



TRUSTED 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 2023

27 OCTOBER 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 AUGUST 2023**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %
REVENUE	8	13,482	12,099	11.4	13,482	12,099	11.4
COST OF SALES		(9,547)	(9,492)	0.6	(9,547)	(9,492)	0.6
GROSS PROFIT		3,935	2,607	50.9	3,935	2,607	50.9
OTHER INCOME		416	326	27.6	416	326	27.6
		4,351	2,933	48.3	4,351	2,933	48.3
SELLING AND MARKETING EXPENSES		(439)	(477)	(8.0)	(439)	(477)	(8.0)
ADMINISTRATIVE EXPENSES		(2,018)	(1,980)	1.9	(2,018)	(1,980)	1.9
OTHER EXPENSES		-	(4)	(100.0)	-	(4)	(100.0)
FINANCE COSTS		(2)	(3)	(33.3)	(2)	(3)	(33.3)
PROFIT BEFORE TAXATION		1,892	469	303.4	1,892	469	303.4
INCOME TAX EXPENSES	26	(573)	(202)	183.7	(573)	(202)	183.7
PROFIT AFTER TAXATION		1,319	267	394.0	1,319	267	394.0
OTHER COMPREHENSIVE INCOME/(EXPENSE)							
<u>Items that will be Reclassified Subsequently to Profit or Loss</u>							
Foreign currency translation differences		(2)	(1)	100.0	(2)	(1)	100.0
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		1,317	266	395.1	1,317	266	395.1
PROFIT/(LOSS) AFTER TAXATION							
ATTRIBUTABLE TO:-							
Owners of the Company		1,323	289	357.8	1,323	289	357.8
Non-controlling interest		(4)	(22)	(81.8)	(4)	(22)	(81.8)
		1,319	267	394.0	1,319	267	394.0
TOTAL COMPREHENSIVE INCOME/(EXPENSE)							
ATTRIBUTABLE TO:-							
Owners of the Company		1,321	267	394.8	1,321	267	394.8
Non-controlling interest		(4)	(1)	300.0	(4)	(1)	300.0
		1,317	266	395.1	1,317	266	395.1

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 2023**

		Quarter Ended		Year-To-Date Ended	
		Unaudited 31.8.2023 Sen per share	Unaudited 31.8.2022 Sen per share	Unaudited 31.8.2023 Sen per share	Unaudited 31.8.2022 Sen per share
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY:					
Basic EPS	31	<u>0.18</u>	<u>0.04</u>	<u>0.18</u>	<u>0.04</u>
Diluted EPS	31	<u>0.18</u>	<u>0.04</u>	<u>0.18</u>	<u>0.04</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 2023 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 2023**

	Note	Unaudited As at 31.8.2023 RM'000	Audited As at 31.05.2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	15,512	15,395
Right-of-use assets	11	4,846	4,925
Intangible asset	12	282	290
Deferred tax asset		8	8
		20,648	20,618
CURRENT ASSETS			
Inventories		16,009	15,186
Trade receivables		7,276	8,003
Other receivables, deposits and prepayments		628	588
Current tax assets		2,382	2,561
Short-term investments		29,656	29,500
Fixed deposits with licensed banks		6,569	5,556
Cash and bank balances		11,376	10,874
		73,896	72,268
TOTAL ASSETS		94,544	92,886
EQUITY AND LIABILITIES			
EQUITY			
Share capital		66,257	66,257
Merger deficit		(28,698)	(28,698)
Foreign exchange translation reserve		57	59
Retained profits		48,663	47,340
Equity attributable to owners of the Company		86,279	84,958
Non-controlling interest		71	75
TOTAL EQUITY		86,350	85,033
NON-CURRENT LIABILITIES			
Lease liabilities	13	17	134
Deferred tax liabilities		-	-
		17	134
CURRENT LIABILITIES			
Trade payables		6,153	5,740
Other payables and accruals		1,680	1,725
Amount owing to a related party		-	-
Lease liabilities	13	344	254
		8,177	7,719
TOTAL LIABILITIES		8,194	7,853
TOTAL EQUITY AND LIABILITIES		94,544	92,886

