



**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 AUGUST 2022**

**27 OCTOBER 2022**

**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 AUGUST 2022**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %
REVENUE	8	12,099	6,686	81.0	12,099	6,686	81.0
COST OF SALES		(9,492)	(4,953)	91.6	(9,492)	(4,953)	91.6
GROSS PROFIT		2,607	1,733	50.4	2,607	1,733	50.4
OTHER INCOME		326	263	24.0	326	263	24.0
		2,933	1,996	46.9	2,933	1,996	46.9
SELLING AND MARKETING EXPENSES		(477)	(180)	165.0	(477)	(180)	165.0
ADMINISTRATIVE EXPENSES		(1,980)	(1,512)	31.0	(1,980)	(1,512)	31.0
OTHER EXPENSES		(4)	(27)	(85.2)	(4)	(27)	(85.2)
NET IMPAIRMENT GAIN ON FINANCIAL ASSETS	9	-	44	(100.0)	-	44	(100.0)
FINANCE COSTS		(3)	(1)	200.0	(3)	(1)	200.0
PROFIT BEFORE TAXATION		469	320	46.6	469	320	46.6
INCOME TAX EXPENSES	28	(202)	(111)	82.0	(202)	(111)	82.0
PROFIT AFTER TAXATION		267	209	27.8	267	209	27.8
OTHER COMPREHENSIVE INCOME/(EXPENSE) <u>Items that will be Reclassified Subsequently to Profit or Loss</u>							
Foreign currency translation differences		(1)	(21)	(95.2)	(1)	(21)	(95.2)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		266	188	41.5	266	188	41.5
<b>PROFIT/(LOSS) AFTER TAXATION</b>							
<b>ATTRIBUTABLE TO:-</b>							
Owners of the Company		289	210	37.6	289	210	37.6
Non-controlling interest		(22)	(1)	2,100.0	(22)	(1)	2,100.0
		267	209	27.8	267	209	27.8
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO:-</b>							
Owners of the Company		267	189	41.3	267	189	41.3
Non-controlling interest		(1)	(1)	-	(1)	(1)	-
		266	188	41.5	266	188	41.5

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2022**

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	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>Unaudited 31.8.2022 Sen per share</b>	<b>Unaudited 31.8.2021 Sen per share</b>	<b>Unaudited 31.8.2022 Sen per share</b>	<b>Unaudited 31.8.2021 Sen per share</b>
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY:				
Basic EPS	34	0.04	0.04	0.04
Diluted EPS	34	0.04	0.04	0.04

*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 2022 and the accompanying explanatory notes attached to these interim financial statements.*

**DPI HOLDINGS BERHAD**

(Registration No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2022**

	Note	Unaudited As at 31.8.2022 RM'000	Audited As at 31.05.2022 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	14,747	12,887
Right-of-use assets	12	5,021	5,096
Intangible asset	13	315	323
		20,083	18,306
<b>CURRENT ASSETS</b>			
Inventories		17,146	16,791
Trade receivables		9,077	7,135
Other receivables, deposits and prepayments		475	1,552
Current tax assets		1,855	1,390
Short-term investments		27,038	26,905
Fixed deposits with licensed banks		6,647	9,176
Cash and bank balances		7,000	10,866
		69,238	73,815
<b>TOTAL ASSETS</b>		<b>89,321</b>	<b>92,121</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		66,257	66,257
Merger deficit		(28,698)	(28,698)
Foreign exchange translation reserve		(2)	(1)
Retained profits		44,703	45,144
Equity attributable to owners of the Company		82,260	82,702
Non-controlling interest		103	125
<b>TOTAL EQUITY</b>		<b>82,363</b>	<b>82,827</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	14	211	237
Deferred tax liabilities		58	58
		269	295
<b>CURRENT LIABILITIES</b>			
Trade payables		5,218	7,041
Other payables and accruals		1,344	1,845
Amount owing to a related party		24	11
Lease liabilities	14	103	102
		6,689	8,999
<b>TOTAL LIABILITIES</b>		<b>6,958</b>	<b>9,294</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>89,321</b>	<b>92,121</b>

