



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 2024**

28 OCTOBER 2024

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 2024**

	Note	Quarter Ended			Year-To-Date Ended		
		Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %
REVENUE	8	13,136	13,482	(2.6)	13,136	13,482	(2.6)
COST OF SALES		(9,857)	(9,547)	3.2	(9,857)	(9,547)	3.2
GROSS PROFIT		3,279	3,935	(16.7)	3,279	3,935	(16.7)
OTHER INCOME		304	416	(26.9)	304	416	(26.9)
		3,583	4,351	(17.7)	3,583	4,351	(17.7)
SELLING AND MARKETING EXPENSES		(505)	(439)	15.0	(505)	(439)	15.0
ADMINISTRATIVE EXPENSES		(1,890)	(2,018)	(6.3)	(1,890)	(2,018)	(6.3)
OTHER EXPENSES		(339)	-	100.0	(339)	-	100.0
FINANCE COSTS		(2)	(2)	-	(2)	(2)	-
PROFIT BEFORE TAXATION		847	1,892	(55.2)	847	1,892	(55.2)
INCOME TAX EXPENSES	25	(278)	(573)	(51.5)	(278)	(573)	(51.5)
PROFIT AFTER TAXATION		569	1,319	(56.9)	569	1,319	(56.9)
OTHER COMPREHENSIVE INCOME/(EXPENSE)							
<u>Items that will be Reclassified Subsequently to Profit or Loss</u>							
Foreign currency translation differences		(30)	(2)	1,400.0	(30)	(2)	1,400.0
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		539	1,317	(59.1)	539	1,317	(59.1)
PROFIT/(LOSS) AFTER TAXATION							
ATTRIBUTABLE TO:-							
Owners of the Company		570	1,323	(56.9)	570	1,323	(56.9)
Non-controlling interest		(1)	(4)	(75.0)	(1)	(4)	(75.0)
		569	1,319	(56.9)	569	1,319	(56.9)
TOTAL COMPREHENSIVE INCOME/(EXPENSE)							
ATTRIBUTABLE TO:-							
Owners of the Company		540	1,321	(59.1)	540	1,321	(59.1)
Non-controlling interest		(1)	(4)	(75.0)	(1)	(4)	(75.0)
		539	1,317	(59.1)	539	1,317	(59.1)

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2024**

		Quarter Ended		Year-To-Date Ended	
		Unaudited 31.08.2024 Sen per share	Unaudited 31.08.2023 Sen per share	Unaudited 31.08.2024 Sen per share	Unaudited 31.08.2023 Sen per share
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY:					
Basic EPS	30	<u>0.08</u>	<u>0.18</u>	<u>0.08</u>	<u>0.18</u>
Diluted EPS	30	<u>0.08</u>	<u>0.18</u>	<u>0.08</u>	<u>0.18</u>

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The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Note	Unaudited As at 31.08.2024 RM'000	Audited As at 31.05.2024 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	17,680	17,378
Right-of-use assets	11	4,440	4,588
Intangible asset		249	257
Deferred tax asset		8	8
		22,377	22,231
CURRENT ASSETS			
Inventories		15,840	16,152
Trade receivables		7,663	8,789
Other receivables, deposits and prepayments		652	781
Current tax assets		2,477	2,369
Short-term investments		30,183	31,634
Fixed deposits with licensed banks		4,984	4,978
Cash and bank balances		11,178	10,626
		72,977	75,329
TOTAL ASSETS		95,354	97,560
EQUITY AND LIABILITIES			
EQUITY			
Share capital		66,257	66,257
Merger deficit		(28,697)	(28,697)
Foreign exchange translation reserve		40	70
Retained profits		50,786	50,946
Equity attributable to owners of the Company		88,386	88,576
Non-controlling interest		76	77
TOTAL EQUITY		88,462	88,653
NON-CURRENT LIABILITIES			
Lease liabilities		42	50
Deferred tax liabilities		*	*
		42	50
CURRENT LIABILITIES			
Trade payables		5,300	7,014
Other payables and accruals		1,295	1,579
Amount owing to a related party		162	150
Lease liabilities		93	114
		6,850	8,857
TOTAL LIABILITIES		6,892	8,907
TOTAL EQUITY AND LIABILITIES		95,354	97,560

Note:

*- less than RM1,000.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Unaudited As at 31.08.2024 RM	Audited As at 31.05.2024 RM
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	0.12	0.12

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The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 31 AUGUST 2024**

