



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2019

23 JULY 2019

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2019**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited 31.05.2019	Unaudited 31.05.2018	Changes	Unaudited 31.05.2019	Audited 31.05.2018	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
REVENUE	8	13,369	N/A	N/A	49,129	50,294	(2.3)
COST OF SALES		(9,450)	N/A	N/A	(33,543)	(33,269)	0.8
GROSS PROFIT		3,919	N/A	N/A	15,586	17,025	(8.5)
OTHER INCOME		344	N/A	N/A	823	9,193	(91.0)
		4,263	N/A	N/A	16,409	26,218	(37.4)
SELLING AND MARKETING EXPENSES		(365)	N/A	N/A	(1,557)	(1,206)	29.1
ADMINISTRATIVE EXPENSES		(709)	N/A	N/A	(5,139)	(5,035)	2.1
OTHER EXPENSES		(92)	N/A	N/A	(985)	(1,353)	(27.2)
PROFIT BEFORE TAXATION		3,097	N/A	N/A	8,728	18,624	(53.1)
INCOME TAX EXPENSES	23	(662)	N/A	N/A	(2,333)	(3,464)	(32.7)
PROFIT AFTER TAXATION		2,435	N/A	N/A	6,395	15,160	(57.8)
OTHER COMPREHENSIVE INCOME		-	N/A	N/A	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		2,435	N/A	N/A	6,395	15,160	(57.8)
PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:- Owners of the Company		2,435	N/A	N/A	6,395	15,160	(57.8)
		Quarter Ended			Year-To-Date Ended		
		Unaudited 31.05.2019	Unaudited 31.05.2018		Unaudited 31.05.2019	Audited 31.05.2018	
		Sen per share	Sen per share		Sen per share	Sen per share	
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY:							
Basic EPS	29	0.50	N/A		1.56	4.21	
Diluted EPS	29	0.50	N/A		1.56	4.21	

N/A - Not applicable.

No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The above condensed consolidated statement of profit or loss and other comprehensive income 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 FINANCIAL POSITION
AS AT 31 MAY 2019**

	Unaudited As at 31.05.2019 RM'000	Audited As at 31.05.2018 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	8,234	5,724
	<u>8,234</u>	<u>5,724</u>
CURRENT ASSETS		
Inventories	8,751	8,974
Trade receivables	9,448	8,453
Other receivables, deposits and prepayments	253	967
Amount owing by a related party	-	15
Current tax assets	1,120	288
Fixed deposits with licensed banks	35,214	5,081
Money market fund	503	-
Cash and bank balances	13,072	12,946
	<u>68,361</u>	<u>36,724</u>
TOTAL ASSETS	<u>76,595</u>	<u>42,448</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	66,257	36,017
Merger deficit	(28,698)	(28,698)
Retained profits	33,400	27,248
TOTAL EQUITY	<u>70,959</u>	<u>34,567</u>
NON-CURRENT LIABILITY		
Deferred tax liabilities	270	165
CURRENT LIABILITIES		
Trade payables	4,178	6,317
Other payables and accruals	1,165	1,379
Amount owing to a related party	23	-
Current tax liabilities	-	20
	<u>5,366</u>	<u>7,716</u>
TOTAL LIABILITIES	<u>5,636</u>	<u>7,881</u>
TOTAL EQUITY AND LIABILITIES	<u>76,595</u>	<u>42,448</u>
	RM	RM
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>0.15</u>	<u>0.10</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 31 MAY 2019**

	← Attributable to owners of the company →			Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	
At 31 May 2018, as previously reported (Audited)	36,017	(28,698)	27,248	34,567
Effects of adoption of MFRS 9 (see Note 2.1(ii))	-	-	(243)	(243)
At 1 June 2018, as restated	36,017	(28,698)	27,005	34,324
Contributions by owners of the Company:				
- Issuance of ordinary shares	31,640	-	-	31,640
- Shares issuance expenses	(1,400)	-	-	(1,400)
	30,240	-	-	30,240
Profit after taxation/Total comprehensive income for the financial period	-	-	6,395	6,395
At 31 MAY 2019 (Unaudited)	66,257	(28,698)	33,400	70,959
At 1 June 2017	7,320	-	18,078	25,398
Contributions by and distribution to owners of the Company:				
- Issuance of ordinary shares	36,017	-	-	36,017
- Adjustment on acquisition of subsidiaries	(7,320)	(28,698)	-	(36,018)
- Dividends	-	-	(5,990)	(5,990)
	28,697	(28,698)	(5,990)	(5,991)
Profit after taxation/Total comprehensive income for the financial year	-	-	15,160	15,160
At 31 May 2018 (Audited)	36,017	(28,698)	27,248	34,567