**DPI HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2022**

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	<b>Unaudited As at 31.8.2022 RM</b>	<b>Audited As at 31.05.2022 RM</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>0.11</b>	<b>0.17</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 2022 and the accompanying explanatory notes attached to these interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR-TO-DATE ENDED 31 AUGUST 2022**

	Share Capital RM'000	Non- distributable Merger Deficit RM'000	Non- distributable Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>At 31 May 2022 (Audited)/ 1 June 2022</b>	66,257	(28,698)	(1)	45,144	82,702	125	82,827
Profit after taxation for the financial year	-	-	-	289	289	(22)	267
Other comprehensive expense for the financial year: - Foreign currency translation differences	-	-	(1)	-	(1)	*	(1)
Total comprehensive (expense)/income for the financial year	-	-	(1)	289	288	(22)	266
Contribution by and distributions to owners of the Company: - Acquisition of a subsidiary - Dividends by the Company (Note 33)	-	-	-	-	-	-	-
	-	-	-	(730)	(730)	-	(730)
<b>At 31 August 2022 (Unaudited)</b>	<b>66,257</b>	<b>(28,698)</b>	<b>(2)</b>	<b>44,703</b>	<b>82,260</b>	<b>103</b>	<b>82,363</b>
<b>At 1 June 2021</b>	66,257	(28,698)	3	43,270	80,832	-	80,832
Profit after taxation for the financial year	-	-	-	210	210	(1)	209
Other comprehensive expense for the financial year: - Foreign currency translation differences	-	-	(21)	-	(21)	*	(21)
Total comprehensive (expense)/income for the financial year	-	-	(21)	210	189	(1)	188
Distributions to owners of the Company: - Acquisition of a subsidiary	-	-	-	-	-	16	16
<b>At 31 August 2021 (Unaudited)</b>	<b>66,257</b>	<b>(28,698)</b>	<b>(18)</b>	<b>43,480</b>	<b>81,021</b>	<b>15</b>	<b>81,036</b>

Note:

\* - less than RM1,000.

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR-TO-DATE ENDED 31 AUGUST 2022**

	Note	Year-To-Date Ended	
		Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>			
Profit before taxation		469	320
Adjustments for:-			
Amortisation of trademark		8	-
Cost of business combination written-off		-	22
Depreciation of right-of-use assets		81	52
Depreciation of property, plant and equipment		151	73
Gain on disposal of property, plant and equipment		(6)	
Property, plant equipment written off		1	-
Interest expenses on lease liabilities		3	1
Interest income		(184)	(201)
Reversal of impairment losses on:			
- trade receivables		-	(44)
Unrealised (gain)/loss on foreign exchange		(70)	25
Operating profit before working capital changes		453	248
(Increase)/Decrease in inventories		(355)	745
(Increase)/Decrease in trade and other receivables		(906)	4,482
Decrease in trade and other payables		(2,330)	(5,490)
Increase/(Decrease) in amount owing to a related party		13	(6)
<b>CASH FOR OPERATIONS</b>		<b>(3,125)</b>	<b>(21)</b>
Income tax paid		(667)	(920)
<b>NET CASH FOR OPERATING ACTIVITIES</b>		<b>(3,792)</b>	<b>(941)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>			
Interest income received		184	201
Acquisition of a subsidiary	16	-	19
Placement of fixed deposits with tenure more than 3 months		-	(1,060)
Purchase of property, plant and equipment		(2,012)	(348)
Proceeds from disposal of property, plant and equipment		6	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>		<b>(1,822)</b>	<b>(1,188)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(25)	(11)
Interest paid on lease liabilities		(3)	(1)
Dividends paid		(730)	(730)
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(758)</b>	<b>(742)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(6,372)</b>	<b>(2,871)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>		<b>110</b>	<b>(49)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		<b>46,947</b>	<b>42,902</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	17	<b>40,685</b>	<b>39,982</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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**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 2022 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 2022.