	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 2024 (Audited)/ 1 June 2024	66,257	(28,697)	70	50,946	88,576	77	88,653
Profit after taxation for the financial period	-	-	-	570	570	(1)	569
Other comprehensive expense for the financial period: - Foreign currency translation differences	-	-	(30)	-	(30)	*	(30)
Total comprehensive income/(expense) for the financial period	-	-	(30)	570	540	(1)	539
Contribution by and distributions to owners of the Company: - Dividends by the Company (Note 7)	-	-	-	(730)	(730)	-	(730)
At 31 August 2024 (Unaudited)	66,257	(28,697)	40	50,786	88,386	76	88,462
At 1 June 2023	66,257	(28,697)	59	47,340	84,959	75	85,034
Profit after taxation for the financial period	-	-	-	4,701	4,701	2	4,703
Other comprehensive expense for the financial period: - Foreign currency translation differences	-	-	11	-	11	*	11
Total comprehensive income/(expense) for the financial period	-	-	11	4,701	4,712	2	4,714
Distributions to owners of the Company: - Dividends by the Company	-	-	-	(1,095)	(1,095)	-	(1,095)
At 31 May 2024 (Audited)	66,257	(28,697)	70	50,946	88,576	77	88,653

Note:

* - less than RM1,000.

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 AUGUST 2024**

	Note	Year-To-Date Ended	
		Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		847	1,892
Adjustments for:-			
Amortisation of trademark		8	8
Depreciation of right-of-use assets		87	79
Depreciation of property, plant and equipment		244	179
Interest expenses on lease liabilities		2	2
Interest income		(304)	(305)
Unrealised loss on foreign exchange		312	176
Operating profit before working capital changes		1,196	2,031
Decrease/(Increase) in inventories		311	(825)
Decrease in trade and other receivables		1,097	649
(Decrease)/Increase in trade and other payables		(1,995)	361
Increase in amount owing to a related party		12	-
CASH FROM OPERATIONS		621	2,216
Income tax paid		(386)	(394)
NET CASH FROM OPERATING ACTIVITIES		235	1,822
CASH FLOWS FOR INVESTING ACTIVITIES			
Interest income received		304	305
Purchase of property, plant and equipment		(559)	(295)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(255)	10

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 AUGUST 2024**

	Note	Year-To-Date Ended	
		Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES			
Repayment of lease liabilities		(29)	(26)
Interest paid on lease liabilities		(2)	(2)
Dividends paid		(730)	-
NET CASH FOR FINANCING ACTIVITIES		(761)	(28)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(781)	1,804
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(112)	(133)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		47,238	45,930
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	13	46,345	47,601

Note:

* - less than RM1,000.

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.

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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 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 ended 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):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts	1-Jan-23
Amendments to MFRS 17 Insurance Contracts	1-Jan-23
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1-Jan-23
Amendments to MFRS 101: Disclosure of Accounting Policies	1-Jan-23
Amendments to MFRS 108: Definition of Accounting Estimates	1-Jan-23
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1-Jan-23
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1-Jan-23

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.

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1-Jan-27
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1-Jan-27
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1-Jan-26
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1-Jan-24
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1-Jan-24
Amendments to MFRS 101: Non-current Liabilities with Covenants	1-Jan-24
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1-Jan-24
Amendments to MFRS 121: Lack of Exchangeability	1-Jan-25

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business operations during the current financial quarter and year-to-date ended 31 August 2024 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 2024.

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 2024.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities, shares buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter and year-to-date ended 31 August 2024.

7. DIVIDENDS PAID

In respect of the financial year ended 31 May 2024, a first interim dividend of 0.10 sen per share on 730,096,498 ordinary shares, amounted to RM730,096 was declared and paid on 28 August 2024.

8. REVENUE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %
Aerosol products	9,985	10,463	(4.6)	9,985	10,463	(4.6)
Solvents and thinners	2,972	2,921	1.7	2,972	2,921	1.7
Plastic products	125	98	27.6	125	98	27.6
Others	54	-	100.0	54	-	100.0
	13,136	13,482	(2.6)	13,136	13,482	(2.6)

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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 Ended														
	Aerosol products			Solvents and thinners			Plastic products			Others			Total		
	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %
Revenue															
External revenue (Note 8)	9,985	10,463	(4.6)	2,972	2,921	1.7	125	98	27.6	54	-	-	13,136	13,482	(2.6)
Inter-segment revenue	6,062	6,102	(0.7)	-	-	-	248	227	9.3	-	-	-	6,310	6,329	(0.3)
	16,047	16,565	(3.1)	2,972	2,921	1.7	373	325	36.8	54	-	-	19,446	19,811	(1.8)
Consolidated adjustments													(6,310)	(6,329)	(0.3)
Consolidated revenue													13,136	13,482	(2.6)
Results															
Segment profit before interest and taxation	812	1,736	(53.2)	119	252	(52.8)	14	(14)	(200.0)	(223)	(80)	178.8	849	1,894	(55.2)

