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DPI HOLDINGS BERHAD

(Registration No. 201701035607/1249778-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER AND YEAR-TO-DATE ENDED 28 FEBRUARY 2023

11 April 2023

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 28 FEBRUARY 2023**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %
REVENUE	8	12,753	16,361	(22.1)	37,206	38,769	(4.0)
COST OF SALES		(10,008)	(11,155)	(10.3)	(29,054)	(27,071)	7.3
GROSS PROFIT		2,745	5,206	(47.3)	8,152	11,698	(30.3)
		22%	32%		22%	30%	
OTHER INCOME		284	401	(29.2)	873	972	(10.2)
		3,029	5,607	(46.0)	9,025	12,670	(28.8)
SELLING AND MARKETING EXPENSES		(438)	(424)	3.3	(1,480)	(1,048)	41.2
ADMINISTRATIVE EXPENSES		(1,846)	(2,212)	(16.5)	(5,816)	(5,565)	4.5
OTHER EXPENSES		(48)	10	(580.0)	87	(2)	(4,450.0)
NET IMPAIRMENT GAIN ON FINANCIAL ASSETS	9	-	1	(100.0)	-	34	(100.0)
FINANCE COSTS		(2)	(2)	-	(8)	(3)	166.7
PROFIT BEFORE TAXATION		695	2,980	(76.7)	1,808	6,086	(70.3)
		5%	18%		5%	16%	
INCOME TAX EXPENSES	27	(253)	(870)	(70.9)	(681)	(1,687)	(59.6)
PROFIT AFTER TAXATION		442	2,110	(79.1)	1,127	4,399	(74.4)
		3%	13%		3%	11%	
OTHER COMPREHENSIVE INCOME/(EXPENSE)							
<u>Items that will be Reclassified Subsequently to Profit or Loss</u>							
Foreign currency translation differences		(27)	(3)	800.0	(5)	(30)	(83.3)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		415	2,107	(80.3)	1,122	4,369	(74.3)
PROFIT/(LOSS) AFTER TAXATION							
ATTRIBUTABLE TO:-							
Owners of the Company		445	2,111	(78.9)	1,154	4,402	(73.8)
Non-controlling interest		(3)	(1)	200.0	(27)	(3)	800.0
		442	2,110	(79.1)	1,127	4,399	(74.4)
TOTAL COMPREHENSIVE INCOME/(EXPENSE)							
ATTRIBUTABLE TO:-							
Owners of the Company		418	2,108	(80.2)	1,125	4,372	(74.3)
Non-controlling interest		(3)	(1)	200.0	(3)	(3)	-
		415	2,107	(80.3)	1,122	4,369	(74.3)

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 28 FEBRUARY 2023**

		Quarter Ended		Year-To-Date Ended	
		Unaudited 28.02.2023 Sen per share	Unaudited 28.02.2022 Sen per share	Unaudited 28.02.2023 Sen per share	Unaudited 28.02.2022 Sen per share
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY:					
Basic EPS	33	<u>0.06</u>	<u>0.32</u>	<u>0.16</u>	<u>0.66</u>
Diluted EPS	33	<u>0.06</u>	<u>0.32</u>	<u>0.16</u>	<u>0.66</u>

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 28 February 2023**

	Note	Unaudited As at 28.02.2023 RM'000	Audited As at 31.05.2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	15,344	12,887
Right-of-use assets	12	4,901	5,096
Intangible asset	13	298	323
		20,543	18,306
CURRENT ASSETS			
Inventories		15,398	16,791
Trade receivables		9,442	7,135
Other receivables, deposits and prepayments		521	1,552
Current tax assets		2,614	1,390
Short-term investments		28,258	26,905
Fixed deposits with licensed banks		5,355	9,176
Cash and bank balances		8,797	10,866
		70,385	73,815
TOTAL ASSETS		90,928	92,121
EQUITY AND LIABILITIES			
EQUITY			
Share capital		66,257	66,257
Merger deficit		(28,698)	(28,698)
Foreign exchange translation reserve		26	(1)
Retained profits		45,568	45,144
Equity attributable to owners of the Company		83,153	82,702
Non-controlling interest		98	125
TOTAL EQUITY		83,251	82,827
NON-CURRENT LIABILITIES			
Lease liabilities	14	202	237
Deferred tax liabilities		58	58
		260	295
CURRENT LIABILITIES			
Trade payables		5,446	7,041
Other payables and accruals		1,850	1,845
Amount owing to a related party		60	11
Lease liabilities	14	61	102
		7,417	8,999
TOTAL LIABILITIES		7,677	9,294
TOTAL EQUITY AND LIABILITIES		90,928	92,121

