Months FPE 30 November 2017

**Revenue**

During the 6 months FPE 30 November 2018, the Group's revenue had increased by 3.0% to RM25.6 million from RM24.9 million as compared to the 6 months FPE 30 November 2017.

*Aerosol products*

Revenue from aerosol products had increased by RM0.4 million, or approximately 2.1%, to RM 20.7 million for the 6 months FPE 30 November 2018 as compared to RM20.3 million for the 6 months FPE 30 November 2017. This increase was primarily due to new local customers secured during the current financial period.

*Solvents and thinners*

Revenue from solvents and thinners increased by RM0.3 million, or approximately 7.2%, to RM4.9 million for the 6 months FPE 30 November 2018 as compared to RM4.6 million for the 6 months FPE 30 November 2017, which was also primarily due to new local customers secured during the current financial period.

**PROFIT BEFORE TAXATION ("PBT")**

During the 6 months FPE 30 November 2018, the Group's gross profit had decreased by RM0.84 million or approximately 9.4% to RM8.2 million from RM9.0 million as compared to the 6 months FPE 30 November 2017. The decrease was mainly due to the increase in cost of sales by 10.1% to RM17.4 million from RM15.8 million as compared to the 6 months FPE 30 November 2017. The increase in cost of sales was mainly due to the increase in prices of raw materials. Further, the new sales tax had been included as part of our cost of sales with effect from 1 September 2018.

The administrative expenses had reduced by RM0.3 million or approximately 9.2% to RM2.6 million during the 6 months FPE 30 November 2018 as compared to RM2.9 million during the 6 months FPE 30 November 2017.

The PBT had decreased by RM8.9 million during the 6 months FPE 30 November 2018 as compared to the 6 months FPE 30 November 2017. This was mainly due to the absence of gain from disposal of investment properties and property, plant and equipment which had amounted to RM8.0 million in the 6 months FPE 30 November 2017. In addition, there was an increase in our listing expenses amounting to RM0.42 million in the 6 months FPE 30 November 2018.

After adjusting the effects of gain derived from the disposal of investment properties and property, plant and equipment (which had amounted to RM8.0 million in the 6 months FPE 30 November 2017) and listing expenses (which had amounted to RM0.42 million in the 6 months FPE 30 November 2018), the adjusted profit after taxation had increased by RM0.2 million or approximately 5.1% (to RM3.8 million from RM3.6 million as compared to the 6 months FPE 30 November 2017).

**20. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

There are no comparative figures for the immediate preceding quarter, as this is the Group's first announcement of financial statements on consolidated results in compliance with the Listing Requirements of Bursa Securities.

**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**21. COMMENTARY ON PROSPECTS AND TARGETS**

With the positive growth of the aerosol paints industry, the Group will focus on the expansion of production capacity by setting up a new building equipped with fully automated aerosol filling lines while progressively upgrading the existing aerosol filling lines. The Group has already purchased a new automated filling line during the current financial quarter, and will start its operations within the next few months.

Concurrently, the Group will intensify its sales, marketing and advertising initiatives for market expansion by utilising the IPO proceeds for the remaining period of the financial year and will continue to closely monitor the costs and profitability accordingly.

Premised on the above and barring unforeseen circumstances, the Board of Directors is optimistic of the prospects for the Group this year.

**22. PROFIT FORECAST**

The Group did not issue any profit forecast or guarantee during the current financial quarter and financial year under review.

**23. INCOME TAX EXPENSE**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	30.11.2018	30.11.2017		30.11.2018	30.11.2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Income tax	432	N/A	N/A	1,281	1,540	(16.8)
Deferred tax	(70)	N/A	N/A	30	-	100.0
Real property gains tax	-	N/A	N/A	-	400	(100.0)
Total income tax expense	362	N/A	N/A	1,311	1,940	(32.4)
Effective tax rate	31%	N/A		28%	14%	

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods.

The effective tax rate of the Group for the current period were higher than the statutory tax rate principally due to certain expenses being not deductible for tax purpose. For the previous corresponding period, the effective tax rate is lower than the statutory tax rate principally due to the real property gains tax of 5% paid on the gain from the disposal of investment properties, and property, plant and equipment.



**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**24. STATUS OF CORPORATE PROPOSALS**

During the current financial quarter, the Company was in the process of listing its entire enlarged share capital of RM67,657,078 comprising 486,731,000 ordinary shares in the Company on the ACE Market of Bursa Securities ("IPO") as disclosed in its Prospectus dated 27 November 2018.