**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 2022, 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 2022**

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

Annual improvements to MFRS Standards 2018 - 2020

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**

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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 2023**

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17, Initial Application of MFRS 17 and MFRS 9 - *Comparative Information*

Amendments to MFRS 101: *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 and MFRS 128: *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 August 2022 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 August 2022.

**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 August 2022.

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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 August 2022.

**7. DIVIDENDS PAID**

In respect of the financial year ended 31 May 2022, a third interim dividend of 0.10 sen per share on 730,096,498 ordinary shares, amounted to RM730,096 was declared and paid on 28 July 2022 and 29 August 2022 respectively.

**8. REVENUE**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	31.8.2022	31.8.2021		31.8.2022	31.8.2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Aerosol products	8,821	5,428	62.5	8,821	5,428	62.5
Solvents and thinners	3,180	1,258	152.8	3,180	1,258	152.8
Plastic products	98	-	100.0	98	-	100.0
	12,099	6,686	81.0	12,099	6,686	81.0

**9. NET IMPAIRMENT GAIN ON FINANCIAL ASSETS**

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	31.8.2022	31.8.2021		31.8.2022	31.8.2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Reversal of impairment losses	-	44	(100.0)	-	44	(100.0)
	-	44	(100.0)	-	44	(100.0)

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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 and Year-To-Date Ended														
	Aerosol products			Solvents and thinners			Plastic products			Others			Total		
	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %
<b>Revenue</b>															
External revenue (Note 8)	8,821	5,428	62.5	3,180	1,258	152.8	98	-	100.0	-	-	-	12,099	6,686	81.0
Inter-segment revenue	2,168	919	135.9	-	-	-	136	-	100.0	1,040	-	100.0	3,344	919	263.9
	10,989	6,347	73.1	3,180	1,258	152.8	234	-	100.0	1,040	-	100.0	15,443	7,605	103.1
Consolidated adjustments													(3,344)	(919)	263.9
Consolidated revenue													12,099	6,686	81.0
<b>Results</b>															
Segment profit before interest and taxation	791	473	67.2	19	(36)	(152.8)	(105)	-	100.0	(233)	(116)	100.9	472	321	47.0

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

	Aerosol products			Solvents and thinners			Plastic products			Others			Total		
	Unaudited	Audited	Changes %	Unaudited	Audited	Changes %	Unaudited	Audited	Changes %	Unaudited	Audited	Changes %	Unaudited	Audited	Changes %
	31.8.2022 RM'000	31.05.2022 RM'000		31.8.2022 RM'000	31.05.2022 RM'000		31.8.2022 RM'000	31.05.2022 RM'000		31.8.2022 RM'000	31.05.2022 RM'000		31.8.2022 RM'000	31.05.2022 RM'000	
<b>Assets</b>															
Segment assets	53,100	57,412	(7.5)	7,079	6,528	8.4	1,005	-	100.0	66,750	67,062	(0.5)	127,934	131,002	(2.3)
Unallocated assets:															
- current tax assets													1,855	1,390	33.5
Consolidated adjustments													(40,468)	(40,271)	0.5
Consolidated total assets													<u>89,321</u>	<u>92,121</u>	<u>(3.0)</u>
Addition to non-current assets other than financial instruments is:-															
Property, plant and equipment	1,558	6,470	(75.9)	-	86	(100.0)	454	-	100.0	-	-	-	2,012	6,556	(69.3)
Right-of-use assets (Note 12)	-	1,198	(100.0)	-	78	(100.0)	-	-	-	-	-	-	-	1,276	(100.0)
<b>Liabilities</b>															
Segment liabilities/															
Consolidated total liabilities	6,066	8,601	(29.5)	2,145	1,912	12.2	538.0	-	100.0	237	155	52.9	8,986	10,668	(15.8)
Unallocated liabilities:															
- deferred tax liabilities													58	58	-
- lease liabilities													314	339	(7.4)
Consolidated adjustments													(2,400)	(1,771)	35.5
Consolidated total liabilities													<u>6,958</u>	<u>9,294</u>	<u>(25.1)</u>