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 February 2023**

	Unaudited As at 28.02.2023 RM	Audited As at 31.05.2022 RM
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	0.11	0.11

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 28 February 2023**

	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
At 31 May 2022 (Audited)/ 1 June 2022	66,257	(28,698)	(1)	45,144	82,702	125	82,827
Profit after taxation for the financial year	-	-	-	1,154	1,154	(27)	1,127
Other comprehensive expense for the financial year: - Foreign currency translation differences	-	-	27	-	27	-	27
Total comprehensive (expense)/income for the financial year	-	-	27	1,154	1,181	(27)	1,154
Contribution by and distributions to owners of the Company: - Acquisition of a subsidiary - Dividends by the Company (Note 33)	-	-	-	-	-	-	-
	-	-	-	(730)	(730)	-	(730)
At 28 February 2023 (Unaudited)	66,257	(28,698)	26	45,568	83,153	98	83,251
At 1 June 2021	66,257	(28,698)	3	43,270	80,832	-	80,832
Profit after taxation for the financial period	-	-	-	4,402	4,402	(3)	4,399
Other comprehensive income for the financial period: - Foreign currency translation differences	-	-	(30)	-	(30)	-	(30)
Total comprehensive income for the financial period	-	-	(30)	4,402	4,372	(3)	4,369
Distributions to owners of the Company: - Acquisition of a subsidiary - Dividends by the Company (Note 31)	-	-	-	-	-	16	16
	-	-	-	(2,190)	(2,190)	-	(2,190)
At 28 February 2022 (Unaudited)	66,257	(28,698)	(27)	45,482	83,014	13	83,027

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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 28 FEBRUARY 2023**

	Note	Year-To-Date Ended	
		Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES			
Profit before taxation		1,808	6,086
Adjustments for:-			
Amortisation of trademark		24	-
Cost of business combination written-off		-	22
Depreciation of right-of-use assets		279	174
Depreciation of property, plant and equipment		484	239
Gain on disposal of property, plant and equipment		(2)	-
Loss on lease modification		-	6
Property, plant equipment written off		2	3
Interest expenses on lease liabilities		8	3
Interest income		(679)	(600)
Reversal of impairment losses on:			
- trade receivables		-	(34)
Unrealised (gain)/loss on foreign exchange		(33)	(23)
Operating profit before working capital changes		1,891	5,876
(Increase)/Decrease in inventories		1,393	(496)
(Increase)/Decrease in trade and other receivables		(1,316)	(2,128)
Decrease in trade and other payables		(1,595)	(847)
Increase/(Decrease) in amount owing to a related party		49	4
CASH FOR OPERATIONS		422	2,409
Income tax paid		(1,907)	(2,694)
NET CASH FOR OPERATING ACTIVITIES		(1,485)	(285)
CASH FLOWS FOR INVESTING ACTIVITIES			
Interest income received		679	600
Acquisition of a subsidiary		-	19
Addition of leasehold property		-	(1,505)
Placement of fixed deposits with tenure more than 3 months		-	13,410
Purchase of property, plant and equipment		(2,947)	(3,219)
Proceeds from disposal of property, plant and equipment		6	-
NET CASH FOR INVESTING ACTIVITIES		(2,262)	9,305
CASH FLOWS FOR FINANCING ACTIVITIES			
Repayment of lease liabilities		(76)	(30)
Interest paid on lease liabilities		(8)	(3)
Dividends paid		(730)	(2,190)
NET CASH FOR FINANCING ACTIVITIES		(814)	(2,223)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,561)	6,797
EFFECT OF FOREIGN EXCHANGE TRANSLATION		24	(48)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		46,947	42,902
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	16	42,410	49,651

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

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

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 28 February 2023 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 28 February 2023.

