



**DPI HOLDINGS BERHAD**

**(Company No. 201701035607)(1249778-M)**

**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

**30 JULY 2020**

**DPI HOLDINGS BERHAD**

(Company No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %
REVENUE	8	6,993	13,369	(47.7)	41,738	49,129	(15.0)
COST OF SALES		(5,574)	(9,450)	(41.0)	(27,335)	(33,544)	(18.5)
GROSS PROFIT		1,419	3,919	(63.8)	14,403	15,585	(7.6)
OTHER INCOME		693	344	101.5	1,818	766	137.3
		2,112	4,263	(50.5)	16,221	16,351	(0.8)
SELLING AND MARKETING EXPENSES		(190)	(365)	(47.9)	(1,377)	(1,557)	(11.6)
ADMINISTRATIVE EXPENSES		(900)	(709)	26.9	(5,880)	(5,138)	14.4
OTHER EXPENSES		-	(121)	(100.0)	-	(957)	(100.0)
NET IMPAIRMENT (LOSS)/ GAIN ON FINANCIAL ASSETS	9	(182)	29	(727.6)	(531)	29	(1,931.0)
FINANCE COST		(9)	-	100.0	(9)	-	100.0
PROFIT BEFORE TAXATION		831	3,097	(73.2)	8,424	8,728	(3.5)
INCOME TAX EXPENSES	26	(103)	(662)	(84.4)	(2,383)	(2,333)	2.1
PROFIT AFTER TAXATION		728	2,435	(70.1)	6,041	6,395	(5.5)
OTHER COMPREHENSIVE INCOME							
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>							
Foreign currency translation difference		4	-	100.0	2	-	100.0
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		732	2,435	(69.9)	6,043	6,395	(5.5)
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>							
Owners of the Company		728	2,435	(70.1)	6,041	6,395	(5.5)
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>							
Owners of the Company		732	2,435	(69.9)	6,043	6,395	(5.5)

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

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		Quarter Ended		Year-To-Date Ended	
		Unaudited	Unaudited	Unaudited	Audited
		31.05.2020	31.05.2019	31.05.2020	31.05.2019
		Sen per	Sen per	Sen per	Sen per
		share	share	share	share
EARNINGS PER SHARE ("EPS")					
ATTRIBUTABLE TO					
OWNERS OF THE COMPANY:					
Basic EPS	32	0.15	0.50	1.24	1.56
Diluted EPS	32	0.15	0.50	1.24	1.56

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 May 2019 and the accompanying explanatory notes attached to these interim financial statements.*

**DPI HOLDINGS BERHAD**  
(Company No. 201701035607)(1249778-M)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2020**

	Note	Unaudited As at 31.05.2020 RM'000	Audited As at 31.05.2019 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		4,754	8,234
Right-of-use assets	11	3,976	-
		<u>8,730</u>	<u>8,234</u>
<b>CURRENT ASSETS</b>			
Inventories		9,782	8,751
Trade receivables		7,748	9,448
Other receivables, deposits and prepayments		362	253
Current tax assets		1,606	1,120
Short-term investment		1,031	503
Fixed deposits with licensed banks		39,867	35,214
Cash and bank balances		9,337	13,072
		<u>69,733</u>	<u>68,361</u>
<b>TOTAL ASSETS</b>		<u><b>78,463</b></u>	<u><b>76,595</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		66,257	66,257
Merger deficit		(28,698)	(28,698)
Retained profits		35,547	33,400
Foreign translation reserve		2	-
<b>TOTAL EQUITY</b>		<u><b>73,108</b></u>	<u><b>70,959</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		78	270
Lease liabilities	12	13	-
		<u>91</u>	<u>270</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		3,445	4,178
Other payables and accruals		1,614	1,165
Amount owing to a related party		10	23
Current tax liabilities		54	-
Lease liabilities	12	141	-
		<u>5,264</u>	<u>5,366</u>
<b>TOTAL LIABILITIES</b>		<u><b>5,355</b></u>	<u><b>5,636</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>78,463</b></u>	<u><b>76,595</b></u>