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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2019**

	Year-To-Date Ended	
	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 RM'000
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,728	18,624
Adjustments for:-		
Allowance for impairment losses on trade receivables	73	4
Allowance for impairment loss on a trade receivable written back	(4)	-
Bad debts written off	18	74
Depreciation of property, plant and equipment	391	396
Inventories written down	9	100
Inventories written off	*	9
Listing expenses	936	1,092
Loss/(Gain) on disposal of property, plant and equipment	1	(985)
Property, plant equipment written off	2	-
Gain on disposal of investment properties	-	(7,886)
Interest income	(403)	(216)
Reversal of provision for expected credit loss on cash and bank balances	(52)	-
Reversal of provision for expected credit loss on trade receivables	(44)	-
Unrealised (gain)/loss on foreign exchange	(195)	183
	<hr/>	<hr/>
Operating profit before working capital changes	9,460	11,395
Decrease/(Increase) in inventories	214	(2,160)
Increase in trade and other receivables	(515)	(174)
Decrease in amount owing by a related party	15	504
Decrease in trade and other payables	(2,353)	(584)
	<hr/>	<hr/>
CASH FROM OPERATIONS	6,821	8,981
Income tax paid	(3,283)	(3,799)
Income tax refunded	203	35
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	3,741	5,217
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	403	216
Advances to related parties	-	*
(Increase)/Decrease in fixed deposit with licensed banks	(32,681)	4,500
Proceeds from disposal of property, plant and equipment	*	-
Proceeds from disposal of investment properties	-	1,225
Purchase of property, plant and equipment	(2,904)	(109)
	<hr/>	<hr/>
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(35,182)	5,832
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	31,640	*
Payment of share issuance expenses	(1,400)	-
Payment of listing expenses	(936)	(1,475)
Repayment to a director	-	(564)
Advances from/(Repayment to) a related party	23	(25)
	<hr/>	<hr/>
NET CASH FROM/(FOR) FINANCING ACTIVITIES	29,327	(2,064)

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2019**

		Year-To-Date Ended	
		Unaudited	Audited
		31.05.2019	31.05.2018
	Note	RM'000	RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,114)	8,985
EFFECT OF FOREIGN EXCHANGE TRANSLATION		195	(183)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		18,027	9,225
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	11	<u>16,108</u>	<u>18,027</u>

Note:

* - less than RM1,000

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.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 section 2 below.

This Condensed Report has also been prepared in accordance with rule 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 fourth quarter ended 31 May 2019, which is announced in compliance with the Listing Requirements. Hence, there are no comparative figures for the preceding year's corresponding quarter.

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 following:-

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

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

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 or 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 on 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 31 May 2019 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 31 May 2019.

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 31 May 2019.

6. DEBT AND EQUITY SECURITIES

Other than the issuance of new ordinary shares pursuant to the Company's Initial Public Offering and listing on the ACE Market of Bursa Securities on 7 January 2019 as disclosed below, 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 year-to-date ended 31 May 2019.

	Number of shares	
	'000	RM'000
Issued and Fully Paid-Up		
At 1 June 2018	360,171	36,017
Issuance of new ordinary shares	126,560	31,640
Share issuance expenses	-	(1,400)
At 31 May 2019	<u>486,731</u>	<u>66,257</u>

7. DIVIDEND PAID

No dividend was paid during the current financial quarter and year-to-date ended 31 May 2019.

8. REVENUE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2019 RM'000	Unaudited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 RM'000	Changes %
Aerosol products	10,786	N/A	N/A	39,516	40,773	(3.1)
Solvents and thinners	2,583	N/A	N/A	9,613	9,521	1.0
	<u>13,369</u>	<u>N/A</u>	<u>N/A</u>	<u>49,129</u>	<u>50,294</u>	<u>(2.3)</u>

N/A - Not applicable.

No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the Listing Requirements.

