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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 31 MAY 2023**

27 July 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 31 MAY 2023**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited	Unaudited	Changes	Unaudited	Audited	Changes
		31.05.2023	31.05.2022		31.05.2023	31.05.2022	
RM'000	RM'000	%	RM'000	RM'000	%		
REVENUE	8	14,444	11,912	21.3	51,650	50,680	1.9
COST OF SALES		(10,277)	(8,857)	16.0	(39,331)	(35,928)	9.5
GROSS PROFIT		4,167	3,055	36.4	12,319	14,752	(16.5)
OTHER INCOME		480	847	(43.3)	1,353	1,819	(25.6)
		4,647	3,902	19.1	13,672	16,571	(17.5)
SELLING AND MARKETING EXPENSES		(356)	(494)	(27.9)	(1,836)	(1,542)	19.1
ADMINISTRATIVE EXPENSES		(1,691)	(1,985)	(14.8)	(7,507)	(7,547)	(0.5)
OTHER EXPENSES		(89)	(393)	(77.4)	(2)	(395)	(99.5)
NET IMPAIRMENT (LOSS)/GAIN ON FINANCIAL ASSETS	9	(168)	4	(4,300.0)	(168)	38	(542.1)
FINANCE COSTS		(11)	(8)	-	(19)	(11)	72.7
PROFIT BEFORE TAXATION		2,332	1,026	127.3	4,140	7,114	(41.8)
INCOME TAX EXPENSES	27	(583)	(277)	110.5	(1,264)	(1,964)	(35.6)
PROFIT AFTER TAXATION		1,749	749	133.5	2,876	5,150	(44.2)
OTHER COMPREHENSIVE INCOME/(EXPENSE)							
<u>Items that will be Reclassified Subsequently to Profit or Loss</u>							
Foreign currency translation differences		65	24	170.8	60	(6)	(1,100.0)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		1,814	773	134.7	2,936	5,144	(42.9)
PROFIT/(LOSS) AFTER TAXATION							
ATTRIBUTABLE TO:-							
Owners of the Company		1,752	756	131.7	2,925	5,160	(43.3)
Non-controlling interest		(3)	(7)	(57.1)	(49)	(10)	390.0
		1,749	749	133.5	2,876	5,150	(44.2)
TOTAL COMPREHENSIVE INCOME/(EXPENSE)							
ATTRIBUTABLE TO:-							
Owners of the Company		1,863	782	138.2	2,985	5,156	(42.1)
Non-controlling interest		(49)	(9)	444.4	(49)	(12)	308.3
		1,814	773	134.7	2,936	5,144	(42.9)

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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 2023**

	Quarter Ended		Year-To-Date Ended		
	Unaudited 31.05.2023 Sen per share	Unaudited 31.05.2022 Sen per share	Unaudited 31.05.2023 Sen per share	Audited 31.05.2022 Sen per share	
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY:					
Basic EPS	32	0.24	0.10	0.40	0.76
Diluted EPS	32	0.24	0.10	0.40	0.76

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.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 May 2023**

	Note	Unaudited As at 31.05.2023 RM'000	Audited As at 31.05.2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	15,395	12,887
Right-of-use assets	12	4,925	5,096
Intangible asset	13	290	322
Deferred tax asset		8	-
		<u>20,618</u>	<u>18,305</u>
CURRENT ASSETS			
Inventories		15,187	16,791
Trade receivables		8,003	7,135
Other receivables, deposits and prepayments		588	1,553
Current tax assets		2,561	1,390
Short-term investments		29,500	26,905
Fixed deposits with licensed banks		5,556	9,176
Cash and bank balances		10,874	10,866
		<u>72,269</u>	<u>73,816</u>
TOTAL ASSETS		<u>92,887</u>	<u>92,121</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		66,257	66,257
Merger deficit		(28,697)	(28,697)
Foreign exchange translation reserve		59	(2)
Retained profits		47,340	45,144
Equity attributable to owners of the Company		<u>84,959</u>	<u>82,702</u>
Non-controlling interest		76	125
TOTAL EQUITY		<u>85,035</u>	<u>82,827</u>
NON-CURRENT LIABILITIES			
Lease liabilities	14	134	237
Deferred tax liabilities		-	58
		<u>134</u>	<u>295</u>
CURRENT LIABILITIES			
Trade payables		5,740	7,041
Other payables and accruals		1,725	1,845
Amount owing to a related party		-	11
Lease liabilities	14	253	102
		<u>7,718</u>	<u>8,999</u>
TOTAL LIABILITIES		<u>7,852</u>	<u>9,294</u>
TOTAL EQUITY AND LIABILITIES		<u>92,887</u>	<u>92,121</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 May 2023