Geographical Information

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

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %
	Malaysia	10,160	10,509	(3.3)	10,160	10,509
Outside Malaysia	2,976	2,973	0.1	2,976	2,973	0.1
	13,136	13,482	(2.6)	13,136	13,482	(2.6)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. PROPERTY, PLANT AND EQUIPMENT

	Unaudited				
	At 01.06.2024 RM'000	Additions RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	At 31.08.2024 RM'000
<i>Carrying Amount</i>					
Factory buildings	2,653	-	(19)	-	2,634
Machinery, factory and laboratory equipment	4,040	97	(127)	(13)	3,997
Renovation, office equipment, electrical, furniture and fittings	1,932	388	(75)	-	2,245
Motor vehicles	265	-	(23)	-	242
Capital work-in-progress	8,488	74	-	-	8,562
	17,378	559	(244)	(13)	17,680

	Audited					
	At 01.06.2023 RM'000	Additions RM'000	Written Off RM'000	Depreciation Charges RM'000	Foreign Translation RM'000	At 31.05.2024 RM'000
<i>Carrying Amount</i>						
Factory buildings	2,729	-	-	(76)	-	2,653
Machinery, factory and laboratory equipment	2,181	2,256	-	(397)	-	4,040
Renovation, office equipment, electrical, furniture and fittings	2,073	127	-	(271)	3	1,932
Motor vehicles	216	142	(2)	(91)	-	265
Capital work-in-progress	8,196	292	-	-	-	8,488
	15,395	2,817	(2)	(835)	3	17,378

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**11. RIGHT-OF-USE ASSETS**

	Unaudited					At 31.08.2024 RM'000
	At 01.06.2024 RM'000	Addition RM'000	Depreciation Charges RM'000	Gain on lease modification RM'000	Foreign Translation RM'000	
<i>Carrying Amount</i>						
Leasehold land	3,163	-	(43)	-	-	3,120
Buildings and office equipment	1,425	-	(44)	-	(61)	1,320
	4,588	-	(87)	-	(61)	4,440

	Audited					At 31.05.2024 RM'000
	At 01.06.2023 RM'000	Modification of Lease Liabilities RM'000	Depreciation Charges RM'000	Foreign Translation RM'000		
<i>Carrying Amount</i>						
Leasehold land	3,334		(171)	-		3,163
Buildings and office equipment	1,591	47	(241)	28		1,425
	4,925	47	(412)	28		4,588

- (a) The Group has entered into 5 non-cancellable operating lease agreements for the use of land. The leases are for a period ranging from 29 to 46 years with no renewal or purchase option included in the agreements.
- (b) The Group has leased various buildings for office and warehouse that run between 7 months to 21 years with an option to renew the lease after that date.
- (c) The Group has leased office equipment that run for a period of 5 years with an option to renew the lease after that date.
- (d) 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.

12. RELATED PARTY DISCLOSURES

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 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	-

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**13. CASH AND CASH EQUIVALENTS**

The cash and cash equivalents comprise the following:-

	Unaudited As at 31.08.2024 RM'000	Audited As at 31.05.2024 RM'000
Short-term investments	30,183	31,634
Fixed deposits with licensed banks	4,984	4,978
Cash and bank balances	11,178	10,626
	<u>46,345</u>	<u>47,238</u>
Fair value of money market fund	<u>30,183</u>	<u>31,634</u>

The short-term investments 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 are 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 2.4% to 3.2% per annum. The fixed deposits have maturity periods of three months.

14. 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 31.08.2024 RM'000	Audited As at 31.05.2024 RM'000
Approved and not contracted for:-		
Plant, plant and equipment	10,525	11,162
Approved and contracted for:-		
Purchases of property, plant and equipment	734	734
	<u>11,259</u>	<u>11,896</u>

15. CONTINGENT ASSETS AND LIABILITIES

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

16. 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 2024.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

17. FINANCIAL INSTRUMENTS

17.1 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 31.08.2024 RM'000	Audited As at 31.05.2024 RM'000
Assets		
Financial asset mandatorily at fair value through profit or loss		
Short-term investment	30,183	31,634
Financial assets at amortised cost		
Trade receivables	7,663	8,789
Fixed deposits with licensed banks	4,984	4,978
Cash and bank balances	11,178	10,626
Total financial assets	23,825	24,393
Liability		
Financial liabilities at amortised cost		
Trade payables	5,300	7,014
Other payables and accruals	1,109	875
Total financial liabilities	6,409	7,889