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 31.05.2019 RM'000	Unaudited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Unaudited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Unaudited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Unaudited 31.05.2018 RM'000	Changes %
Revenue												
External revenue (Note 8)	10,786	N/A	N/A	2,583	N/A	N/A	-	N/A	N/A	13,369	N/A	N/A
Inter-segment revenue	2,084	N/A	N/A	2	N/A	N/A	-	N/A	N/A	2,086	N/A	N/A
	12,870	N/A	N/A	2,585	N/A	N/A	-	N/A	N/A	15,455	N/A	N/A
Consolidated adjustments										(2,086)	N/A	N/A
Consolidated revenue										13,369	N/A	N/A
Results												
Segment profit before interest and taxation	3,380	N/A	N/A	(153)	N/A	N/A	(130)	N/A	N/A	3,097	N/A	N/A

	Year-To-Date Ended											
	Aerosol products			Solvents and thinners			Others			Total		
	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 RM'000	Changes %
Revenue												
External revenue (Note 8)	39,516	40,773	(3.1)	9,613	9,521	1.0	-	-	-	49,129	50,294	(2.3)
Inter-segment revenue	7,051	5,742	22.8	967	3,392	(71.5)	-	-	-	8,018	9,134	(12.2)
	46,567	46,515	0.1	10,580	12,913	(18.1)	-	-	-	57,147	59,428	(3.8)
Consolidated adjustments										(8,018)	(9,134)	(12.2)
Consolidated revenue										49,129	50,294	(2.3)
Results												
Segment profit before interest and taxation	10,269	19,411	(47.1)	(82)	228	(136.0)	(1,459) ⁽¹⁾	(1,015)	43.7	8,728	18,624	(53.1)

⁽¹⁾ Inclusive of IPO related expenses amounting to RM0.94 million for the current financial year-to-date.

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
	31.05.2019	31.05.2018		31.05.2019	31.05.2018		31.05.2019	31.05.2018		31.05.2019	31.05.2018	
RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	
Assets												
Segment assets	41,854	38,995	7.3	7,370	4,846	52.1	64,393	37,129	73.4	113,617	80,970	40.3
Consolidated adjustments										(37,022)	(38,522)	(3.9)
Consolidated total assets										76,595	42,448	80.4
Addition to non-current assets other than financial instruments is:-												
Property, plant and equipment	2,890	39	7,310.3	14	70	(80.0)	-	-	-	2,904	109	2,564.2
Liabilities												
Segment liabilities/ Consolidated total liabilities	3,888	4,747	(18.1)	1,662	3,087	(46.2)	86	47	83.0	5,636	7,881	(28.5)

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
	31.05.2019	31.05.2018		31.05.2019	31.05.2018	
RM'000	RM'000	%	RM'000	RM'000	%	
Malaysia	11,059	N/A	N/A	40,700	41,109	(1.0)
Outside Malaysia	2,310	N/A	N/A	8,429	9,185	(8.2)
	13,369	N/A	N/A	49,129	50,294	(2.3)

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

N/A - Not applicable.

No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the Listing Requirements.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. RELATED PARTY DISCLOSURES

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2019	31.05.2018		31.05.2019	31.05.2018	
	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	47	31	51.6

N/A - Not applicable.

No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the Listing Requirements.

11. CASH AND CASH EQUIVALENTS

The cash and cash equivalents comprise the followings:-

	Unaudited As at 31.05.2019 RM'000	Audited As at 31.05.2018 RM'000
Cash and bank balances	13,072	12,946
Money market fund	503	-
Fixed deposits with licensed banks	35,214	5,081
	48,789	18,027
Less: Fixed deposits with tenure of more than 3 months	(32,681)	-
	16,108	18,027
Fair value of money market fund	503	-

The short-term money market fund represents the Group's investment in a money market fund which is maintained by a licensed financial institution and is designed to provide investors with a stream of income and managed with the aim of maintaining the fund's unit price at RM1. The redemption proceeds can be collected by the next business day. Therefore, the Group considers the money market fund to be readily convertible to known amount of cash, and is subject to an insignificant risk of change in value.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 31.05.2019 RM'000	Audited As at 31.05.2018 RM'000
Approved and not contracted for:- Plant and equipment	22,868	23,540
Approved and contracted for:- Purchases of property and equipment	28	2,216
	<u>22,896</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 31 May 2019.

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:-

	Unaudited As at 31.05.2019 RM'000	Audited As at 31.05.2018 RM'000
Not later than 1 year	35	192
Later than 1 year and not later than 5 years	23	272
	<u>58</u>	<u>464</u>

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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.

	Unaudited	Audited
	As at	As at
	31.05.2019	31.05.2018
	RM'000	RM'000
Assets		
Financial assets at amortised cost		
Trade receivables	9,448	8,453
Other receivables and deposits	184	521
Amount owing by a related party	-	15
Fixed deposits with licensed banks	35,214	5,081
Money market fund	503	-
Cash and bank balances	13,072	12,946
Total financial assets	58,421	27,016
Liabilities		
Financial liabilities at amortised cost		
Trade payables	4,178	6,317
Other payables and accruals	1,165	1,379
Amount owing to a related party	23	-
Total financial liabilities	5,366	7,696

16.2 Fair Value Information

At the end of the reporting period, there were no financial instruments 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

There were no significant events subsequent to 31 May 2019.