	Unaudited As at 31.05.2023 RM	Audited As at 31.05.2022 RM
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>0.12</u>	<u>0.11</u>

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 May 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	(28,697)	(2)	45,144	82,702	125	82,827
Profit after taxation for the financial year	-	-	-	2,925	2,925	(49)	2,876
Other comprehensive expense for the financial year: - Foreign currency translation differences	-	-	61	1	62	-	62
Total comprehensive (expense)/income for the financial year	-	-	61	2,926	2,987	(49)	2,938
Contribution by and distributions to owners of the Company: - Acquisition of a subsidiary - Dividends by the Company (Note 33)	-	-	-	-	-	-	-
	-	-	-	(730)	(730)	-	(730)
At 31 May 2023 (Unaudited)	66,257	(28,697)	59	47,340	84,959	76	85,035
At 1 June 2021	66,257	(28,697)	3	43,269	80,832	-	80,832
Profit after taxation for the financial period	-	-	-	5,160	5,160	(10)	5,150
Other comprehensive income for the financial period: - Foreign currency translation differences	-	-	(5)	-	(5)	(2)	(7)
Total comprehensive income for the financial period	-	-	(5)	5,160	5,155	(12)	5,143
Distributions to owners of the Company: - Acquisition of a subsidiary - Issuance of ordinary shares to non- controlling interest - Dividends by the Company (Note 31)	-	-	-	-	-	17	17
	-	-	-	-	-	120.00	120
	-	-	-	(3,285)	(3,285)	-	(3,285)
At 31 May 2022 (Audited)	66,257	(28,697)	(2)	45,144	82,702	125	82,827

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 31 May 2023

	Note	Year-To-Date Ended	
		Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES			
Profit before taxation		4,140	7,114
Adjustments for:-			
Amortisation of trademark		32	3
Goodwill written off		-	21
Depreciation of right-of-use assets		363	273
Depreciation of property, plant and equipment		665	356
Gain on disposal of property, plant and equipment		(1)	-
Inventories written off		-	333
Loss on lease modification		-	20
Property, plant equipment written off		2	6
Interest expenses on lease liabilities		10	11
Interest income		(994)	(785)
Reversal of impairment losses on:			
- trade receivables		-	(38)
Unrealised (gain)/loss on foreign exchange		(80)	(158)
Operating profit before working capital changes		4,137	7,156
(Increase)/Decrease in inventories		1,605	(3,922)
(Increase)/Decrease in trade and other receivables		45	1,128
Decrease in trade and other payables		(1,426)	(482)
Increase/(Decrease) in amount owing to a related party		-	(9)
CASH FOR OPERATIONS		4,361	3,871
Income tax paid		(2,501)	(2,588)
NET CASH FOR OPERATING ACTIVITIES		1,860	1,283
CASH FLOWS FOR INVESTING ACTIVITIES			
Acquisition of a subsidiary		-	19
Additional of right-of-use		(149)	(1,276)
Interest income received		994	784
Placement of fixed deposits with tenure more than 3 months		-	13,410
Proceeds from disposal of property, plant and equipment		5	-
Purchase of property, plant and equipment		(3,180)	(6,555)
Purchase of trademark		-	(325)
NET CASH FOR INVESTING ACTIVITIES		(2,330)	6,057
CASH FLOWS FOR FINANCING ACTIVITIES			
Addition of lease liabilities		149	-
Repayment of lease liabilities		(102)	(68)
Interest paid on lease liabilities		(10)	(11)
Dividends paid		(730)	(3,285)
NET CASH FOR FINANCING ACTIVITIES		(693)	(3,364)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
FOR THE YEAR-TO-DATE ENDED 31 May 2023

NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,163)	3,976
EFFECT OF FOREIGN EXCHANGE TRANSLATION		146	69
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	45,930	46,947

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.

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 31 May 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 31 May 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 31 May 2023.