In conjunction with the IPO, the Company has undertaken a public issue of 126,560,000 new shares issued to the Malaysian Public at an issue price of RM0.25 per share in the following manner:

- 24,340,000 new shares made available for application by the Malaysian Public;
- 48,674,000 new shares made available for application through private placement to selected Bumiputera investors approved and recognised by the Ministry of International Trade and Industry;
- 38,426,000 new shares made available for application through private placement to selected investors; and
- 14,120,000 new shares made available for application by our eligible Directors, employees and persons who have contributed to the success of the Group.

The listing of and quotation for the Company's entire enlarged share capital on the ACE Market of Bursa Securities is expected to be on 7 January 2019.

**25. UTILISATION OF PROCEEDS RAISED FROM THE IPO**

The gross proceeds from the IPO of RM31.64 million is intended to be utilised in the following manner:

No.	Purpose	Proposed utilisation		Intended timeframe for utilisation (from the listing date)
		RM'000	%	
i	Capital expenditure and expansion	23,540	74.4	Within 18 to 24 months
ii	Sales, marketing and advertising expenses	3,000	9.5	Within 24 months
iii	Product development	1,300	4.1	Within 24 months
iv	Estimated listing expenses	3,800	12.0	Within 1 month
	<b>Total</b>	<b>31,640</b>	<b>100.0</b>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 27 November 2018.

As at the date of this Condensed Report, the IPO is pending completion and hence there has been no utilisation of proceeds.

**26. BORROWINGS AND DEBT SECURITIES**

As at the reporting date, there were no borrowings and the Group has not issued any debt securities.

**27. CHANGES IN MATERIAL LITIGATION**

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

**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD**

**28. DIVIDEND**

There was no dividend payable in the current quarter and year-to-date ended 30 November 2018.

The dividend paid in the quarter and year-to-date ended 30 November 2017 is as follows:-

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000
Interim dividends paid in respect of 30 November 2017:				
- first interim single-tier dividend of RM1.00 per ordinary share	-	N/A	-	5,200
- first interim single-tier dividend of RM0.40 per ordinary share	-	N/A	-	200
- first interim single-tier dividend of RM0.03 per ordinary share	-	N/A	-	50
- first interim single-tier dividend of RM0.33 per ordinary share	-	N/A	-	540
	-	N/A	-	5,990

**29. EARNINGS PER SHARE ("EPS")**

	Quarter Ended		Year-To-Date Ended	
	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000
Profit after taxation attributable to owners of the Company (RM'000)	817	N/A	3,405	11,640
Weighted average number of ordinary shares in issue ('000)	360,171	N/A	360,171	360,171
Basic EPS (sen)	0.23	N/A	0.95	3.23

Note:-

In calculation of EPS for the financial period ended 30 November 2017, it is assumed that 360,171,980 ordinary shares were in issue in relation to the acquisition of subsidiaries.

The diluted earnings per share is equal to the basic earnings per share.

**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**30. NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Included in the Statement of Profit or Loss and Other Comprehensive Income are:-

	Quarter Ended			Year-To-Date Ended		
	Unaudited 30.11.2018 RM'000	Unaudited 30.11.2017 RM'000	Changes %	Unaudited 30.11.2018 RM'000	Audited 30.11.2017 RM'000	Changes %
Allowance for impairment loss on a trade receivable written back	-	N/A	N/A	(4)	-	100.0
Allowance for impairment loss on trade receivables	(4)	N/A	N/A	60	-	100.0
Bad debts written off	-	N/A	N/A	-	9	(100.0)
Depreciation of investment properties	-	N/A	N/A	-	7	(100.0)
Depreciation of property, plant and equipment	63	N/A	N/A	203	194	4.6
Exceptional items	-	N/A	N/A	-	-	-
Gain on disposal of investment properties	-	N/A	N/A	-	(7,018)	(100.0)
Gain on disposal of property, plant and equipment	-	N/A	N/A	-	(985)	(100.0)
Gain on foreign exchange:						
- realised	(72)	N/A	N/A	(112)	-	100.0
- unrealised	(62)	N/A	N/A	(202)	-	100.0
Gain or loss on derivatives	-	N/A	N/A	-	-	-
Impairment of assets	-	N/A	N/A	-	-	-
Interest expenses	-	N/A	N/A	-	-	-
Interest income from fixed deposits with licensed banks	(19)	N/A	N/A	(65)	(99)	(34.3)
Inventories written off	-	N/A	N/A	-	54	(100.0)
Listing expenses	419	N/A	N/A	419	-	100.0
Loss on foreign exchange:						
- realised	-	N/A	N/A	-	18	(100.0)
- unrealised	-	N/A	N/A	-	66	(100.0)
Property, plant and equipment written off	-	N/A	N/A	1	-	100.0
Rental income	-	N/A	N/A	-	(80)	(100.0)

**31. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 31 May 2018 was unmodified.

**32. AUTHORISED FOR ISSUE**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 3 January 2019.