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 28 February 2023.

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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 28 February 2023.

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
	28.02.2023	28.02.2022		28.02.2023	28.02.2022	
RM'000	RM'000	%	RM'000	RM'000	%	
Aerosol products	10,283	14,164	(27.4)	28,058	32,813	(14.5)
Solvents and thinners	2,448	2,197	11.4	8,868	5,956	48.9
Plastic products	22	-	100.0	280	-	100.0
	12,753	16,361	(22.1)	37,206	38,769	(4.0)

9. NET IMPAIRMENT GAIN ON FINANCIAL ASSETS

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	28.02.2023	28.02.2022		28.02.2023	28.02.2022	
RM'000	RM'000	%	RM'000	RM'000	%	
Reversal of impairment losses	-	1	(100.0)	-	34	(100.0)
	-	1	(100.0)	-	34	(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 Ended														
	Aerosol products			Solvents and thinners			Plastic products			Others			Total		
	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %
Revenue															
External revenue (Note 8)	10,283	14,164	(27.4)	2,448	2,197	11.4	22	-	100.0	-	-	-	12,753	16,361	(22.1)
Inter-segment revenue	3,743	4,613	(18.9)	-	-	-	295	-	100.0	-	-	100.0	4,038	4,613	(12.5)
	14,026	18,777	(25.3)	2,448	2,197	11.4	317	-	100.0	-	-	100.0	16,791	20,974	(19.9)
Consolidated adjustments													(4,038)	(4,613)	(12.5)
Consolidated revenue													12,753	16,361	(22.1)
Results															
Segment profit before interest and taxation	861	3,193	(73.0)	14	113	(87.6)	(302)	-	100.0	(1,011)	(324)	212.0	697	2,982	(76.6)
	Year-To-Date Ended														
	Aerosol products			Solvents and thinners			Plastic products			Others			Total		
	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %
Revenue															
External revenue (Note 8)	28,058	32,813	(14.5)	8,868	5,956	48.9	280	-	100.0	-	-	-	37,206	38,769	(4.0)
Inter-segment revenue	8,287	9,256	(10.5)	-	-	-	534	-	100.0	1,040	-	-	9,861	9,256	6.5
	36,345	42,069	(13.6)	8,868	5,956	48.9	814	-	100.0	1,040	-	-	47,067	48,025	(2.0)
Consolidated adjustments													(9,861)	(9,256)	6.5
Consolidated revenue													37,206	38,769	(4.0)
Results															
Segment profit before interest and taxation	2,437	6,786	(64.1)	124	230	(46.1)	(196)	-	100.0	(549)	(927)	(40.8)	1,816	6,089	(70.2)

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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
	28.02.2023	31.05.2022		28.02.2023	31.05.2022		28.02.2023	31.05.2022		28.02.2023	31.05.2022		28.02.2023	31.05.2022	
RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	
Assets															
Segment assets	54,427	57,412	(5.2)	7,981	6,528	22.3	989	-	100.0	66,367	67,062	(1.0)	129,764	131,002	(0.9)
Unallocated assets:															
- current tax assets													2,614	1,390	88.1
Consolidated adjustments													(41,450)	(40,271)	2.9
Consolidated total assets													90,928	92,121	(1.3)
Addition to non-current assets other than financial instruments is:-															
Property, plant and equipment	2,376	6,470	(63.3)	11	86	(87.2)	561	-	100.0	(1)	-	-	2,947	6,556	(55.0)
Right-of-use assets (Note 12)	-	1,198	(100.0)	-	78	(100.0)	-	-	-	-	-	-	-	1,276	(100.0)
Liabilities															
Segment liabilities/															
Consolidated total liabilities	7,886	8,601	(8.3)	1,980	1,912	3.6	613.0	-	100.0	237	155	52.9	10,716	10,668	0.4
Unallocated liabilities:															
- deferred tax liabilities													58	58	-
- lease liabilities													263	339	(22.4)
Consolidated adjustments													(3,360)	(1,771)	89.7
Consolidated total liabilities													7,677	9,294	(17.4)