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

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

	Unaudited As at 31.8.2023 RM	Audited As at 31.05.2023 RM
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>0.12</u>	<u>0.12</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 2023 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 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 2023 (Audited)/ 1 June 2023	66,257	(28,698)	59	47,340	84,958	75	85,033
Profit after taxation for the financial year	-	-	-	1,323	1,323	(4)	1,319
Other comprehensive expense for the financial year: - Foreign currency translation differences	-	-	(2)	-	(2)	-	(2)
Total comprehensive (expense)/income for the financial year	-	-	(2)	1,323	1,321	(4)	1,317
Contribution by and distributions to owners of the Company: - Acquisition of a subsidiary - Dividends by the Company (Note 33)	-	-	-	-	-	-	-
At 31 August 2023 (Unaudited)	66,257	(28,698)	57	48,663	86,279	71	86,350
At 1 June 2022	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
Distributions to owners of the Company: - Acquisition of a subsidiary - Dividends by the Company (Note 33)	-	-	-	-	-	-	-
	-	-	-	(730)	(730)	-	(730)
At 31 August 2022 (Unaudited)	66,257	(28,698)	(2)	44,703	82,260	103	82,363

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 2023 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 CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 AUGUST 2023**

	Note	Year-To-Date Ended	
		Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES			
Profit before taxation		1,892	469
Adjustments for:-			
Amortisation of trademark		8	8
Depreciation of right-of-use assets		79	81
Depreciation of property, plant and equipment		179	151
Gain on disposal of property, plant and equipment		-	(6)
Property, plant equipment written off		-	1
Interest expenses on lease liabilities		2	3
Interest income		(305)	(184)
Reversal of impairment losses on:			
Unrealised gain on foreign exchange		176	(70)
Operating profit before working capital changes		2,031	453
Increase in inventories		(825)	(355)
Decrease/(Increase) in trade and other receivables		649	(906)
Increase/(Decrease) in trade and other payables		361	(2,330)
Increase in amount owing to a related party		-	13
CASH FOR OPERATIONS		2,216	(3,125)
Income tax paid		(394)	(667)
NET CASH FOR OPERATING ACTIVITIES		1,822	(3,792)
CASH FLOWS FOR INVESTING ACTIVITIES			
Interest income received		305	184
Purchase of property, plant and equipment		(295)	(2,012)
Proceeds from disposal of property, plant and equipment		-	6
NET CASH FOR INVESTING ACTIVITIES		10	(1,822)
CASH FLOWS FOR FINANCING ACTIVITIES			
Repayment of lease liabilities		(26)	(25)
Interest paid on lease liabilities		(2)	(3)
Dividends paid		-	(730)
NET CASH FOR FINANCING ACTIVITIES		(28)	(758)
NET INCREASED/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,804	(6,372)
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(133)	110
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		45,930	46,947
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	15	47,601	40,685

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

DPI HOLDINGS BERHAD

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

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 2024 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 2024.

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 ending 31 May 2024, 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 2023

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.

DPI HOLDINGS BERHAD

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

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business operations during the current financial quarter and year-to-date ended 31 August 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 August 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 August 2023.

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

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 2023.

7. DIVIDENDS PAID

A first interim dividend of 0.15 sen per share on 730,096,498 ordinary shares, amounted to RM1,095,144 was declared and paid on 22 September 2023.

8. REVENUE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %
Aerosol products	10,463	8,821	18.6	10,463	8,821	18.6
Solvents and thinners	2,921	3,180	(8.1)	2,921	3,180	(8.1)
Plastic products	98	98	-	98	98	-
	13,482	12,099	11.4	13,482	12,099	11.4

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**9. 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 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %
Revenue															
External revenue (Note 8)	10,463	8,821	18.6	2,921	3,180	(8.1)	98	98	-	-	-	-	13,482	12,099	11.4
Inter-segment revenue	6,102	919	564.0	-	-	-	227	136	66.9	-	1,040	(100.0)	6,329	2,095	202.1
	16,565	9,740	70.1	2,921	3,180	(8.1)	325	234	66.9	-	1,040	(100.0)	19,811	14,194	39.6
Consolidated adjustments													(6,329)	(2,095)	202.1
Consolidated revenue													13,482	12,099	11.4
Results															
Segment profit before interest and taxation	1,736	791	119.5	252	19	1,226.3	(14)	(105)	(86.7)	(80)	(233)	(65.7)	1,894	472	301.3

DPI HOLDINGS BERHAD

(Registration No. 201701035607)(1249778-M)