**DPI HOLDINGS BERHAD**  
(Company No. 201701035607)(1249778-M)  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2020**

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	<b>Unaudited As at 31.05.2020 RM</b>	<b>Audited As at 31.05.2019 RM</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>0.15</b>	<b>0.15</b>

*The above condensed consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 May 2019 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 2020**

	Share Capital RM'000	Non- distributable Merger Deficit RM'000	Non- distributable Foreign Translation Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b>At 31 May 2019 (Audited)/ 1 June 2019 <sup>(1)</sup></b>	66,257	(28,698)	-	33,400	70,959
Profit after taxation for the financial year	-	-	-	6,041	6,041
Other comprehensive income for the financial year:					
- Foreign currency translation differences	-	-	2	-	2
Total comprehensive income for the financial year	-	-	2	6,041	6,043
Distributions to owners of the Company:					
- Dividends by the Company (Note 31)	-	-	-	(3,894)	(3,894)
<b>At 31 May 2020 (Unaudited)</b>	<b>66,257</b>	<b>(28,698)</b>	<b>2</b>	<b>35,547</b>	<b>73,108</b>
<b>At 31 May 2018, as previously reported (Audited)</b>	36,017	(28,698)	-	27,248	34,567
Effects of adoption of MFRS 9	-	-	-	(243)	(243)
<b>At 1 June 2018, as restated</b>	36,017	(28,698)	-	27,005	34,324
Contributions by owners of the Company:					
- Issuance of 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 year	-	-	-	6,395	6,395
<b>At 31 MAY 2019 (Unaudited)</b>	<b>66,257</b>	<b>(28,698)</b>	<b>-</b>	<b>33,400</b>	<b>70,959</b>

**Note <sup>(1)</sup>:**

The Group has adopted MFRS 16 on 1 June 2019. Under the transition method elected, the comparatives were not restated. The Group has recognised its lease liabilities in the statement of financial position based on the remaining payment obligations from existing operating leases which were discounted using the incremental borrowing rate. Further, the Group has opted to measure the right-of-use assets at an amount equal to the lease liabilities, and adjusted by the amount of the prepaid or accrued lease payments. Accordingly, there is no impact to the retained earnings of the Group as at 1 June 2019.

*The above condensed consolidated statement of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 May 2019 and the accompanying explanatory notes attached to these interim financial statements.*

**DPI HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

	Note	Year-To-Date Ended	
		Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		8,424	8,728
Adjustments for:-			
Allowance for impairment losses on trade receivables		548	73
Bad debts written off		-	17
Depreciation of right-of-use assets		429	-
Depreciation of property, plant and equipment		320	392
Inventories written down		67	9
Inventories written off		9	*
Listing expenses		-	936
Loss on disposal of property, plant and equipment		-	1
Property, plant equipment written off		*	2
Interest expenses on lease liabilities		9	-
Interest income		(1,513)	(403)
Reversal of impairment losses on:			
- trade receivables		(17)	(49)
- fixed deposits with licensed banks		-	(15)
- cash and bank balances		-	(38)
Reversal of inventories previously written down		(5)	(6)
Unrealised gain on foreign exchange		(70)	(195)
Operating profit before working capital changes		8,201	9,452
(Increase)/Decrease in inventories		(1,102)	220
Decrease/(Increase) in trade and other receivables		1,060	(512)
Decrease in amount owing by a related party		-	15
Decrease in trade and other payables		(1,014)	(2,353)
Increase in amount owing to a related party		10	-
<b>CASH FROM OPERATIONS</b>		<b>7,155</b>	<b>6,822</b>
Income tax paid		(3,220)	(3,283)
Income tax refunded		213	203
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>4,148</b>	<b>3,742</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>			
Interest received		1,513	403
Proceeds from disposal of plant and equipment		-	*
Withdrawal/(Placement) of fixed deposits with licensed banks		835	(32,681)
Purchase of property, plant and equipment		(856)	(2,904)
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		<b>1,492</b>	<b>(35,182)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2020**