Geographical Information

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

Malaysia  
Outside Malaysia

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes %	Unaudited	Unaudited	Changes %
	31.8.2022 RM'000	31.8.2021 RM'000		31.8.2022 RM'000	31.8.2021 RM'000	
Malaysia	9,595	5,371	78.6	9,595	5,371	78.6
Outside Malaysia	2,504	1,315	90.4	2,504	1,315	90.4
	<u>12,099</u>	<u>6,686</u>	<u>81.0</u>	<u>12,099</u>	<u>6,686</u>	<u>81.0</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.

	Unaudited 31.8.2022 RM'000	Audited 31.5.2022 RM'000	Changes %
Malaysia	18,628	17,015	9.5
Singapore	1,455	1,291	12.7
	20,083	18,306	9.7

11. PROPERTY, PLANT AND EQUIPMENT

	Unaudited						
	At 1.6.2022 RM'000	Additions RM'000	Disposal RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	At 31.8.2022 RM'000
<i>Carrying Amount</i>							
Factory buildings	2,805	-	-	-	(19)	-	2,786
Machinery, factory and laboratory equipment	2,039	420	-	(1)	(68)	-	2,390
Renovation, office equipment, electrical, furniture and fittings	1,776	76	-	-	(54)	*	1,798
Motor vehicles	104	47	*	-	(10)	-	141
Capital work-in-progress	6,163	1,469	-	-	-	-	7,632
	12,887	2,012	-	(1)	(151)	-	14,747

	Audited						
	At 1.6.2021 RM'000	Acquisition of a subsidiary RM'000	Additions RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	At 31.5.2022 RM'000
<i>Carrying Amount</i>							
Factory buildings	2,881	-	-	-	(76)	-	2,805
Machinery, factory and laboratory equipment	1,623	-	609	(2)	(191)	-	2,039
Renovation, office equipment, electrical, furniture and fittings	163	9	1,673	(4)	(64)	(1)	1,776
Motor vehicles	86	-	43	-	(25)	-	104
Capital work-in-progress	1,933	-	4,230	-	-	-	6,163
	6,686	9	6,555	(6)	(356)	(1)	12,887

Note:

\* - less than RM1,000.

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

**12. RIGHT-OF-USE ASSETS**

	Unaudited			
	At 1.6.2022 RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	At 31.8.2022 RM'000
<i>Carrying Amount</i>				
Leasehold land	3,504	(42)	-	3,462
Buildings and office equipment	1,592	(39)	6	1,559
	<u>5,096</u>	<u>(81)</u>	<u>6</u>	<u>5,021</u>

	Audited					
	At 1.6.2021 RM'000	Addition RM'000	Depreciation Charges RM'000	Modification of Lease Liabilities RM'000	Foreign Translation RM'000	At 31.5.2022 RM'000
<i>Carrying Amount</i>						
Leasehold land	3,675	-	(171)	-	-	3,504
Buildings and office equipment	63	1,355	(102)	239	37	1,592
	<u>3,738</u>	<u>1,355</u>	<u>(273)</u>	<u>239</u>	<u>37</u>	<u>5,096</u>

- (a) The Group has reclassified the leasehold land and building used in its operations under MFRS 16 with lease terms ranging from 22 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 also has leases with lease terms of 12 months or less. The Group has applied the 'short-term lease' recognition exemptions for these leases.
- (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.

**13. INTANGIBLE ASSET**

	Unaudited			
	At 1.6.2022 RM'000	Addition RM'000	Depreciation Charges RM'000	At 31.8.2022 RM'000
<i>Carrying Amount</i>				
Trademark	323	-	(8)	315

	Audited			
	At 1.6.2021 RM'000	Addition RM'000	Depreciation Charges RM'000	At 31.5.2022 RM'000
<i>Carrying Amount</i>				
Trademark	-	325	(2)	323

The trademark acquired are initially capitalised at cost and are subsequently carried at cost less accumulated amortization. These costs are amortised to profit or loss using the straight-line method over 10 years.

