



TRUSTED AEROSOLS SINCE 1982

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2021**

29 JULY 2021

DPI HOLDINGS BERHAD

(Registration 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 2021**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %
REVENUE	8	14,612	6,993	109.0	62,417	41,738	49.5
COST OF SALES		(10,019)	(5,574)	79.7	(39,322)	(27,335)	43.9
GROSS PROFIT		4,593	1,419	223.7	23,095	14,403	60.3
OTHER INCOME		258	693	(62.8)	1,754	1,818	(3.5)
		4,851	2,112	129.7	24,849	16,221	53.2
SELLING AND MARKETING EXPENSES		(465)	(190)	144.7	(1,794)	(1,377)	30.3
ADMINISTRATIVE EXPENSES		(1,537)	(900)	70.8	(6,861)	(5,880)	16.7
OTHER EXPENSES		115	-	100.0	(100)	*	100.0
NET IMPAIRMENT (LOSS)/ GAIN ON FINANCIAL ASSETS	9	(71)	(182)	(61.0)	92	(531)	(117.3)
FINANCE COST		(2)	(9)	(77.8)	(4)	(9)	(55.6)
PROFIT BEFORE TAXATION		2,891	831	247.9	16,182	8,424	92.1
INCOME TAX EXPENSES	25	(857)	(103)	732.0	(4,323)	(2,383)	81.4
PROFIT AFTER TAXATION		2,034	728	179.4	11,859	6,041	96.3
OTHER COMPREHENSIVE INCOME							
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>							
Foreign currency translation difference		3	4	(25.0)	1	2	(50.0)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		2,037	732	178.3	11,860	6,043	96.3
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-							
Owners of the Company		2,034	728	179.4	11,859	6,041	96.3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-							
Owners of the Company		2,037	732	178.3	11,860	6,043	96.3

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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 2021**

		Quarter Ended		Year-To-Date Ended	
		Unaudited	Unaudited	Unaudited	Audited
		31.05.2021	31.05.2020	31.05.2021	31.05.2020
		Sen per	Sen per	Sen per	Sen per
		share	share	share	share
EARNINGS PER SHARE ("EPS")					
ATTRIBUTABLE TO					
OWNERS OF THE COMPANY:					
Basic EPS	31	0.42	0.15	2.44	1.24
Diluted EPS	31	0.42	0.15	2.44	1.24

Notes:

* - less than RM1,000.

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021**

	Note	Unaudited As at 31.05.2021 RM'000	Audited As at 31.05.2020 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		6,686	4,754
Right-of-use assets	11	3,738	3,976
		10,424	8,730
CURRENT ASSETS			
Inventories		13,201	9,782
Trade receivables		9,154	7,748
Other receivables, deposits and prepayments		468	362
Current tax assets		765	1,607
Short-term investment		27,335	1,031
Fixed deposits with licensed banks		14,446	39,867
Cash and bank balances		14,531	9,336
		79,900	69,733
TOTAL ASSETS		90,324	78,463
EQUITY AND LIABILITIES			
EQUITY			
Share capital		66,257	66,257
Merger deficit		(28,698)	(28,698)
Retained profits		43,268	35,547
Foreign translation reserve		3	2
TOTAL EQUITY		80,830	73,108
NON-CURRENT LIABILITIES			
Deferred tax liabilities		58	78
Lease liabilities	12	29	13
		87	91
CURRENT LIABILITIES			
Trade payables		7,465	3,445
Other payables and accruals		1,882	884
Amount owing to a related party		20	10
Lease liabilities	12	40	141
Dividend payable		-	730
Current tax liabilities		-	54
		9,407	5,264
TOTAL LIABILITIES		9,494	5,355
TOTAL EQUITY AND LIABILITIES		90,324	78,463

DPI HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021**

	Unaudited As at 31.05.2021 RM	Audited As at 31.05.2020 RM
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	0.17	0.15

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

DPI HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 31 MAY 2021**

	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
At 31 May 2020 (Audited)/ 1 June 2020	66,257	(28,698)	2	35,547	73,108
Profit after taxation for the financial year	-	-	-	11,859	11,859
Other comprehensive income for the financial year: - Foreign currency translation differences	-	-	1	-	1
Total comprehensive income for the financial year	-	-	1	11,859	11,860
Distributions to owners of the Company: - Dividends by the Company (Note 30)	-	-	-	(4,138)	(4,138)
At 31 May 2021 (Unaudited)	66,257	(28,698)	3	43,268	80,830
At 1 June 2019	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 30)	-	-	-	(3,894)	(3,894)
At 31 May 2020 (Audited)	66,257	(28,698)	2	35,547	73,108