	Note	Year-To-Date Ended	
		Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(235)	-
Interest paid on lease liabilities		(9)	-
Dividend paid		(3,164)	-
Proceeds from issuance of ordinary shares		-	31,640
Payment of share issuance expenses		-	(1,400)
Payment of listing expenses		-	(936)
(Repayment to)/Advance from a related party		(23)	23
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>		<b>(3,431)</b>	<b>29,327</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,209</b>	<b>(2,113)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>		<b>71</b>	<b>195</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>16,109</b>	<b>18,027</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	14	<b>18,389</b>	<b>16,109</b>

Note:

\* - less than RM1,000.

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 May 2019 and the accompanying explanatory notes attached to these interim financial statements.*



**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 section 2 below.

This Condensed Report has also been prepared in accordance with rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

This Condensed Report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 May 2019 and the accompanying explanatory notes attached to these interim financial statements. These explanatory notes 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 2019.

**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 2019, 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 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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operation leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.

**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 2020**

Amendments to MFRS 3 Business combinations - *Definition of Business*  
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Material*  
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - *Interest Rate Benchmark Reform*

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

Amendment to MFRS 16, Leases - *Covid-19-Related Rent Concessions*

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

MFRS 17 Insurance Contracts

**Effective for financial periods beginning on or after 1 January 2022**

Amendments to MFRS 101, *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*  
Amendments to MFRSs contained in the document entitled "*Annual Improvements to MFRS Standards 2018 - 2020*"  
Amendments to MFRS 3, Business Combinations - *Reference to the Conceptual Framework*  
Amendments to MFRS 116, Property, Plant and Equipment - *Property, Plant and Equipment-Proceeds before Intended Use*  
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - *Onerous Contracts - Cost of Fulfilling a Contract*

**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 2020 were not materially affected by any major seasonal or cyclical factors.

**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 2020.

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

**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 2020.

**6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments 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 31 May 2020.

**7. DIVIDENDS PAID**

During the financial quarter and year-to-date ended 31 May 2020, the following payments of dividends were made:

In respect of the financial year ended 31 May 2019, RM1,946,924 was declared and paid on 15 November 2019 and 17 December 2019 respectively as final single tier dividend of 0.40 sen per share on 486,731,000 ordinary shares.

In respect of the financial year ended 31 May 2020:

- (a) RM1,216,828 was declared and paid on 22 January 2020 and 5 March 2020 respectively as first interim single tier dividend of 0.25 sen per share on 486,731,000 ordinary shares.
- (b) RM730,097 was declared and to be paid on 29 May 2020 and 7 July 2020 respectively as second interim single tier dividend of 0.15 sen per share on 486,731,000 ordinary shares.

**8. REVENUE**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2020	31.05.2019		31.05.2020	31.05.2019	
RM'000	RM'000	%	RM'000	RM'000	%	
Aerosol products	5,806	10,786	(46.2)	33,585	39,516	(15.0)
Solvents and thinners	1,187	2,583	(54.0)	8,153	9,613	(15.2)
	6,993	13,369	(47.7)	41,738	49,129	(15.0)

**9. NET IMPAIRMENT (LOSS)/GAIN ON FINANCIAL ASSETS**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2020	31.05.2019		31.05.2020	31.05.2019	
RM'000	RM'000	%	RM'000	RM'000	%	
Impairment losses during the financial period/year						
- Additions under MFRS 9	(199)	(73)	172.6	(548)	(73)	650.7
Reversal of impairment losses	17	102	(83.3)	17	102	(83.3)
	(182)	29	(727.6)	(531)	29	(1,931.0)