Geographical Information

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	28.02.2023	28.02.2022		28.02.2023	28.02.2022	
RM'000	RM'000	%	RM'000	RM'000	%	
Malaysia	10,697	12,604	(15.1)	30,748	31,503	(2.4)
Outside Malaysia	2,056	3,757	(45.3)	6,458	7,266	(11.1)
	12,753	16,361	(22.1)	37,206	38,769	(4.0)

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 28.02.2023 RM'000	Audited 31.5.2022 RM'000	Changes %
Malaysia	18,856	17,015	10.8
Singapore	1,687	1,291	30.7
	<u>20,543</u>	<u>18,306</u>	<u>12.2</u>

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 28.02.2023 RM'000
<i>Carrying Amount</i>							
Factory buildings	2,805	-	-	-	(57)	-	2,748
Machinery, factory and laboratory equipment	2,039	427	-	(1)	(218)	-	2,247
Renovation, office equipment, electrical, furniture and fittings	1,776	215	-	(5)	(168)	*	1,818
Motor vehicles	104	169	*	-	(41)	-	232
Capital work-in-progress	6,163	2,136	-	-	-	-	8,299
	<u>12,887</u>	<u>2,947</u>	<u>-</u>	<u>(6)</u>	<u>(484)</u>	<u>-</u>	<u>15,344</u>

	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
	<u>6,686</u>	<u>9</u>	<u>6,555</u>	<u>(6)</u>	<u>(356)</u>	<u>(1)</u>	<u>12,887</u>

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 28.02.2023 RM'000
<i>Carrying Amount</i>				
Leasehold land	3,504	(128)	-	3,376
Buildings and office equipment	1,592	(151)	84	1,525
	<u>5,096</u>	<u>(279)</u>	<u>84</u>	<u>4,901</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 28.02.2023 RM'000
<i>Carrying Amount</i>				
Trademark	323	-	(25)	298

	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

	Unaudited 28.02.2023 RM'000	Audited 31.5.2022 RM'000	Changes %
At beginning of the year	339	69	391.3
Interest expenses recognised in profit or loss	8	11	(27.3)
Additions	-	79	(100.0)
Changes due to lease modification	-	259	(100.0)
Repayment of principal	(76)	(68)	11.8
Repayment of interest expense	(8)	(11)	(27.3)
At end of the year	<u>263</u>	<u>339</u>	<u>(22.4)</u>
Analysed by:-			
Current liabilities	61	102	(40.2)
Non-current liabilities	202	237	(14.8)
	<u>263</u>	<u>339</u>	<u>(22.4)</u>

15. RELATED PARTY DISCLOSURES

	Quarter Ended			Year-To-Date Ended		
	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %
Rental paid or payable to a company in which a director of the Company has a substantial financial interest	18	12	50.0	60	35	71.4

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

16. CASH AND CASH EQUIVALENTS

The cash and cash equivalents comprise the following:-

	Unaudited As at 28.02.2023 RM'000	Audited As at 31.5.2022 RM'000
Short-term investments	28,258	26,905
Fixed deposits with licensed banks	5,355	9,176
Cash and bank balances	8,797	10,866
	<u>42,410</u>	<u>46,947</u>
Less: Fixed deposits with tenure of more than 3 months	-	-
	<u>42,410</u>	<u>46,947</u>
Fair value of money market fund	<u>28,258</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 2.60% to 3.70% per annum. The fixed deposits have maturity periods of 3 months.