(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**9. SEGMENT INFORMATION (CONT'D)**

	Aerosol products			Solvents and thinners			Plastic products			Others			Total		
	Unaudited 31.8.2023 RM'000	Audited 31.05.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Audited 31.05.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Audited 31.05.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Audited 31.05.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Audited 31.05.2022 RM'000	Changes %
Assets															
Segment assets	59,439	53,100	11.9	11,145	7,079	57.4	1,029	1,005	2.4	67,684	66,750	1.4	139,297	127,934	8.9
Unallocated assets:															
- current tax assets													2,382	2,561	(7.0)
Consolidated adjustments													(47,135)	(37,609)	25.3
Consolidated total assets													94,544	92,886	1.8
Addition to non-current assets other than financial instruments is:-															
Property, plant and equipment	156	1,558	(90.0)	130	-	-	9	454	(98.0)	-	-	-	295	2,012	(85.3)
Liabilities															
Segment liabilities/															
Consolidated total liabilities	13,222	6,066	118.0	2,268	2,145	5.7	707	538	31.4	490	237	106.8	16,687	8,986	85.7
Unallocated liabilities:															
- current tax liabilities													197	-	100.0
- deferred tax liabilities													-	58	(100.0)
- lease liabilities													361	388	(7.0)
Consolidated adjustments													(8,854)	(1,579)	460.8
Consolidated total liabilities													8,194	7,853	4.3

Geographical Information

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

Malaysia
Outside Malaysia

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %
Malaysia	10,509	9,595	9.5	10,509	9,595	9.5
Outside Malaysia	2,973	2,504	18.7	2,973	2,504	18.7
	13,482	12,099	11.4	13,482	12,099	11.4

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. 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 31.8.2023 RM'000	Audited 31.5.2023 RM'000	Changes %
Malaysia	18,892	19,021	(0.7)
Singapore	1,756	1,597	10.0
	20,648	20,618	0.1

10. PROPERTY, PLANT AND EQUIPMENT

	Unaudited						At 31.8.2023 RM'000
	At 1.6.2023 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	2,729	-	-	-	(19)	-	2,710
Machinery, factory and laboratory equipment	2,181	104	-	-	(73)	-	2,212
Renovation, office equipment, electrical, furniture and fittings	2,073	9	-	-	(66)	1	2,017
Motor vehicles	216	130	*	-	(21)	-	325
Capital work-in-progress	8,196	52	-	-	-	-	8,248
	15,395	295	-	-	(179)	1	15,512

	Audited						At 31.5.2023 RM'000
	At 1.6.2022 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	2,805	-	-	-	(76)	-	2,729
Machinery, factory and laboratory equipment	2,039	-	537	(104)	(291)	-	2,181
Renovation, office equipment, electrical, furniture and fittings	1,776	-	544	(5)	(241)	(1)	2,073
Motor vehicles	104	-	169	-	(57)	-	216
Capital work-in-progress	6,163	-	2,033	-	-	-	8,196
	12,887	-	3,283	(109)	(665)	(1)	15,395

Note:

* - less than RM1,000.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. RIGHT-OF-USE ASSETS

	Unaudited			
	At 1.6.2023 RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	At 31.8.2023 RM'000
<i>Carrying Amount</i>				
Leasehold land	3,333	(41)	-	3,292
Buildings and office equipment	1,592	(38)	-	1,554
	<u>4,925</u>	<u>(79)</u>	<u>-</u>	<u>4,846</u>

	Audited					
	At 1.6.2022 RM'000	Addition RM'000	Depreciation Charges RM'000	Modification of Lease Liabilities RM'000	Foreign Translation RM'000	At 31.5.2023 RM'000
<i>Carrying Amount</i>						
Leasehold land	3,504	-	(171)	-	-	3,333
Buildings and office equipment	1,592	153	(237)	-	84	1,592
	<u>5,096</u>	<u>153</u>	<u>(408)</u>	<u>-</u>	<u>84</u>	<u>4,925</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.