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****10. 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 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %
<b>Revenue</b>												
External revenue (Note 8)	5,806	10,786	(46.2)	1,187	2,583	(54.0)	-	-	-	6,993	13,369	(47.7)
Inter-segment revenue	1,521	2,084	(27.0)	-	2	(100.0)	-	-	-	1,521	2,086	(27.1)
	7,327	12,870	(43.1)	1,187	2,585	(54.1)	-	-	-	8,514	15,455	(44.9)
Consolidated adjustments										(1,521)	(2,086)	(27.1)
Consolidated revenue										6,993	13,369	(47.7)
<b>Results</b>												
Segment profit before interest and taxation	593	3,380	(82.5)	37	(153)	124.2	210	(130)	261.5	840	3,097	(72.9)

	Year-To-Date Ended											
	Aerosol products			Solvents and thinners			Others			Total		
	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %
<b>Revenue</b>												
External revenue (Note 8)	33,585	39,516	(15.0)	8,153	9,613	(15.2)	-	-	-	41,738	49,129	(15.0)
Inter-segment revenue	7,095	7,051	0.6	-	967	(100.0)	-	-	-	7,095	8,018	(11.5)
	40,680	46,567	(12.6)	8,153	10,580	(22.9)	-	-	-	48,833	57,147	(14.5)
Consolidated adjustments										(7,095)	(8,018)	(11.5)
Consolidated revenue										41,738	49,129	(15.0)
<b>Results</b>												
Segment profit before interest and taxation	8,087	10,269	(21.2)	656	(82)	900.0	(310)	(1,459)	78.8	8,433	8,728	(3.4)

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****10. SEGMENT INFORMATION (CONT'D)**

	Aerosol products			Solvents and thinners			Others			Total		
	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %
<b>Assets</b>												
Segment assets	47,573	43,917	8.3	4,590	5,307	(13.5)	68,069	64,393	5.7	120,232	113,617	5.8
Consolidated adjustments										(41,769)	(37,022)	12.8
Consolidated total assets										<u>78,463</u>	<u>76,595</u>	<u>2.4</u>
Addition to non-current assets other than financial instruments is:-												
Property, plant and equipment	765	2,890	(73.5)	91	14	550.0	-	-	-	856	2,904	(70.5)
<b>Liabilities</b>												
Segment liabilities/												
Consolidated total liabilities	9,080	4,582	98.2	500	1,662	(69.9)	924	138	569.6	10,504	6,382	64.6
Consolidated adjustments										(5,149)	(746)	590.2
Consolidated total liabilities										<u>5,355</u>	<u>5,636</u>	<u>(5.0)</u>

Geographical Information

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %
Malaysia	5,827	11,059	(47.3)	33,820	40,700	(16.9)
Outside Malaysia	1,166	2,310	(49.5)	7,918	8,429	(6.1)
	<u>6,993</u>	<u>13,369</u>	<u>(47.7)</u>	<u>41,738</u>	<u>49,129</u>	<u>(15.0)</u>

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

**10. SEGMENT INFORMATION (CONT'D)**

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

	<b>Unaudited</b> <b>31.05.2020</b> <b>RM'000</b>	<b>Audited</b> <b>31.05.2019</b> <b>RM'000</b>	<b>Changes</b> <b>%</b>
Malaysia	8,725	8,234	6.0
Singapore	5	-	100.0
	<u>8,730</u>	<u>8,234</u>	<u>6.0</u>

**11. RIGHT-OF-USE ASSETS**

	<b>As</b> <b>Previously</b> <b>Reported</b> <b>RM'000</b>	<b>Initial</b> <b>Application</b> <b>of MFRS 16</b> <b>RM'000</b>	<b>As</b> <b>Restated</b> <b>RM'000</b>	<b>Depreciation</b> <b>Charges</b> <b>RM'000</b>	<b>At</b> <b>31.05.2020</b> <b>RM'000</b>
<i>Carrying Amount</i>					
Leasehold land	-	4,016	4,016	(170)	3,846
Lease office premises, warehouse and equipment	-	389	389	(259)	130
	<u>-</u>	<u>4,405</u>	<u>4,405</u>	<u>(429)</u>	<u>3,976</u>

- (a) The Group has reclassified the leasehold land used in its operations under MFRS 16 with lease terms ranging from 29 to 46 years.
- (b) The Group has lease contracts for office premises, warehouse and equipment used in its operations. Their lease term range from 2 to 5 years.
- (c) The Group has a lease with lease term of 12 months. The Group has applied the 'short-term lease' recognition exemptions for the lease.
- (d) The Group has several lease contracts that include extension and termination options. These options are negotiated by the management to provide flexibility in managing the portfolio of leased assets and to align with the Company's business needs. The management exercises judgement in determining whether these extension and termination options are reasonable to be exercised.