17. 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 28.02.2023 RM'000	Audited As at 31.5.2022 RM'000
Approved and not contracted for:-		
Plant and equipment	11,287	12,658
Approved and contracted for:-		
Purchases of property and equipment	748	1,099
	<u>12,035</u>	<u>13,757</u>

18. CONTINGENT ASSETS AND LIABILITIES

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

19. 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 28 February 2023.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS

20.1 Classification

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

	Unaudited	Audited
	As at	As at
	28.02.2023	31.5.2022
	RM'000	RM'000
Assets		
Financial asset mandatorily at fair value through profit or loss		
Short-term investment	28,258	26,905
Financial assets at amortised cost		
Trade receivables	9,442	7,135
Other receivables	652	585
Fixed deposits with licensed banks	5,355	9,176
Cash and bank balances	8,797	10,866
Total financial assets	24,246	27,762
Liabilities		
Financial liabilities at amortised cost		
Trade payables	5,446	7,041
Other payables and accruals	1,758	1,753
Amount owing to a related party	60	11
Total financial liabilities	7,264	8,805

20.2 Gains or Losses Arising From Financial Instruments

	Unaudited	Audited
	As at	As at
	28.02.2023	31.5.2022
	RM'000	RM'000
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Net gains recognised in profit or loss by:		
- mandatorily required by accounting standard	533	478
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	162	344

20.3 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.

21. EVENT AFTER THE REPORTING PERIOD

Save as disclosed in Note 28, there was no other significant event subsequent to 28 February 2023.

22. SIGNIFICANT EVENTS DURING THE PERIOD

There was no significant event during the period.

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. REVIEW OF PERFORMANCE

Third Quarter FYE 2023 (3Q FYE 2023) Compared to Third Quarter FYE 2022 (3Q FYE 2022)

Revenue

For the 3Q FYE 2023, the Group's revenue has decreased by RM3.61 million or 22.1% to RM12.75 million from RM16.36 million as compared to 3Q FYE 2022. The decreased was due to decrease in sales of aerosol products.

Aerosol Products

Revenue of aerosol products in 3Q FYE 2023 has decreased by RM3.88 million, or approximately 27.4% to RM10.28 million as compared to RM14.16 million in 3Q FYE 2022. The decrease was mainly due to lower market demand.

Solvents and Thinners

Revenue of solvents and thinners in 3Q FYE 2023 had increased by RM0.25 million, or approximately 11.4% to RM2.45 million as compared to RM2.20 million for the 3Q FYE 2022. The increase was mainly attributable to increase in sales order from new and existing customers.

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 RM0.02 million to the Group's revenue and a loss before tax of RM0.30 million in current quarter due to low turnover in this sector.

Profit Before Taxation ("PBT")

During the 3Q FYE 2023, the Group's gross profit decreased by RM2.46 million, or approximately 47.27% to RM2.75 million as compared to RM5.21 million for the 3Q FYE 2022. The decreased was due to decrease in sales of aerosol products and the increased in average raw materials prices and packaging cost as compare to 3Q FYE 2022.

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**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**
23. REVIEW OF PERFORMANCE (Con't)9 Months Financial Period Ended ("FYE") 28 February 2023 Compared to 9 Months FYE 28 February 2022**Revenue**

For the Year-To-Date 28.02.2023, the Group's revenue has decreased by RM1.57 million or 4.0% to RM37.20 million from RM38.77 million as compared to Year-To-Date 28.02.2022.

Aerosol Products

For Year-To-Date 28.02.2023, the revenue has decreased by RM4.76 million, or approximately 14.49% to RM28.06 million as compared to RM32.81 million in Year-To-Date 28.02.2022. The decrease was mainly due to lower market demand.

Solvents and Thinners

For Year-To-Date 28.02.2023, the revenue has increased by RM2.91 million, or approximately 48.89% to RM8.87 million as compared to RM5.96 million in Year-To-Date 28.02.2022. The increased was mainly due to market demand.

Plastic products

For the Year-To-Date 28.02.2023, this segment has contributed RM0.28 million to the Group's revenue and a loss before tax of RM0.20 million in Year-To-Date 28.02.2023.

Profit Before Taxation ("PBT")

For Year-To-Date 28.02.2023, the PBT has decreased by RM4.28 million, or approximately 70.3% to RM1.81 million as compared to RM6.09 million for Year-To-Date 28.02.2022.