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**

19. REVIEW OF PERFORMANCE

Current Financial Quarter

For the current financial quarter, the Group reported a revenue of RM13.37 million and profit before taxation of RM3.10 million.

Aerosol products segment contributed RM10.79 million or 80.7% while solvent and thinners segment contributed RM2.58 million or 19.3% of total revenue accordingly.

There are no comparative figures for the preceding year's corresponding quarter as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the Listing Requirements.

12 months Financial Year Ended ("FYE") 31 May 2019 Compared to 12 months FYE 31 May 2018

Revenue

During the 12 months FYE 31 May 2019, the Group's revenue had decreased by 2.3% to RM49.13 million from RM50.29 million as compared to the 12 months FYE 31 May 2018.

Aerosol products

Revenue from aerosol products had decreased by RM1.25 million, or approximately 3.1%, to RM39.52 million for the FYE 31 May 2019 as compared to RM40.77 million for the FYE 31 May 2018. This decrease was primarily due to decrease in export sales to private label manufacturing customers during the current financial year.

Solvents and thinners

Revenue from solvents and thinners had increased by RM0.09 million, or approximately 0.9%, to RM9.61 million for the FYE 31 May 2019 as compared to RM9.52 million for the FYE 31 May 2018, which was primarily due to new local customers secured during the current financial year.

Profit Before Taxation ("PBT")

During the FYE 31 May 2019, the Group's gross profit had decreased by RM1.44 million or approximately 8.5% to RM15.59 million from RM17.03 million for the FYE 31 May 2018. The decrease was mainly due to decrease in export sales to overseas private label manufacturing customers.

The PBT decreased by RM9.89 million or approximately 53.1% to RM8.73 million during FYE 31 May 2019, as compared to RM18.62 million during FYE 31 May 2018. This was mainly due to the gain from disposal of investment properties and property, plant and equipment of RM8.87 million, which was recorded in the preceding financial year. In addition, the GP margin decreased by 2.1% to 31.7% during FYE 31 May 2019, as compared to 33.8% during FYE 31 May 2018. This was mainly due to increase in raw material costs and certain overheads. Further, there was also a decrease in sales from the overseas private label manufacturing customers during the current financial year.

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

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

	Quarter Ended		Changes %
	Unaudited 31.5.2019 RM'000	Unaudited 28.02.2019 RM'000	
	Revenue	13,369	
Profit before taxation	3,097	915	238.5

The Group's revenue of RM13.37 million for the current quarter under review was 31.8% higher than the RM10.14 million recorded in the previous quarter.

The Group's profit before taxation increased by 238.5% from RM0.92 million in the immediate preceding quarter to RM3.10 million in the current financial quarter. This was mainly due to staff bonus of RM0.70 million and the listing expenses of RM0.52 million in the immediate preceding financial quarter. In addition, the Group's gross profit for the current financial quarter increased by RM0.41 million as compared with the immediate preceding financial quarter as a result of an increase in the revenue during the current financial quarter.

21. PROSPECTS

The Group is constantly pursuing opportunities to establish new geographical footprints and to develop a wider range of aerosol products to cater for new market segments. The Group is also increasing its sales, marketing and advertising initiatives to expand its customer base and will closely monitor its profitability and costs associated with such initiatives.

The Group is also in the midst of setting up a new building equipped with fully automated aerosol filling lines while progressively upgrading its existing aerosol filling lines to boost production capacity and efficiency.

Currently, the Group is exploring business opportunities in the PRC, as announced on 10 May 2019, through the signing of a memorandum of understanding to form a joint venture arrangement with identified partners. The prospective combination of local and overseas manufacturing bases will allow the Group to expand the scale and scope of aerosol products offerings to service a wider range of domestic and overseas customers.

Taking into account the initiatives the Group is currently undertaking, the Board is optimistic of the Group's prospects for the future.

22. PROFIT FORECAST

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

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

23. INCOME TAX EXPENSE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2019 RM'000	Unaudited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 RM'000	Changes %
Income tax	682	N/A	N/A	2,218	2,859	(22.4)
Deferred tax	(20)	N/A	N/A	105	60	75.0
Real property gains tax	-	N/A	N/A	10	545	(98.2)
Total income tax expense	662	N/A	N/A	2,333	3,464	(32.7)
Effective tax rate	21%	N/A		27%	19%	

N/A - Not applicable.