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

**12. LEASE LIABILITIES**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2020	31.05.2019		31.05.2020	31.05.2019	
	RM'000	RM'000	%	RM'000	RM'000	%
At 1 June 2019						
- As previously reported	-	-	-	-	-	-
- Initial application of MFRS 16	389	-	100.0	389	-	100.0
- As restated	389	-	100.0	389	-	100.0
Interest expenses recognised in profit or loss	9	-	100.0	9	-	100.0
Repayment of principal	(235)	-	100.0	(235)	-	100.0
Repayment of interest expenses	(9)	-	100.0	(9)	-	100.0
At 31 May 2020	154	-	100.0	154	-	100.0
Analysed by:-						
Current liabilities	141	-	100.0	141	-	100.0
Non-current liabilities	13	-	100.0	13	-	100.0
	154	-	100.0	154	-	100.0

**13. RELATED PARTY DISCLOSURES**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2020	31.05.2019		31.05.2020	31.05.2019	
	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	12	-	47	47	-

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

**14. CASH AND CASH EQUIVALENTS**

The cash and cash equivalents comprise the following:-

	<b>Unaudited As at 31.05.2020 RM'000</b>	<b>Audited As at 31.05.2019 RM'000</b>
Short-term investment	1,031	503
Fixed deposits with licensed banks	39,867	35,214
Cash and bank balances	9,337	13,072
	<u>50,235</u>	<u>48,789</u>
Less: Fixed deposits with tenure of more than 3 months	(31,846)	(32,681)
	<u>18,389</u>	<u>16,108</u>
Fair value of money market fund	<u>1,031</u>	<u>503</u>

The short-term money market fund represents the Group's investment in money market fund which is designed to provide investors with a stream of income and is managed with the aim of maintaining the fund's unit price at RM1. The redemption proceeds for investment in money market fund will normally be collected by the next business day. Therefore, the Group considered the investment in money market fund represent investment in highly liquid money market instruments which is readily convertible to known amount of cash, and is subject to an insignificant risk of changes in value.

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.50% to 3.45% per annum. The fixed deposits have maturity periods ranging from 3 to 12 months.

**15. 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:-

	<b>Unaudited As at 31.05.2020 RM'000</b>	<b>Audited As at 31.05.2019 RM'000</b>
Approved and not contracted for:-		
Plant and equipment	22,164	22,868
Approved and contracted for:-		
Purchases of property and equipment	5	28
	<u>22,169</u>	<u>22,896</u>

**16. CONTINGENT ASSETS AND LIABILITIES**

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



**DPI HOLDINGS BERHAD**

(Company No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****17. 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 2020 save for the subscription by the Company of the entire issued share capital of DPI Aerosol Pte. Ltd. ("DPIA") for a consideration of SGD 100 comprising 100 ordinary shares on 4 November 2019. Subsequently, the paid-up share capital was increased from SGD 100 to SGD 100,000 by an additional allotment of 99,900 ordinary shares in DPIA on 3 January 2020. DPIA is principally engaged in the business of distributing aerosol products.