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

**14. LEASE LIABILITIES**

	<b>Unaudited 31.8.2022 RM'000</b>	<b>Audited 31.5.2022 RM'000</b>	<b>Changes %</b>
At beginning of the year	339	69	391.3
Interest expenses recognised in profit or loss	3	11	(72.7)
Additions	-	79	(100.0)
Changes due to lease modification	-	259	(100.0)
Repayment of principal	(25)	(68)	(63.2)
Repayment of interest expense	(3)	(11)	(72.7)
At end of the year	<u>314</u>	<u>339</u>	<u>(7.4)</u>
Analysed by:-			
Current liabilities	103	102	1.0
Non-current liabilities	211	237	(11.0)
	<u>314</u>	<u>339</u>	<u>(7.4)</u>

**15. RELATED PARTY DISCLOSURES**

	<b>Quarter Ended</b>			<b>Year-To-Date Ended</b>		
	<b>Unaudited 31.8.2022 RM'000</b>	<b>Unaudited 31.8.2021 RM'000</b>	<b>Changes %</b>	<b>Unaudited 31.8.2022 RM'000</b>	<b>Unaudited 31.8.2021 RM'000</b>	<b>Changes %</b>
	Rental paid or payable to a company in which a director of the Company has a substantial financial interest	18	12	50.0	18	12

**16. ACQUISITION OF A SUBSIDIARY**

On 30 July 2021, DPI Alliance Pte. Ltd. ("DPIA"), a wholly-owned subsidiary of the Company, has subscribed for 90% of the equity interest in DPI Japan Co., Ltd. ("DPIJ").

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	<b>Unaudited 31.8.2021 RM'000</b>
Computer equipment	8
Cash at bank	193
Amount owing to a director	<u>(32)</u>
	169
Less: Non-controlling interest, measured at the proportionate share of the fair value of the net identifiable assets	(17)
Add: Cost of combination written-off	<u>22</u>
Total purchase consideration	174
Less: Cash and bank balances of a subsidiary acquired	<u>(193)</u>
Net cash inflow from the acquisition of a subsidiary	<u>(19)</u>

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

**17. CASH AND CASH EQUIVALENTS**

The cash and cash equivalents comprise the following:-

	<b>Unaudited As at 31.8.2022 RM'000</b>	<b>Audited As at 31.5.2022 RM'000</b>
Short-term investments	27,038	26,905
Fixed deposits with licensed banks	6,647	9,176
Cash and bank balances	7,000	10,866
	<u>40,685</u>	<u>46,947</u>
Less: Fixed deposits with tenure of more than 3 months	-	-
	<u>40,685</u>	<u>46,947</u>
Fair value of money market fund	<u>27,038</u>	<u>26,905</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 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 1.90% to 2.60% per annum. The fixed deposits have maturity periods of 3 months.

**18. 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:-

	<b>Unaudited As at 31.8.2022 RM'000</b>	<b>Audited As at 31.5.2022 RM'000</b>
Approved and not contracted for:-		
Plant and equipment	12,064	12,658
Approved and contracted for:-		
Purchases of property and equipment	140	1,099
	<u>12,204</u>	<u>13,757</u>

**19. CONTINGENT ASSETS AND LIABILITIES**

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

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

There were no other changes in the composition of the Group during the current financial quarter and year-to-date ended 31 August 2022.