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 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 31.05.2023	Unaudited 31.05.2022	Changes	Unaudited 31.05.2023	Audited 31.05.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Aerosol products	11,151	9,297	19.9	39,209	42,110	(6.9)
Solvents and thinners	3,183	2,615	21.7	12,051	8,570	40.6
Plastic products	110	-	100.0	390	-	100.0
	14,444	11,912	21.3	51,650	50,680	1.9

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2023	Unaudited 31.05.2022	Changes	Unaudited 31.05.2023	Audited 31.05.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Net impairment (loss)/gain losses	(168)	4	(4,300.0)	(168)	38	(542.1)
	168	4	4,100.0	(168)	38	(542.1)

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 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %
Revenue	11,151	9,297	19.9	3,183	2,615	21.7	110	-	100.0	-	-	100.0	14,444	11,912	21.3
External revenue (Note 8)	10,449	(1,956)	(634.2)	-	-	-	497	-	100.0	-	2,184	100.0	10,946	228	4,700.9
Inter-segment revenue	21,600	7,341	194.2	3,183	2,615	21.7	607	-	100.0	-	2,184	100.0	25,390	12,140	109.1
Consolidated adjustments													(10,946)	(228)	4,700.9
Consolidated revenue	3,238	1,187	172.8	275	100	175.0	(324)	-	100.0	(932)	(253)	268.4	2,343	1,034	126.6
Results															
Segment profit before interest and taxation															
	4,676	7,973	(41.4)	315	330	(4.5)	(219)	-	100.0	(699)	(1,180)	(40.8)	4,073	7,123	(42.8)
Year-To-Date Ended															
	Aerosol products			Solvents and thinners			Plastic products			Others			Total		
	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %
	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %
Revenue	39,209	42,110	(6.9)	12,051	8,570	40.6	390	-	100.0	-	-	100.0	51,650	50,680	1.9
External revenue (Note 8)	14,993	9,484	58.1	-	-	-	736	-	100.0	1,040	3,484	-	16,769	12,968	29.3
Inter-segment revenue	54,202	51,594	5.1	12,051	8,570	40.6	1,126	-	100.0	1,040	3,484	-	68,419	63,648	7.5
Consolidated adjustments													(16,769)	(12,968)	29.3
Consolidated revenue	4,676	7,973	(41.4)	315	330	(4.5)	(219)	-	100.0	(699)	(1,180)	(40.8)	4,073	7,123	(42.8)
Results															
Segment profit before interest and taxation															
	51,650	50,680	1.9										51,650	50,680	1.9

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. SEGMENT INFORMATION (CONT'D)

	Aerosol products		Solvents and thinners		Plastic products		Others		Total	
	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000
Assets										
Segment assets	57,387	57,410	10,256	6,528	1,076	-	66,170	67,062	134,889	131,000
Unallocated assets:										
- current tax assets									2,561	1,390
Consolidated adjustments									(44,563)	(40,269)
Consolidated total assets									92,887	92,121
Changes %	(0.0)		(0.0)	57.1	100.0		100.0		(1.3)	
Changes %										
31.05.2023	2,845	6,469	11	86	561	-	(237)	-	3,180	6,555
31.05.2022	-	1,374	-	78	-	-	-	-	-	1,452
Changes %		(56.0)		(87.2)	100.0		-		-	(51.5)
Right-of-use assets (Note 12)										
Property, plant and equipment										
Financial instruments is:-										
Assets other than non-current										
Liabilities										
Segment liabilities/	10,717	8,601	2,244	1,912	730.0	-	182	155	13,873	10,668
Consolidated total liabilities										
Unallocated liabilities:										
- deferred tax liabilities										58
Consolidated adjustments										339
Consolidated total liabilities										(1,771)
Changes %										
31.05.2023										
31.05.2022										
Changes %										
17.4										
100.0										
17.4										
30.0										
(100.0)										
14.2										
261.8										
(15.5)										

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

Geographical information

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000
Malaysia	11,212	9,416	41,960	40,919
Outside Malaysia	3,232	2,496	9,690	9,762
	14,444	11,912	51,650	50,680
Changes %				
19.1				
29.5				
21.3				
2.5				
(0.7)				
1.9				

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 31.05.2023 RM'000	Audited 31.5.2022 RM'000	Changes %
Malaysia	18,844	17,015	10.7
Singapore	1,771	1,290	37.3
	<u>20,618</u>	<u>18,305</u>	<u>12.6</u>

11. PROPERTY, PLANT AND EQUIPMENT

	Unaudited						At 31.05.2023 RM'000
	At 1.6.2022 RM'000	Additions RM'000	Disposal RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	
<i>Carrying Amount</i>							
Factory buildings	2,805	-	-	-	(76)	-	2,729
Machinery, factory and laboratory equipment	2,039	434	-	(1)	(291)	-	2,181
Renovation, office equipment, electrical, furniture and fittings	1,776	262	(5)	-	(227)	*	1,806
Motor vehicles	104	169	*	(1)	(57)	-	215
Capital work-in-progress	6,163	2,315	-	-	(14)	-	8,464
	<u>12,887</u>	<u>3,180</u>	<u>(5)</u>	<u>(2)</u>	<u>(665)</u>	<u>-</u>	<u>15,395</u>