**18. OPERATING LEASE COMMITMENTS**

The Company has applied MFRS 16 using the modified retrospective approach for the current financial year. As a result, the following information disclosure is required by MFRS 117 'Leases' for the last reporting period are:-

The Group leases a number of office premises, warehouse and equipment under non-cancellable operating leases. The future minimum lease payments under the non-cancellable operating leases as at the end of the last reporting period are as follows:-

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

**19. FINANCIAL INSTRUMENTS****19.1 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 As at 31.05.2020 RM'000</b>	<b>Audited As at 31.05.2019 RM'000</b>
<b>Assets</b>		
<b>Financial asset mandatorily at fair value through profit or loss</b>		
Short-term investment	1,031	503
	<u>1,031</u>	<u>503</u>

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

**19. FINANCIAL INSTRUMENTS (CONT'D)**

19.1 Classification (Cont'd)

	<b>Unaudited As at 31.05.2020 RM'000</b>	<b>Audited As at 31.05.2019 RM'000</b>
<b>Financial assets at amortised cost</b>		
Trade receivables	7,748	9,448
Other receivables	-	1
Fixed deposits with licensed banks	39,867	35,214
Cash and bank balances	9,337	13,072
<b>Total financial assets</b>	<b>56,952</b>	<b>57,735</b>
<b>Liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Trade payables	3,445	4,178
Other payables and accruals	1,614	1,165
Amount owing to a related party	10	23
Lease liabilities	154	-
<b>Total financial liabilities</b>	<b>5,223</b>	<b>5,366</b>

19.2 Gains or Losses Arising From Financial Instruments

**Financial Assets**

Fair Value Through Profit or Loss

Net gains recognised in profit or loss by:

- mandatorily required by accounting standard

28	3
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Amortised Cost

Net gains recognised in profit or loss

1,485	400
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19.3 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

**Fair Value of Financial Instruments Carried at Fair Value**

The fair value of the money market fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

**20. EVENT AFTER THE REPORTING PERIOD**

There were no significant events subsequent to 31 May 2020.

**21. SIGNIFICANT EVENT DURING THE PERIOD**

Save as disclosed in Notes 22 and 23 regarding the impact of the Movement Control Order ("MCO") imposed by the Government of Malaysia to contain the spread of Covid-19, 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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**22. REVIEW OF PERFORMANCE**

Fourth Quarter FYE 2020 (4Q FYE 2020) Compared to Fourth Quarter FYE 2019 (4Q FYE 2019)

**Revenue**

During the 4Q FYE 2020, the Group's revenue had decreased by RM6.4 million, or approximately 47.7% to RM7.0 million from RM13.4 million as compared to the 4Q FYE 2019. The decrease was mainly attributable to the MCO which had required the Group to halt all production from 18 March 2020 to 26 April 2020, and thus affected its ability to fulfil sales orders.

*Aerosol Products*

Revenue from aerosol products had decreased by RM5.0 million, or approximately 46.2%, to RM5.8 million for the 4Q FYE 2020 as compared to RM10.8 million for the 4Q FYE 2019. This was due to the implementation of MCO which had affected the Group's ability to fulfil sales orders.

*Solvents and Thinners*

Revenue from solvents and thinners decreased by RM1.4 million, or approximately 54.0%, to RM1.2 million for the 4Q FYE 2020 as compared to RM2.6 million for the 4Q FYE 2019. This was due to the implementation of MCO which had affected the Group's ability to fulfil sales orders.

**Profit Before Taxation ("PBT")**

During the 4Q FYE 2020, the Group's gross profit had decreased by RM2.5 million or approximately 63.8% to RM1.4 million from RM3.9 million for the 4Q FYE 2019. The decrease was mainly due to the decrease in revenue during the current financial quarter.

PBT decreased by RM2.3 million during the 4Q FYE 2020 or approximately 73.2% to RM0.8 million from RM3.1 million during the 4Q FYE 2019. The decrease was mainly due to a drop in revenue and the fixed overhead expenses incurred during the MCO period.

12 Months Financial Year Ended ("FYE") 31 May 2020 Compared to 12 Months FYE 31 May 2019

**Revenue**

During the 12 months FYE 31 May 2020, the Group's revenue decreased by RM7.4 million, or approximately 15.0% to RM41.7 million from RM49.1 million for the 12 months FYE 31 May 2019. The decrease was mainly attributable to the MCO which had required the Group to halt all production from 18 March 2020 to 26 April 2020, and thus affected its ability to fulfil sales orders.