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 2020 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 YEAR-TO-DATE ENDED 31 MAY 2021**

	Note	Year-To-Date Ended	
		Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		16,182	8,424
Adjustments for:-			
Allowance for impairment losses on trade receivables		159	548
COVID-19 related rent concessions		(1)	-
Depreciation of right-of-use assets		302	429
Depreciation of property, plant and equipment		340	320
Inventories written down		270	67
Inventories written off		-	9
Loss on lease modification		*	-
Property, plant equipment written off		1	*
Interest expenses on lease liabilities		4	9
Interest income		(1,027)	(1,512)
Reversal of impairment losses on:			
- trade receivables		(251)	(17)
Reversal of inventories previously written down		-	(5)
Unrealised loss/(gain) on foreign exchange		16	(70)
Operating profit before working capital changes		15,995	8,202
Increase in inventories		(3,689)	(1,102)
(Increase)/Decrease in trade and other receivables		(1,413)	1,060
Increase/(Decrease) in trade and other payables		4,287	(1,014)
Increase in amount owing to a related party		10	10
CASH FROM OPERATIONS		15,190	7,156
Income tax paid		(3,556)	(3,221)
Income tax refunded		-	213
NET CASH FROM OPERATING ACTIVITIES		11,634	4,148
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,027	1,512
Withdrawal of fixed deposits with licensed banks		18,436	835
Purchase of property, plant and equipment		(2,272)	(856)
NET CASH FROM INVESTING ACTIVITIES		17,191	1,491
CASH FLOWS FOR FINANCING ACTIVITIES			
Repayment of lease liabilities		(148)	(235)
Interest paid on lease liabilities		(4)	(9)
Dividends paid		(4,138)	(3,164)
Repayment to a related party		-	(23)
NET CASH FOR FINANCING ACTIVITIES		(4,290)	(3,431)
NET INCREASE IN CASH AND CASH EQUIVALENTS		24,535	2,208
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(21)	71
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		18,388	16,109
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	14	42,902	18,388

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

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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 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 2020 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 2020.

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 2020, 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 2020

Amendments to MFRS 3 Business combinations - *Definition of Business*

Amendments to MFRS 4 Insurance Contracts - *Extension of the Temporary Exemption from Applying MFRS 9 Financial Instruments*

Amendments to MFRS 7 Financial Instruments: Disclosures, MFRS 9 Financial Instruments and

MFRS 139 Financial Instruments: Recognition and Measurement - *Interest Rate Benchmark Reform*

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Material*

Amendments to References to the Conceptual Framework in MFRS Standards

Effective for financial periods beginning on or after 1 June 2020

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

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.

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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 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - *Interest Rate Benchmark Reform-Phase 2*

Effective for financial periods beginning on or after 1 April 2021

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Effective for financial periods beginning on or after 1 January 2022

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*
Annual Improvements to MFRS Standards 2018 - 2020

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current*
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

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 2021 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 2021.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have any material effect during the current financial quarter and year-to-date ended 31 May 2021.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**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 2021.

7. DIVIDENDS PAID

During the financial quarter and year-to-date ended 31 May 2021, the following payments of dividends were made:

In respect of the financial year ended 31 May 2021:

- (a) a first interim dividend of 0.20 sen per share on 486,731,000 ordinary shares, amounting to RM973,462 was declared on 24 September 2020 and paid on 30 October 2020.
- (b) a second interim dividend of 0.20 sen per share on 486,731,000 ordinary shares, amounting to RM973,462 was declared on 6 January 2021 and paid on 3 February 2021.
- (c) a special interim dividend of 0.25 sen per share on 486,731,000 ordinary shares, amounting to RM1,216,828 was declared on 6 January 2021 and paid on 3 February 2021.
- (d) a third interim dividend of 0.20 sen per share on 486,731,000 ordinary shares, amounting to RM973,462 was declared on 23 March 2021 and paid on 22 April 2021.