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

**21. FINANCIAL INSTRUMENTS**

21.1 Classification

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.8.2022</b>	<b>31.5.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
<b>Financial asset mandatorily at fair value through profit or loss</b>		
Short-term investment	27,038	26,905
<b>Financial assets at amortised cost</b>		
Trade receivables	9,077	7,135
Other receivables	4	585
Fixed deposits with licensed banks	6,647	9,176
Cash and bank balances	7,000	10,866
<b>Total financial assets</b>	<b>22,728</b>	<b>27,762</b>
<b>Liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Trade payables	5,218	7,041
Other payables and accruals	1,252	1,753
Amount owing to a related party	24	11
<b>Total financial liabilities</b>	<b>6,494</b>	<b>8,805</b>

21.2 Gains or Losses Arising From Financial Instruments

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.8.2022</b>	<b>31.5.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financial Assets</b>		
<u>Fair Value Through Profit or Loss</u>		
Net gains recognised in profit or loss by:		
- mandatorily required by accounting standard	133	478
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	52	344

21.3 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months are approximated by 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.

**22. EVENT AFTER THE REPORTING PERIOD**

Save as disclosed in Note 29, there was no other significant event subsequent to 31 August 2022.

**23. SIGNIFICANT EVENTS DURING THE PERIOD**

There was no significant event during the period.

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

**24. REVIEW OF PERFORMANCE**

First Quarter FYE 2023 (1Q FYE 2023) Compared to First Quarter FYE 2022 (1Q FYE 2022)

**Revenue**

The revenue for 1Q FY2023 was a normalised operating quarter as compared to 1Q FYE 2022 which was affected by MCO.

For the 1Q FYE 2023, the Group's revenue has increased by RM5.41 million or 80.9% to RM12.10 million from RM6.69 million as compared to 1Q FYE 2022.

*Aerosol Products*

Revenue of aerosol products in 1Q FYE 2023 has increased by RM3.39 million, or approximately 62.4% to RM8.82 million as compared to RM5.43 million in 1Q FYE 2022. The lower revenue recorded in 1Q FYE 2022 was mainly attributable to the Movement Control Order ("MCO") imposed by the Government which had required the Group to halt the aerosol production from 29 June 2021 to 27 August 2021, and thus affected the Group's ability to fulfill purchase orders received from our customers in 1Q FYE 2022. In addition, the Group followed the standard operating procedures set by the Government, where production activities were allowed to resume and operated at 60% staff capacity. The Group is allowed to operate at our usual optimum capacity when came to September 2021.

This resulted the Group only operating for a total of 21 days with the reduced labour force, thus significantly affecting the Group's production capacity and revenue in 1Q FYE2022.

*Solvents and Thinners*

Revenue of solvents and thinners in 1Q FYE 2023 had increased by RM1.92 million, or approximately 152.4% to RM3.18 million as compared to RM1.26 million for the 1Q FYE 2022. The increased was mainly due to uplifting of the MCO imposed by the Government as stated above.

*Plastic products*

Plastic products segment was consolidated to the Group's results since the incorporation of a new subsidiary DPI Plastics Sdn. Bhd. ("DPIP") on 24 March 2022 and its business operation commenced in June 2022.

Plastic products segment contributed RM0.10 million to the Group's revenue and a loss before tax of RM0.10 million in current quarter.

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

During the 1Q FYE 2023, the Group's gross profit increased by RM0.88 million, or approximately 50.9% to RM2.61 million as compared to RM1.73 million for the 1Q FYE 2022. The increased was mainly due to uplifting of the MCO imposed by the Government as stated above.

Consequently, the Group's PBT increased by RM0.15 million or approximately 46.9% to RM0.47 million for the 1Q FYE 2023 as compared to RM0.32 million for the 1Q FYE 2022.

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

	Quarter Ended		Changes %
	Unaudited 31.8.2022 RM'000	Unaudited 31.5.2022 RM'000	
Revenue	12,099	11,912	1.6
Profit before taxation	469	1,028	(54.4)

The Group's revenue slightly increased by of RM0.19 million, or approximately 1.6% from RM11.91 million in the immediate preceding quarter to RM12.10 million in the current financial quarter. The increase was mainly due to revenue generated from the new plastic products segment and increase in sales order for solvents and thinners segment.