*Aerosol Products*

Revenue from aerosol products had decreased by RM5.9 million, or approximately 15.0%, to RM33.6 million for the 12 months FYE 31 May 2020 as compared to RM39.5 million for the 12 months FYE 31 May 2019. This was due to the implementation of MCO which had affected the Group's ability to fulfil sales orders.

*Solvents and Thinners*

Revenue from solvents and thinners decreased by RM1.5 million, or approximately 15.2%, to RM8.1 million for 12 months FYE 31 May 2020 as compared to RM9.6 million for the 12 months FYE 31 May 2019. This was due to the implementation of MCO which had affected the Group's ability to fulfil sales orders.

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

**22. REVIEW OF PERFORMANCE (CONT'D)**

12 Months Financial Year Ended ("FYE") 31 May 2020 Compared to 12 Months FYE 31 May 2019

**Profit Before Taxation ("PBT")**

During the 12 months FYE 31 May 2020, the Group's gross profit had decreased by RM1.2 million or approximately 7.6% to RM14.4 million from RM15.6 million for the 12 months FYE 31 May 2019. The decrease was mainly due to the decrease in sales during the MCO period.

Although the revenue has decreased by RM7.4 million, or approximately 15.0%, the PBT has only decreased by RM0.3 million during the 12 months FYE 31 May 2020 or approximately 3.5% to RM8.4 million from RM8.7 million during the 12 months FYE 31 May 2019. This was mainly due to the increase in gross profit margin by 2.8% to 34.5% during the 12 months FYE 31 May 2020 as compared to 31.7% during the 12 months FYE 31 May 2019. In addition, the fixed deposits interest income was increased by RM1.1 million from RM0.4 million during the 12 months FYE 31 May 2019 to RM1.5 million during the 12 months FYE 31 May 2020.

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

	Quarter Ended		Changes %
	Unaudited 31.05.2020 RM'000	Unaudited 29.02.2020 RM'000	
Revenue	6,993	11,603	(39.7)
Profit before taxation	831	2,068	(59.8)

The Group's revenue of RM7.0 million for the current quarter under review was 39.7% lower than RM11.6 million recorded in the immediate preceding quarter. The decrease was mainly attributable to the MCO which had required the Group to halt all production from 18 March 2020 to 26 April 2020, and thus affected its ability to fulfil sales orders.

The Group's profit before taxation decreased by RM1.2 million, or approximately 59.8% from RM2.0 million in the immediate preceding quarter to RM0.8 million in the current financial quarter. This was mainly due to the decrease in revenue during the current financial quarter.

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

**24. PROSPECTS**

The Group is continuously exploring new sources of revenue by constantly looking to develop a wider range of aerosol products. In this respect, the Group had begun manufacturing and sales for anti-bacterial disinfectant spray in the wake of the global Covid-19 pandemic.

The Group is also actively trying to expand its customer base through increased sales, marketing and advertising initiatives. This is intended to increase brand awareness in new market segments.

In light of the above, the Board is of the view that there are opportunities for the Group to venture into new markets and segments. The Group remains focused on improving its performance and growth to strengthen its financial position. However, with the resurgence of Covid-19 infections worldwide, there is a possibility of new lockdowns both locally and abroad which may further dampen global economic activity. As such, this may result in negative global economic growth in 2020 and 2021, and an uncertain outlook on the timing and rate of recovery of the global economy going forward.

**25. PROFIT FORECAST**

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

**26. INCOME TAX EXPENSE**

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %
Income tax	244	682	(64.2)	2,575	2,219	16.0
Deferred tax	(141)	(20)	605.0	(192)	105	(282.9)
Real property gains tax	-	-	-	-	9	(100.0)
<b>Total income tax expense</b>	<b>103</b>	<b>662</b>	<b>(84.4)</b>	<b>2,383</b>	<b>2,333</b>	<b>2.1</b>
Effective tax rate	12%	21%		28%	27%	

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.