8. REVENUE

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2021	31.05.2020		31.05.2021	31.05.2020	
RM'000	RM'000	%	RM'000	RM'000	%	
Aerosol products	12,309	5,806	112.0	53,244	33,585	58.5
Solvents and thinners	2,303	1,187	94.0	9,173	8,153	12.5
	14,612	6,993	109.0	62,417	41,738	49.5

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
	31.05.2021	31.05.2020		31.05.2021	31.05.2020	
RM'000	RM'000	%	RM'000	RM'000	%	
Impairment losses during the financial period/year	(155)	(199)	(22.1)	(159)	(548)	(71.0)
Reversal of impairment losses	84	17	394.1	251	17	1,376.5
	(71)	(182)	(61.0)	92	(531)	(117.3)

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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 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %
Revenue												
External revenue (Note 8)	12,309	5,806	112.0	2,303	1,187	94.0	-	-	-	14,612	6,993	109.0
Inter-segment revenue	3,405	1,521	123.9	-	-	-	-	-	-	3,405	1,521	123.9
	15,714	7,327	114.5	2,303	1,187	94.0	-	-	-	18,017	8,514	111.6
Consolidated adjustments										(3,405)	(1,521)	123.9
Consolidated revenue										14,612	6,993	109.0

Results

Segment profit before interest and taxation

	2,863	593	382.8	228	37	516.2	(198)	210	(194.3)	2,893	840	244.4
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	Year-To-Date Ended											
	Aerosol products			Solvents and thinners			Others			Total		
	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %
Revenue												
External revenue (Note 8)	53,244	33,585	58.5	9,173	8,153	12.5	-	-	-	62,417	41,738	49.5
Inter-segment revenue	12,254	7,095	72.7	-	*	-	-	-	-	12,254	7,095	72.7
	65,498	40,680	61.0	9,173	8,153	12.5	-	-	-	74,671	48,833	52.9
Consolidated adjustments										(12,254)	(7,095)	72.7
Consolidated revenue										62,417	41,738	49.5

Results

Segment profit before interest and taxation

	15,722	8,088	94.4	1,063	657	61.8	(599)	(312)	92.0	16,186	8,433	91.9
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Note:

* - less than RM1,000.

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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	Audited	Changes	Unaudited	Audited	Changes	Unaudited	Audited	Changes	Unaudited	Audited	Changes
	31.05.2021	31.05.2020		31.05.2021	31.05.2020		31.05.2021	31.05.2020		31.05.2021	31.05.2020	
RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	
Assets												
Segment assets	57,145	46,035	24.1	4,585	4,520	1.4	67,004	68,070	(1.6)	128,734	118,625	8.5
Unallocated assets:												
- current tax assets										765	1,607	(52.4)
Consolidated adjustments										(39,175)	(41,769)	(6.2)
Consolidated total assets										<u>90,324</u>	<u>78,463</u>	<u>15.1</u>
Addition to non-current assets other than financial instruments is:-												
Property, plant and equipment	2,204	765	188.1	68	91	(25.3)	-	-	-	2,272	856	165.4
Liabilities												
Segment liabilities/												
Consolidated total liabilities	11,198	8,969	24.9	507	326	55.5	235	923	(74.5)	11,940	10,218	16.9
Unallocated liabilities:												
- current tax liabilities										-	54	(100.0)
- deferred tax liabilities										58	78	(25.6)
- lease liabilities										69	154	(55.2)
Consolidated adjustments										(2,573)	(5,149)	(50.0)
Consolidated total liabilities										<u>9,494</u>	<u>5,355</u>	<u>77.3</u>

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
	31.05.2021	31.05.2020		31.05.2021	31.05.2020	
	RM'000	RM'000	%	RM'000	RM'000	%
Malaysia	12,115	5,827	107.9	52,482	33,820	55.2
Outside Malaysia	2,497	1,166	114.2	9,935	7,918	25.5
	<u>14,612</u>	<u>6,993</u>	<u>109.0</u>	<u>62,417</u>	<u>41,738</u>	<u>49.5</u>

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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.