12. INTANGIBLE ASSET

	Unaudited			
	At 1.6.2023 RM'000	Addition RM'000	Depreciation Charges RM'000	At 31.8.2023 RM'000
<i>Carrying Amount</i>				
Trademark	290	-	(8)	282

	Audited			
	At 1.6.2022 RM'000	Addition RM'000	Depreciation Charges RM'000	At 31.5.2023 RM'000
<i>Carrying Amount</i>				
Trademark	322	-	(32)	290

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

13. LEASE LIABILITIES

	Unaudited 31.8.2023 RM'000	Audited 31.5.2023 RM'000	Changes %
At beginning of the year	387	339	14.2
Interest expenses recognised in profit or loss	2	19	(89.5)
Additions	-	153	(100.0)
Repayment of principal	(26)	(113)	(77.0)
Repayment of interest expense	(2)	(11)	(81.8)
At end of the year	<u>361</u>	<u>387</u>	<u>(6.7)</u>
Analysed by:-			
Current liabilities	344	254	35.4
Non-current liabilities	17	134	(87.3)
	<u>361</u>	<u>388</u>	<u>(7.0)</u>

14. RELATED PARTY DISCLOSURES

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %
Rental paid or payable to a company in which a director of the Company has a substantial financial interest	18	18	-	18	18	-

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

15. CASH AND CASH EQUIVALENTS

The cash and cash equivalents comprise the following:-

	Unaudited As at 31.8.2023 RM'000	Audited As at 31.5.2022 RM'000
Short-term investments	29,656	29,500
Fixed deposits with licensed banks	6,569	5,556
Cash and bank balances	11,376	10,874
	<u>47,601</u>	<u>45,930</u>
Less: Fixed deposits with tenure of more than 3 months	-	-
	<u>47,601</u>	<u>45,930</u>
Fair value of money market fund	<u>29,656</u>	<u>29,500</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 3.75% per annum. The fixed deposits have maturity periods of 3 months.

16. 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 31.8.2023 RM'000	Audited As at 31.5.2023 RM'000
Approved and not contracted for:-		
Plant and equipment	9,194	10,276
Approved and contracted for:-		
Purchases of property and equipment	1,307	1,065
	<u>10,501</u>	<u>11,341</u>

17. CONTINGENT ASSETS AND LIABILITIES

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

18. 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 2023.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

19. FINANCIAL INSTRUMENTS

19.1 Classification

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

	Unaudited As at 31.8.2023 RM'000	Audited As at 31.5.2023 RM'000
Assets		
Financial asset mandatorily at fair value through profit or loss		
Short-term investment	29,656	29,500
Financial assets at amortised cost		
Trade receivables	7,276	8,003
Fixed deposits with licensed banks	6,569	5,556
Cash and bank balances	11,376	10,874
Total financial assets	25,221	24,433
Liabilities		
Financial liabilities at amortised cost		
Trade payables	6,153	5,740
Other payables and accruals	725	1,075
Total financial liabilities	6,878	6,815

19.2 Gains or Losses Arising From Financial Instruments

	Unaudited As at 31.8.2023 RM'000	Audited As at 31.5.2023 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	256	795
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	6	31

19.3 Fair Value Information

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

20. EVENT AFTER THE REPORTING PERIOD

There was no other significant event subsequent to 31 August 2023.

21. 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**22. REVIEW OF PERFORMANCE**First Quarter FYE 2024 (1Q FYE 2024) Compared to First Quarter FYE 2023 (1Q FYE 2023)**Revenue**

For the 1Q FYE 2024, the Group's revenue has increase by RM1.38 million or 11.43% to RM13.48 million from RM12.10 million as compare to 1Q FYE 2023:-

A) Aerosol Products

Revenue of aerosol products in 1Q FYE 2024 has increase by RM1.64 million, or approximately 18.61% to RM10.46 million as compared to RM8.82 million in 1Q FYE 2023. The increase was due to new introduction of sales and incentive program to the distributors and the Group have further expand to the automotive industry.

B) Solvents and Thinners

Revenue of solvents and thinners in 1Q FYE 2024 had decreased by RM0.26 million, or approximately 8.18% to RM2.92 million as compared to RM3.18 million for the 1Q FYE 2023. The decrease was mainly due to the fluctuation of the market price.

C) Plastic products

Revenue of plastic products remains unchange for both comparison quarters 1Q FYE 2024 and 1Q FYE 2023.

Profit Before Taxation ("PBT")

The Group's profit before tax increase from RM0.47 million for the 1Q FYE 2023 to RM1.89 million for the 1Q FYE 2024, 302.13%. The increase was an improvement of gross profit margin and sales of aerosol products.