**27. STATUS OF CORPORATE PROPOSALS**

There is no outstanding corporate proposal as of 30 July 2020.

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

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

The gross proceeds raised from the Company's Initial Public Offering of RM31.64 million and status of utilisation as at 31 May 2020 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	1,376	Within 60 months	N/A
ii	Sales, marketing and advertising expenses	3,000	9.5	166	Within 24 months	N/A
iii	Product development	1,300	4.1	116	Within 24 months	N/A
iv	Estimated listing expenses	3,800	12.0	3,428	Within 1 month	372 <sup>(1)</sup>
	<b>Total</b>	<b>31,640</b>	<b>100.0</b>	<b>5,086</b>		<b>372</b>

<sup>(1)</sup> 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 and the announcement dated 6 July 2020.

**29. BORROWINGS AND DEBT SECURITIES**

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

**30. CHANGES IN MATERIAL LITIGATION**

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

**31. DIVIDENDS**

	RM'000
<u>In respect of financial year ended 31 May 2019:-</u>	
A final single tier dividend of 0.40 sen per share was declared on 15 November 2019. The dividend was paid on 17 December 2019.	1,947
<u>In respect of financial year ended 31 May 2020:-</u>	
A first interim dividend of 0.25 sen per share was declared on 22 January 2020. The dividend was paid on 5 March 2020.	1,217
A second interim dividend of 0.15 sen per share was declared on 29 May 2020. The dividend was paid on 7 July 2020.	730
	3,894

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

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

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.05.2020	Unaudited 31.05.2019	Unaudited 31.05.2020	Audited 31.05.2019
Profit after taxation attributable to owners of the Company (RM'000)	728	2,435	6,041	6,395
Weighted average number of ordinary shares in issue ('000)	486,731	486,731	486,731	410,102
Earnings per share attributable to owners of the Company				
- Basic <sup>(1)</sup> (Sen)	0.15	0.50	1.24	1.56
- Diluted <sup>(2)</sup> (Sen)	0.15	0.50	1.24	1.56

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 2020.
- (2) The diluted earnings per share is equal to the basic earnings per share.

**33. 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 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %
Allowance for impairment loss on trade receivables	199	73	172.6	548	73	650.7
Bad debts written off	-	17	(100.0)	-	17	(100.0)
Depreciation of right-of-use assets	429	-	100.0	429	-	100.0
Depreciation of property, plant and equipment	(39)	86	(145.3)	320	392	(18.4)
Loss on disposal of property, plant and equipment	-	1	(100.0)	-	1	(100.0)

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

**33. 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 31.05.2020 RM'000	Unaudited 31.05.2019 RM'000	Changes %	Unaudited 31.05.2020 RM'000	Audited 31.05.2019 RM'000	Changes %
(Gain)/Loss on foreign exchange:						
- realised	(56)	(11)	409.1	(205)	(166)	23.5
- unrealised	(47)	(102)	(53.9)	(70)	(195)	(64.1)
Interest expenses on lease liabilities	9	-	100.0	9	-	100.0
Interest income from fixed deposits with licensed banks	(575)	(134)	329.1	(1,513)	(403)	275.4
Inventories written down	67	9	644.4	67	9	644.4
Inventories written off	9	*	100.0	9	*	100.0
Listing expenses	-	-	-	-	936	(100.0)
Property, plant and equipment written off	-	1	(100.0)	*	2	(100.0)
Rental expenses	12	12	-	47	47	-
Reversal of impairment losses on:						
- trade receivables	-	(49)	(100.0)	(17)	(49)	(65.3)
- fixed deposits with licensed banks	-	(15)	(100.0)	-	(15)	(100.0)
- cash and bank balances	-	(38)	(100.0)	-	(38)	(100.0)
Reversal of inventories previously written down	(5)	(6)	(16.7)	(5)	(6)	(16.7)

*Note:*

\* - less than RM1,000.

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

The auditors' report on the financial statements for the financial year ended 31 May 2019 was unmodified.

**35. AUTHORISED FOR ISSUE**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 30 July 2020.