The drop in revenue was due to decrease in sales of aerosol products both locally and globally. In addition market inflation coupled with increasing raw materials and packaging cost affected the sales margin and to net profit as compare to Year-To-Date 28.02.2022.

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

	Quarter Ended		Changes %
	Unaudited 28.02.2023 RM'000	Unaudited 30.11.2022 RM'000	
Revenue	12,753	12,354	3.2
Profit before taxation	695	644	7.9

The Group's revenue slightly increased by of RM0.40 million, or approximately 3.2% from RM12.35 million in the immediate preceding quarter to RM12.75 million in the current financial quarter. The increase was mainly due to increase in sales order for solvents and thinners segment (from RM2.20 million to RM2.45 million) and revenue generated from the new plastic products segment (from RM Nil to RM0.02 million).

The Group's PBT increased by RM0.05 million, or approximately 7.8% from RM0.64 million in the immediate preceding quarter to RM0.69 million in the current financial quarter.

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

25. PROSPECTS

The Group is constantly pursuing opportunities to establish new domestic and foreign market, at the same time widening its range of the aerosol products.

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

26. PROFIT FORECAST

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

27. INCOME TAX EXPENSE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %
Income tax	253	870	(70.9)	681	1,687	(59.6)
Total income tax expense	253	870	(70.9)	681	1,687	(59.6)
Effective tax rate	36%	29%		38%	28%	

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.

28. 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.

However on 31 March 2023, the MOU has lapsed and the Company decided not to proceed with the acquisition of 90% equity interest in Zeus. Both parties have mutually and amicably agreed not to further extend the validity period of the MOU.

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

29. 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 28 February 2023 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	11,404	Within 18-24 months	Within 60 months	N/A
ii	Sales, marketing and advertising expenses	3,000	9.5	793	Within 24 months	Within 60 months	N/A
iii	Product development	1,300	4.1	237	Within 24 months	Within 60 months	N/A
iv	Estimated listing expenses	3,800	12.0	3,428	Within 1 month	No change	372 ⁽¹⁾
	Total	31,640	100.0	15,862			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.

30. BORROWINGS AND DEBT SECURITIES

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

31. CHANGES IN MATERIAL LITIGATION

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

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

32. DIVIDENDS

There was no dividends declared by the Group as at the reporting date.

33. EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	Unaudited 28.02.2023	Unaudited 28.02.2022	Unaudited 28.02.2023	Unaudited 28.02.2022
Profit after taxation attributable to owners of the Company (RM'000)	445	2,111	1,154	4,402
Weighted average number of ordinary shares in issue ('000)	730,096	666,804	730,096	666,804
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.06	0.32	0.16	0.66
- Diluted ⁽²⁾ (Sen)	0.06	0.32	0.16	0.66

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.

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

34. 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 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %	Unaudited 28.02.2023 RM'000	Unaudited 28.02.2022 RM'000	Changes %
Amortisation of trademark	24	-	100.0	24	-	100.0
Cost of business combination written-off	-	-	-	-	22	(100.0)
Depreciation of right-of-use assets	279	71	293.0	279	174	60.3
Depreciation of property, plant and equipment	484	89	443.8	484	239	102.5
Gain on disposal of property, plant and equipment	(2)	-	100.0	(2)	-	100.0
Loss/(Gain) on foreign exchange:						
- realised	(104)	46	(326.1)	(104)	105	(199.0)
- unrealised	(33)	9	(466.7)	(33)	(23)	43.5
Loss on lease modification	-	6	(100.0)	-	-	100.0
Interest expenses on lease liabilities	8	2	-	8	3	166.7
Interest income from short term investment and fixed deposits with licensed banks	(679)	(193)	251.8	(679)	(600)	13.2
Property, plant and equipment written off	2	2	-	2	3	(33.3)
Rental expenses	-	69	(100.0)	-	203	(100.0)
Reversal of impairment losses on:						
- trade receivables	-	(1)	(100.0)	-	(34)	(100.0)

35. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

36. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 11 April 2023.