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

	Quarter Ended		Changes %
	Unaudited 31.8.2023 RM'000	Unaudited 31.5.2023 RM'000	
Revenue	13,482	14,444	(6.7)
Profit before taxation	1,892	2,332	(18.9)

The Group's revenue slightly decrease by of RM0.96 million, or approximately 6.65% from RM14.44 million in the immediate preceding quarter to RM13.48 million in the current financial quarter. The decrease was mainly due to dropped in sales of both aerosol products and solvents and thinners.

The Group's PBT decrease by RM0.44 million, or approximately 18.9% from RM2.33 million in the immediate preceding quarter to RM1.89 million in the current financial quarter. The decrease was mainly due to decrease in gross profit margin as a result of increase in average raw materials prices and packaging cost.

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**24. PROSPECTS**

In our pursuit for further growth in the local market, we are enhancing market awareness of our brand through a combination of online and offline initiatives. We are adapting to align with the demands of today's contemporary market. This approach will not only uphold our brand's legacy but also resonate with today's audience and facilitate meaningful connections with them.

As economies rebound and supply chains are realigned, the demand for reliable aerosol providers in the Southeast Asia region is projected to increase. This favorable scenario opens up opportunities for DPI to explore new international markets. Acknowledging the risk of inflation, market exploration is carried out with prudence. It is important to note that our Group's robust financial position acts as an additional layer of risk mitigation and reinforcing our strategic goals.

With a proven track record of delivering high-quality products and an ongoing focus on research and development, the company is well-positioned to capitalise on and meet the demands of various markets, whether existing or newly explored.

25. PROFIT FORECAST

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

26. INCOME TAX EXPENSE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %
Income tax	573	202	183.7	573	202	183.7
Deferred tax	-	-	-	-	-	-
Total income tax expense	573	202	183.7	573	202	183.7
Effective tax rate	30%	43%		30%	43%	

N/A - Not applicable.

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

27. UTILISATION OF PROCEEDS RAISED FROM THE IPO

The gross proceeds raised from the Company's Initial Public Offering (IPO) of RM31.64 million and status of utilisation as at 31 August 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	13,039	Within 18-24 months	Within 60 months	N/A
ii	Sales, marketing and advertising expenses	3,000	9.5	1,088	Within 24 months	Within 60 months	N/A
iii	Product development	1,300	4.1	284	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	17,839			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.

On 14 September 2023, the announcement was made to vary the utilisation of the remaining proceed raised from the IPO. This is subject to approval of shareholders in the forthcoming Extraordinary General Meeting (EGM) at the date to be fixed.

28. BORROWINGS AND DEBT SECURITIES

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

29. CHANGES IN MATERIAL LITIGATION

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

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

30. DIVIDENDS

No dividend has been declared or recommended for payment by the Company during the current financial quarter.

31. EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.8.2023	Unaudited 31.8.2022	Unaudited 31.8.2023	Unaudited 31.8.2022
Profit after taxation attributable to owners of the Company (RM'000)	1,323	289	1,323	289
Weighted average number of ordinary shares in issue ('000)	730,096	730,096	730,096	730,096
Earnings per share attributable to owners of the Company				
- Basic ⁽¹⁾ (Sen)	0.18	0.04	0.18	0.04
- Diluted ⁽²⁾ (Sen)	0.18	0.04	0.18	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.

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

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

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %	Unaudited 31.8.2023 RM'000	Unaudited 31.8.2022 RM'000	Changes %
Amortisation of trademark	8	8	-	8	8	-
Depreciation of right-of-use assets	79	81	(2.5)	79	81	(2.5)
Depreciation of property, plant and equipment	179	151	18.5	179	151	18.5
Gain on disposal of property, plant and equipment	-	(6)	(100.0)	-	(6)	(100.0)
Loss/(Gain) on foreign exchange:						
- realised	(47)	(35)	34.3	(47)	(35)	34.3
- unrealised	176	(70)	(351.4)	176	(70)	(351.4)
Interest expenses on lease liabilities	2	3	(33.3)	2	3	(33.3)
Interest income from short term investment and fixed deposits with licensed banks	(305)	(184)	65.8	(305)	(184)	65.8
Property, plant and equipment written off	-	1	(100.0)	-	1	(100.0)

33. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 May 2023 was unmodified.

34. AUTHORISED FOR ISSUE

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