	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %
Malaysia	10,421	8,725	19.4
Singapore	3	5	(40.0)
	<u>10,424</u>	<u>8,730</u>	<u>19.4</u>

11. RIGHT-OF-USE ASSETS

	Unaudited			
	At 01.06.2020 RM'000	Modification of Lease Liabilities RM'000	Depreciation Charges RM'000	At 31.05.2021 RM'000
<i>Carrying Amount</i>				
Leasehold land	3,846	-	(171)	3,675
Lease contracts for office premises, warehouse and equipment	130	64	(131)	63
	<u>3,976</u>	<u>64</u>	<u>(302)</u>	<u>3,738</u>

	Audited			
	At 01.06.2019 RM'000	Depreciation Charges RM'000	At 31.05.2020 RM'000	
<i>Carrying Amount</i>				
Leasehold land	4,016	(170)	3,846	
Lease contracts for office premises, warehouse and equipment	389	(259)	130	
	<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 months 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.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**12. LEASE LIABILITIES**

	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %
At beginning of the period	154	389	(60.4)
Addition	64	-	100.0
COVID-19 related rent concessions	(1)	-	(100.0)
Interest expenses recognised in profit or loss	4	9	(55.6)
Repayment of principal	(148)	(235)	(37.0)
Repayment of interest expenses	(4)	(9)	(55.6)
At end of the period	<u>69</u>	<u>154</u>	<u>(55.2)</u>
Analysed by:-			
Current liabilities	40	141	(71.6)
Non-current liabilities	29	13	123.1
	<u>69</u>	<u>154</u>	<u>(55.2)</u>

13. RELATED PARTY DISCLOSURES

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %
Rental paid or payable to a company in which a director of the Company has a substantial financial interest	12	12	-	47	47	-

14. CASH AND CASH EQUIVALENTS

The cash and cash equivalents comprise the following:-

	Unaudited As at 31.05.2021 RM'000	Audited As at 31.05.2020 RM'000
Short-term investment	27,335	1,031
Fixed deposits with licensed banks	14,446	39,867
Cash and bank balances	<u>14,531</u>	<u>9,336</u>
	56,312	50,234
Less: Fixed deposits with tenure of more than 3 months	<u>(13,410)</u>	<u>(31,846)</u>
	<u>42,902</u>	<u>18,388</u>
Fair value of money market fund	<u>27,335</u>	<u>1,031</u>

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. CASH AND CASH EQUIVALENTS (CONT'D)

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 considers the investment in money market fund to represent investments 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 1.80% to 2.31% 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 year are as follows:-

	Unaudited As at 31.05.2021 RM'000	Audited As at 31.05.2020 RM'000
Approved and not contracted for:- Plant and equipment	14,699	22,164
Approved and contracted for:- Purchases of property and equipment	5,251	5
	<u>19,950</u>	<u>22,169</u>

16. CONTINGENT ASSETS AND LIABILITIES

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

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 2021.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

18. FINANCIAL INSTRUMENTS

18.1 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 As at 31.05.2021 RM'000	Audited As at 31.05.2020 RM'000
Assets		
Financial asset mandatorily at fair value through profit or loss		
Short-term investment	27,335	1,031
Financial assets at amortised cost		
Trade receivables	9,154	7,748
Other receivables	-	*
Fixed deposits with licensed banks	14,446	39,867
Cash and bank balances	14,531	9,336
Total financial assets	38,131	56,951
Liabilities		
Financial liabilities at amortised cost		
Trade payables	7,465	3,445
Other payables and accruals	1,882	884
Amount owing to a related party	20	10
Dividend payable	-	730
Total financial liabilities	9,367	5,069

Note:

*- less than RM1,000.

18.2 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

105	28
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Amortised Cost

Net gains recognised in profit or loss

1,014	953
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Financial Liabilities

Amortised Cost

Net losses recognised in profit or loss

(4)	(9)
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DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

18. FINANCIAL INSTRUMENTS (CONT'D)

18.3 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.

19. EVENT AFTER THE REPORTING PERIOD

19.1 Impact of COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

19.2 Increase in paid-up share capital in a wholly-owned subsidiary, DPI Alliance Pte. Ltd. ("DPIA")

On 19 July 2021, the paid-up share capital in DPIA was increased from SGD 100,000 to SGD 500,000 by an additional allotment of 400,000 ordinary shares in DPIA.

19.3 Dividend payable

On 29 July 2021, the Board declared a fourth interim dividend of 0.15 sen per share in respect of the financial year ended 31 May 2021. The entitlement date has been fixed on 19 August 2021 and the dividend will be paid on 9 September 2021.

20. SIGNIFICANT EVENT DURING THE YEAR

Save for Note 19.1, there was no significant event during the year.

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)
(Incorporated in Malaysia)

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

21. REVIEW OF PERFORMANCE4th Quarter FYE 2021 (4Q FYE 2021) Compared to 4th Quarter FYE 2020 (4Q FYE 2020)**Revenue**

During the 4Q FYE 2021, the Group's revenue had increased by RM7.6 million, or approximately 109.0% to RM14.6 million from RM7.0 million as compared to the 4Q FYE 2020. The increase 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 fulfill sales orders in the 4Q FYE 2020.