	Audited						At 31.5.2022 RM'000
	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	
<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	Addition RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	At 31.05.2023 RM'000
<i>Carrying Amount</i>					
Leasehold land	3,504	-	(171)	-	3,333
Buildings and office equipment	1,592	149	(192)	43	1,592
	5,096	149	(363)	43	4,925

	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
	3,738	1,355	(273)	239	37	5,096

- (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 31.05.2023 RM'000
<i>Carrying Amount</i>				
Trademark	322	-	(32)	290

	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	(3)	322

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 31.05.2023 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	10	11	(9.1)
Additions	-	79	(100.0)
Changes due to lease modification	-	259	(100.0)
Repayment of principal	(102)	(68)	50.0
Repayment of interest expense	(10)	(11)	(9.1)
At end of the year	<u>237</u>	<u>339</u>	<u>(30.1)</u>
Analysed by:-			
Current liabilities	253	102	148.0
Non-current liabilities	134	237	(43.5)
	<u>387</u>	<u>339</u>	<u>14.2</u>

15. RELATED PARTY DISCLOSURES

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 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	72	35	105.7

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

16. CASH AND CASH EQUIVALENTS

The cash and cash equivalents comprise the following:-

	Unaudited As at 31.05.2023 RM'000	Audited As at 31.5.2022 RM'000
Short-term investments	29,500	26,905
Fixed deposits with licensed banks	5,556	9,176
Cash and bank balances	10,874	10,866
	<u>45,930</u>	<u>46,947</u>
Less: Fixed deposits with tenure of more than 3 months	-	-
	<u>45,930</u>	<u>46,947</u>
Fair value of money market fund	<u>29,500</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 average RM0.50. 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 31.05.2023 RM'000	Audited As at 31.5.2022 RM'000
Approved and not contracted for:- Plant and equipment	10,276	12,658
Approved and contracted for:- Purchases of property and equipment	748	1,099
	<u>11,024</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 31 May 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 As at 31.05.2023 RM'000	Audited As at 31.5.2022 RM'000
Assets		
Financial asset mandatorily at fair value through profit or loss		
Short-term investment	29,500	26,905
Financial assets at amortised cost		
Trade receivables	8,003	7,135
Other receivables	-	585
Fixed deposits with licensed banks	5,556	9,176
Cash and bank balances	10,874	10,866
Total financial assets	24,433	27,762
Liabilities		
Financial liabilities at amortised cost		
Trade payables	5,740	7,041
Other payables and accruals	1,002	1,753
Amount owing to a related party	-	11
Total financial liabilities	6,742	8,805

20.2 Gains or Losses Arising From Financial Instruments

	Unaudited As at 31.05.2023 RM'000	Audited As at 31.5.2022 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	753	478
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	218	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

There was no other significant event subsequent to 27 July 2023.

22. 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**

23. REVIEW OF PERFORMANCE

Forth Quarter FYE 2023 (4Q FYE 2023) Compared to Forth Quarter FYE 2022 (4Q FYE 2022)

Revenue

For the 4Q FYE 2023, the Group's revenue has increased by RM2.53 million or 21.25% to RM14.44 million from RM11.91 million as compared to 4Q FYE 2022. The increase was due to market demand in spray paint and solvents and thinners.

Aerosol Products

Revenue of aerosol products in 4Q FYE 2023 has increased by RM1.85 million, or approximately 19.94% to RM11.15 million as compared to RM9.30 million in 4Q FYE 2022. This was due to an increase of sales order.

Solvents and Thinners

Revenue of solvents and thinners in 4Q FYE 2023 had increased by RM0.57 million, or approximately 21.72% to RM3.18 million as compared to RM2.61 million for the 4Q FYE 2022. DPI manufactures high quality solvents and thinners and this promising quality has resulted in an 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 RM0.11 million to the Group's revenue.

Profit Before Taxation ("PBT")

During the 4Q FYE 2023, the Group's profit before tax increased by RM1.31 million, or approximately 127.29% to RM2.33 million as compared to RM1.03 million for the 4Q FYE 2022. The improvement was due to an increase in sales of aerosol products and solvents and thinners.

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

23. REVIEW OF PERFORMANCE (CONT'D)

12 Months Financial Period Ended ("FYE") 31 May 2023 Compared to 12 Months FYE 31 May 2022

Revenue

For the Year-To-Date 31.05.2023, the Group's revenue has increased by RM0.97 million or 1.91% to RM51.65 million from RM50.68 million as compared to Year-To-Date 31.05.2022.