The Group's PBT decreased by RM0.56 million, or approximately 54.4% from RM1.03 million in the immediate preceding quarter to RM0.47 million in the current financial quarter. The decreased was mainly due to decreased in gross profit margin as a result of increased in average raw materials prices and packaging cost.

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

**26. 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 has completed our new factory building in Tangkak pending the final approval and certification by the local authorities.

Once operational, it should substantially increase capacity to our production lines.

**27. PROFIT FORECAST**

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

**28. INCOME TAX EXPENSE**

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %
Income tax	202	111	82.0	202	111	82.0
Total income tax expense	202	111	82.0	202	111	82.0
Effective tax rate	43%	35%		43%	35%	

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 as a result of non-tax deductible expenses and impact of loss making subsidiaries.

**29. STATUS OF CORPORATE PROPOSALS**

On 30 September 2022, the Company had entered into a Memorandum of Understanding ("MOU") with Zeus Chemical Products Pty Ltd ("Zeus") to strengthen our presence in the aerosol business in Australia.

**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****30. 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 August 2022 is disclosed in the following table:

No.	Purpose	Proposed utilisation		Actual Utilisation RM'000	Intended timeframe for utilisation (from the listing date)	Revised time frame 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	11,335	Within 18-24 months	Within 60 months	N/A
ii	Sales, marketing and advertising expenses	3,000	9.5	679	Within 24 months	Within 60 months	N/A
iii	Product development	1,300	4.1	230	Within 24 months	Within 60 months	N/A
iv	Estimated listing expenses	3,800	12.0	3,428	Within 1 month	No change	372 <sup>(1)</sup>
	<b>Total</b>	<b>31,640</b>	<b>100.0</b>	<b>15,672</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 announcements dated 6 July 2020 and 6 January 2021.

**31. BORROWINGS AND DEBT SECURITIES**

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

**32. CHANGES IN MATERIAL LITIGATION**

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

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**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****33. DIVIDENDS**

On 28 July 2022, the Board declared a third interim dividend of 0.10 sen per share amounting to RM730,096 in respect of the financial year ended 31 May 2022 which has been paid on 29 August 2022.

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

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.8.2022	Unaudited 31.8.2021	Unaudited 31.8.2022	Unaudited 31.8.2021
Profit after taxation attributable to owners of the Company (RM'000)	289	210	289	210
Weighted average number of ordinary shares in issue ('000)	730,096	542,282	730,096	542,282
Earnings per share attributable to owners of the Company				
- Basic <sup>(1)</sup> (Sen)	0.04	0.04	0.04	0.04
- Diluted <sup>(2)</sup> (Sen)	0.04	0.04	0.04	0.04

**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 end of the current quarter under review.

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

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**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****35. 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 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %	Unaudited 31.8.2022 RM'000	Unaudited 31.8.2021 RM'000	Changes %
Amortisation of trademark	8	-	100.0	8	-	100.0
Cost of business combination written-off	-	22	(100.0)	-	22	(100.0)
Depreciation of right-of-use assets	81	52	55.8	81	52	55.8
Depreciation of property, plant and equipment	151	73	106.8	151	73	106.8
Gain on disposal of property, plant and equipment	(6)	-	100.0	(6)	-	100.0
Loss/(Gain) on foreign exchange:						
- realised	(35)	(38)	(7.9)	(35)	(38)	(7.9)
- unrealised	(70)	25	(380.0)	(70)	25	(380.0)
Interest expenses on lease liabilities	3	1	200.0	3	1	200.0
Interest income from short term investment and fixed deposits with licensed banks	(184)	(201)	(8.5)	(184)	(201)	(8.5)
Property, plant and equipment written off	1	-	100.0	1	-	100.0
Reversal of impairment losses on:						
- trade receivables	-	(44)	(100.0)	-	(44)	(100.0)

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

The auditors' report on the financial statements for the financial year ended 31 May 2022 was unmodified.

**37. AUTHORISED FOR ISSUE**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 27 October 2022.