Aerosol Products

Revenue from aerosol products had increased by RM6.5 million, or approximately 112.0%, to RM12.3 million for the 4Q FYE 2021 as compared to RM5.8 million for the 4Q FYE 2020. This was mainly due to the implementation of the MCO which had affected the Group's ability to fulfill sales orders in the 4Q FYE 2020.

Solvents and Thinners

Revenue from solvents and thinners had increased by RM1.1 million, or approximately 94.0% to RM2.3 million for the 4Q FYE 2021 as compared to RM1.2 million for the 4Q FYE 2020. This was mainly due to the implementation of the MCO which had affected the Group's ability to fulfill sales orders in the 4Q FYE 2020.

Profit Before Taxation ("PBT")

During the 4Q FYE 2021, the Group's PBT increased by RM2.1 million during the 4Q FYE 2021 or approximately 247.9% to RM2.9 million from RM0.8 million during the 4Q FYE 2020. The increase was mainly due to the increase in revenue and gross profit margin during the current financial quarter.

12 Months Financial Year Ended ("FYE") 31 May 2021 Compared to 12 Months FYE 31 May 2020**Revenue**

During the 12 months FYE 31 May 2021, the Group's revenue increased by RM20.7 million, or approximately 49.5% to RM62.4 million from RM41.7 million for the 12 months FYE 31 May 2020. The increase was mainly attributable to increase in sales orders from new and existing customers. In addition, 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 fulfill sales orders in the 4Q FYE 2020.

Aerosol Products

Revenue from aerosol products had increased by RM19.6 million, or approximately 58.5%, to RM53.2 million for the 12 months FYE 31 May 2021 as compared to RM33.6 million for the 12 months FYE 31 May 2020. This was mainly attributable to increase in sales orders from new and existing customers. In addition, 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 fulfill sales orders in the 4Q FYE 2020.

Solvents and Thinners

Revenue from solvents and thinners had increased by RM1.0 million, or approximately 12.5% to RM9.2 million for 12 months FYE 31 May 2021 as compared to RM8.2 million for the 12 months FYE 31 May 2020. This was mainly attributable to increase in sales orders from new and existing customers. In addition, 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 fulfill sales orders in the 4Q FYE 2020.

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)
(Incorporated in Malaysia)

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**21. REVIEW OF PERFORMANCE (CONT'D)**

12 Months Financial Year Ended ("FYE") 31 May 2021 Compared to 12 Months FYE 31 May 2020

Profit Before Taxation ("PBT")

During the 12 months FYE 31 May 2021, the Group's PBT increased by RM7.8 million or approximately 92.1% to RM16.2 million for the 12 months FYE 31 May 2021 from RM8.4 million for the 12 months FYE 31 May 2020. The increase was mainly due to the increase in revenue and gross profit margin during the current financial year.

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

	Quarter Ended		Changes %
	Unaudited 31.05.2021 RM'000	Unaudited 28.02.2021 RM'000	
Revenue	14,612	16,295	(10.3)
Profit before taxation	2,891	4,607	(37.2)

The Group's revenue of RM14.6 million for the current quarter under review was 10.3% lower than RM16.3 million recorded in the immediate preceding quarter. The decrease was mainly attributable to the decrease in sales orders from local existing customers due to the MCO that was in place.

The Group's PBT decreased by RM1.7 million, or approximately 37.2% from RM4.6 million in the immediate preceding quarter to RM2.9 million in the current financial quarter. The decrease in PBT during the current quarter was mainly due to the decrease in revenue.

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)
(Incorporated in Malaysia)

PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**23. 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.

However, the recent increase in the number of COVID-19 cases in Malaysia had resulted in the re-implementation of the Full Movement Control Order ("FMCO") since 1 June 2021. As such, the Board is mindful that the Group may continue to face challenges in fulfilling the sales orders due to disruption of production.

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.

With the completion of the new factory and normalisation of the production post FMCO, the Group will be in a better position to meet the current and future demands.

24. PROFIT FORECAST

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

25. INCOME TAX EXPENSE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %
Income tax	864	244	254.1	4,343	2,575	68.7
Deferred tax	(7)	(141)	(95.0)	(20)	(192)	(89.6)
Total income tax expense	857	103	732.0	4,323	2,383	81.4
Effective tax rate	30%	29%		27%	31%	

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.