Aerosol Products

For Year-To-Date 31.05.2023, the revenue has decreased by RM2.90 million, or approximately 6.89% to RM39.21 million as compared to RM42.11 million in Year-To-Date 31.05.2022. The decrease was due to a softening in demand during the first 3 quarters, which subsequently improved in the fourth quarter 2023.

Solvents and Thinners

For Year-To-Date 31.05.2023, the revenue has increased by RM3.48 million, or approximately 40.62% to RM12.05 million as compared to RM8.57 million in Year-To-Date 31.05.2022. The increase was mainly due to good quality of manufactured products that resulted in a better market demand.

Plastic products

For the Year-To-Date 31.05.2023, this segment has contributed RM0.39 million to the Group's revenue.

Profit Before Taxation ("PBT")

For Year-To-Date 31.05.2023, the PBT has decreased by RM2.97 million, or approximately 41.80% to RM4.14 million as compared to RM7.11 million for Year-To-Date 31.05.2022.

Overall the decrease in PBT was due to increasing cost of raw materials and packaging.

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

	Quarter Ended		Changes %
	Unaudited 31.05.2023 RM'000	Unaudited 28.02.2023 RM'000	
Revenue	14,444	12,753	13.3
Profit before taxation	2,332	695	235.5

The Group's revenue slightly increased by of RM1.69 million, or approximately 13.26% from RM12.75 million in the immediate preceding quarter to RM14.44 million in the current financial quarter. The increase was due to improvement in the sales of aerosol products.

The Group's PBT increased by RM1.55 million, or approximately 223.45% from RM0.69 million in the immediate preceding quarter to RM2.25 million in the current financial quarter, mainly due to an improvement of sales and margin.

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

25. PROSPECTS

The Group witnessed a positive improvement in the fourth quarter's performance and anticipates similar or better result in the coming quarters, barring unforeseen circumstances.

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 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Audited 31.05.2022 RM'000	Changes %
Income tax	583	277	110.5	1,264	1,964	(35.6)
Total income tax expense	583	277	110.5	1,264	1,964	(35.6)
Effective tax rate	25%	27%		31%	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.

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

28. UTILISATION OF PROCEEDS RAISED FROM THE IPO

The gross proceeds raised from the Company's Initial Public Offering of RM31.64 million and status of utilisation as at 31 May 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	12,516	Within 18-24 months	Within 60 months	N/A
ii	Sales, marketing and advertising expenses	3,000	9.5	1,038	Within 24 months	Within 60 months	N/A
iii	Product development	1,300	4.1	258	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	17,240			372

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

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 27 November 2018 and the announcements dated 6 July 2020 and 6 January 2021.

29. BORROWINGS AND DEBT SECURITIES

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

30. CHANGES IN MATERIAL LITIGATION

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

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

31. DIVIDENDS

For the fourth quarter 2023, the Board of Directors has declared a first interim dividend of 0.15 sen per share. The date of book closure for the dividend payment will be announced in due course.

32. EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.05.2023	Unaudited 31.05.2022	Unaudited 31.05.2023	Audited 31.05.2022
Profit after taxation attributable to owners of the Company (RM'000)	1,752	756	2,925	5,160
Weighted average number of ordinary shares in issue ('000)	730,096	730,096	730,096	682,757
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.24	0.10	0.40	0.76
- Diluted ⁽²⁾ (Sen)	0.24	0.10	0.40	0.76

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

33. NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %	Unaudited 31.05.2023 RM'000	Unaudited 31.05.2022 RM'000	Changes %
Amortisation of trademark	8	-	100.0	32	-	100.0
Cost of business combination written-off	-	-	-	-	22	(100.0)
Depreciation of right-of-use assets	84	71	18.3	363	174	108.6
Depreciation of property, plant and equipment	181	89	103.4	665	239	178.2
Gain on disposal of property, plant and equipment	1	-	100.0	(1)	-	100.0
(Gain)/Loss on foreign exchange:						
- realised	162	46	252.2	58	105	(44.8)
- unrealised	(47)	9	(622.2)	(80)	(23)	247.8
Loss on lease modification	-	6	(100.0)	-	-	100.0
Interest expenses on lease liabilities	2	2	-	10	3	233.3
Interest income from short term investment and fixed deposits with licensed banks	(315)	(193)	63.2	(994)	(785)	26.6
Property, plant and equipment written off	-	2	(100.0)	2	6	(66.7)
Renta	-	69	(100.0)	-	203	(100.0)
Reversal of impairment losses on:						
- trade receivables	-	(1)	(100.0)	-	(34)	(100.0)

34. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

35. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 27 July 2023.