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period.

The effective tax rate of the Group for the current financial year is higher than the statutory tax rate principally due to certain expenses being not deductible for tax purpose. For the previous corresponding financial year, 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.

No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the Listing Requirements.

24. STATUS OF CORPORATE PROPOSALS

During the current financial year, the Company successfully listed its entire enlarged issued share capital of 486,731,000 shares on the ACE Market of Bursa Securities on 7 January 2019.

During the current financial quarter, the Company had, on 10 May 2019, entered into a Memorandum of Understanding ("MOU") with Chen Junxiong and Li Feng Ming to form a strategic collaboration to invest in an aerosol business in the People's Republic of China.

Save for the above, there is no corporate proposal announced but not completed as of 23 July 2019.

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

25. UTILISATION OF PROCEEDS RAISED FROM THE IPO

The gross proceeds raised from the IPO of RM31.64 million and status of utilisation as at 31 May 2019 is disclosed in the following table:

No.	Purpose	Proposed utilisation		Actual Utilisation RM'000	Intended timeframe for utilisation (from the listing date)	Deviation Explanation (if deviation is 5% or more)
		RM'000	%			
i	Capital expenditure and expansion	23,540	74.4	672	Within 18 to 24 months	N/A
ii	Sales, marketing and advertising expenses	3,000	9.5	74	Within 24 months	N/A
iii	Product development	1,300	4.1	66	Within 24 months	N/A
iv	Estimated listing expenses	3,800	12.0	3,428	Within 1 month	372 ⁽¹⁾
	Total	31,640	100.0	4,240		372

⁽¹⁾ The surplus has been re-allocated for working capital purposes.

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

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.

28. DIVIDEND

There was no dividend payable in the current quarter and year-to-date ended 31 May 2019.

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

29. EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.05.2019	Unaudited 31.05.2018	Unaudited 31.05.2019	Audited 31.05.2018
Profit after taxation attributable to owners of the Company (RM'000)	2,435	N/A	6,395	15,160
Weighted average number of ordinary shares in issue ('000)	486,731	N/A	410,102	360,171
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.50	N/A	1.56	4.21
- Diluted ⁽²⁾ (Sen)	0.50	N/A	1.56	4.21

N/A - Not applicable.

Notes:

⁽¹⁾ The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 May 2019.

⁽²⁾ The diluted earnings per share is equal to the basic earnings per share.

No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the Listing Requirements.

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 31.05.2019 RM'000	Unaudited 31.05.2018 RM'000	Changes %	Unaudited 31.05.2019 RM'000	Audited 31.05.2018 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	73	N/A	N/A	73	4	1,725.0
Bad debts written off	18	N/A	N/A	18	74	(75.7)
Depreciation of investment properties	-	N/A	N/A	-	-	-
Depreciation of property, plant and equipment	86	N/A	N/A	391	396	(1.3)
Exceptional items	-	N/A	N/A	-	-	-
Gain on disposal of investment properties	-	N/A	N/A	-	(7,886)	(100.0)
Loss/(Gain) on disposal of property, plant and equipment	1	N/A	N/A	1	(985)	(100.1)

**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 (CONT'D)

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2019	31.05.2018		31.05.2019	31.05.2018	
	RM'000	RM'000	%	RM'000	RM'000	%
(Gain)/Loss on foreign exchange:						
- realised	(11)	N/A	N/A	(166)	(7)	2,271.4
- unrealised	(102)	N/A	N/A	(195)	183	(206.6)
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	(134)	N/A	N/A	(403)	(216)	86.6
Inventories written down	9	N/A	N/A	9	100	(91.0)
Inventories written off	-	N/A	N/A	-	9	#VALUE!
Listing expenses	-	N/A	N/A	936	1,092	(14.3)
Property, plant and equipment written off	1	N/A	N/A	2	-	100.0
Rental income	-	N/A	N/A	-	(80)	(100.0)
Reversal of provision for expected credit loss on cash and bank balances	(52)	N/A	N/A	(52)	-	100.0
Reversal of provision for expected credit loss on trade receivables	(44)	N/A	N/A	(44)	-	100.0

N/A - Not applicable.

No comparative figures for the preceding year's corresponding quarter is available as this is the first announcement on the consolidated results for the fourth quarter ended 31 May 2019 in compliance with the Listing Requirements.

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 23 July 2019.