26. STATUS OF CORPORATE PROPOSALS

On 4 June 2021, the Company announced a Proposed Bonus Issue of 243,365,500 new ordinary shares in DPI on the basis of 1 bonus share for every 2 existing DPI shares held on an entitlement date to be determined later.

On 28 June 2021, the Company announced that Bursa Securities has, vide its letter dated 25 June 2021, resolved to approve the listing of and quotation for 243,365,500 new DPI shares to be issued pursuant to the Proposed Bonus Issue.

The Proposed Bonus Issue was approved by the shareholders at the Extraordinary General Meeting held on 23 July 2021. The entitlement date is 9 August 2021. The Bonus Shares will be listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 11 August 2021, being the next market day after the entitlement date.

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

27. 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 2021 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	3,590	Within 60 months	N/A
ii	Sales, marketing and advertising expenses	3,000	9.5	340	Within 60 months	N/A
iii	Product development	1,300	4.1	171	Within 60 months	N/A
iv	Estimated listing expenses	3,800	12.0	3,428	Within 1 month	372 ⁽¹⁾
	Total	31,640	100.0	7,529		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 and the announcements dated 6 July 2020 and 6 January 2021.

28. BORROWINGS AND DEBT SECURITIES

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

29. CHANGES IN MATERIAL LITIGATION

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

30. DIVIDENDS

Year-To-Date Ended	
Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000

In respect of financial year ended 31 May 2019:-

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

In respect of financial year ended 31 May 2020:-

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

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

30. DIVIDENDS

	Year-To-Date Ended	
	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000
<u>In respect of financial year ended 31 May 2021:-</u>		
A first interim dividend of 0.20 sen per share was declared on 24 September 2020 and paid on 30 October 2020.	974	-
A second interim dividend of 0.20 sen per share was declared on 6 January 2021 and paid on 3 February 2021.	974	-
A special interim dividend of 0.25 sen per share was declared on 6 January 2021 and paid on 3 February 2021.	1,217	-
A third interim dividend of 0.20 sen per share was declared on 23 March 2021 and paid on 22 April 2021.	973	-
	4,138	3,894

On 29 July 2021, the Board declared a fourth interim dividend of 0.15 sen per share in respect of the financial year ended 31 May 2021. The entitlement date has been fixed on 19 August 2021 and the dividend will be paid on 9 September 2021.

A depositor shall qualify or the entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 19 August 2021 in respect of ordinary shares.
- (b) Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the rules of BMSB.

31. EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.05.2021	Unaudited 31.05.2020	Unaudited 31.05.2021	Audited 31.05.2020
Profit after taxation attributable to owners of the Company (RM'000)	2,034	728	11,859	6,041
Weighted average number of ordinary shares in issue ('000)	486,731	486,731	486,731	486,731
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.42	0.15	2.44	1.24
- Diluted ⁽²⁾ (Sen)	0.42	0.15	2.44	1.24

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 2021.
- (2) 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

32. 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 31.05.2021 RM'000	Unaudited 31.05.2020 RM'000	Changes %	Unaudited 31.05.2021 RM'000	Audited 31.05.2020 RM'000	Changes %
Allowance for impairment loss on trade receivables	155	199	(22.1)	159	548	(71.0)
Depreciation of right-of-use assets	62	429	(85.5)	302	429	(29.6)
Depreciation of property, plant and equipment	89	(39)	(328.2)	340	320	6.3
(Gain)/Loss on foreign exchange:						
- realised	43	(56)	(176.8)	(18)	(205)	(91.2)
- unrealised	(171)	(47)	263.8	16	(70)	(122.9)
Interest expenses on lease liabilities	2	9	(77.8)	4	9	(55.6)
Interest income from short term investment and fixed deposits with licensed banks	(128)	(575)	(77.7)	(1,027)	(1,512)	(32.1)
Inventories written down	270	67	303.0	270	67	303.0
Inventories written off	-	9	(100.0)	-	9	(100.0)
Property, plant and equipment written off	-	-	*	1	*	*
Rental expenses	12	12	-	47	47	-
Reversal of impairment losses on:						
- trade receivables	-	-	-	(251)	(17)	1,376.5
Reversal of inventories previously written down	-	(5)	(100.0)	-	(5)	(100.0)

Note:

* - less than RM1,000.

33. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 May 2020 was unmodified.

34. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 29 July 2021.