17.2 Gains or Losses Arising From Financial Instruments

	Unaudited As at 31.08.2024 RM'000	Audited As at 31.05.2024 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	269	1,074
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	35	192

17.3 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.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

18. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 26 September 2024, the Company announced that the Company has entered into the following agreements:-

- (i) a conditional share sale agreement with Choy Mui Seng @ Chai Mui Seng, Ng Wee Ling and Dato Chai Voon Tok for the proposed acquisition of 325,000 ordinary shares in Eastern Forever Sdn Bhd ("EF"), representing 65.00% equity interest in EF, for a purchase consideration of RM7.54 million to be satisfied entirely in cash ("Proposed EF Acquisition"); and
- (ii) a shareholders' agreement with EF and the remaining shareholders of the EF and its subsidiaries ("EF Group") to regulate their rights, obligations and liabilities as shareholders of EF Group and govern the management and operation of EF Group upon completion of the Proposed EF Acquisition.

Concurrently, EF had on the same date entered into a conditional sale and purchase agreement with PCA Venture Sdn Bhd ("PCA") for the proposed acquisition of an industrial property from PCA for a purchase consideration of RM18.00 million to be satisfied entirely in cash ("Proposed Warehouse Acquisition"). For clarity, the Proposed Warehouse Acquisition will be completed after the Proposed EF Acquisition is completed.

Upon completion of the proposed EF Acquisition, the Board anticipates that EF Group will contribute 25% or more to the net profits of DPI Group moving forward. In view of this, the Board proposes to seek the approval from shareholders for the Proposed Diversification.

An Extraordinary General Meeting ("EGM") is to be convened in accordance with Rule 10.13(1) of Ace Market Listing Requirements ("AMLR").

19. SIGNIFICANT EVENT DURING THE PERIOD

There was no significant event during the period.

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PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**20. REVIEW OF PERFORMANCE****First Quarter FYE 2025 ("1Q FYE 2025") Compared to First Quarter FYE 2024 ("1Q FYE 2024")****Revenue**

For the 1Q FYE 2025, the Group achieved a lower revenue of RM13.14 million as compared to RM13.48 million in 1Q FYE 2024. The decrease in Group's revenue by RM0.34 million or approximately 2.6% was attributed by the Aerosol Products segment. The performance of the individual business segments is analysed below:

A) Aerosol Products

Revenue from aerosol products in the 1Q FYE 2025 declined by RM0.48 million, or approximately 4.6%, to RM9.98 million, compared to RM10.46 million in 1Q FYE 2024. This decrease is due to the temporary softening in market demand.

B) Solvents and Thinners

Revenue from solvents and thinners in 1Q FYE 2025 increased by RM0.05 million, or approximately 1.7% to RM2.97 million, compared to RM2.92 million in 1Q FYE 2024. This increase was due a slight improvement in market demand.

C) Plastic products

Revenue of plastic products in 1Q FYE 2025 increased by RM0.03 million, or approximately 27.6% to RM0.13 million, compared to RM0.10 million in 1Q FYE 2024. This was due to an improvement in demand for our plastic products during the 1Q FYE 2025.

Profit Before Taxation ("PBT")

The Group reported a PBT of RM0.85 million for the 1Q FYE 2025, compared to RM1.89 million in 1Q FYE 2024. The decrease of RM1.04 million or approximately 55.2% was primarily due to the increase in raw material cost and the impact of foreign currency fluctuations.

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

	Quarter Ended		Changes %
	Unaudited 31.08.2024 RM'000	Unaudited 31.05.2024 RM'000	
Revenue	13,136	16,862	(22.1)
Profit before taxation	847	2,179	(61.1)

The Group's revenue decreased by RM3.73 million, or approximately 22.1% from RM16.86 million in the immediate preceding quarter to RM13.14 million in the current quarter.

The Group's PBT decreased by RM1.33 million, or approximately 61.1% from RM2.18 million in the immediate preceding quarter to RM0.85 million in the current quarter.

The decrease in the Group's revenue and profit before tax was mainly due to decrease in sales order of aerosol products from local and overseas customers and increase in raw material cost.

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SECURITIES BERHAD****22. PROSPECTS**

Our enduring presence in the local market is supported by a solid base of loyal customers which continue to deliver steady revenue growth. Recognising their significance, we remain committed to nurturing these relationships, ensuring that our market foundation remains strong. Simultaneously, we are advancing our reach through targeted online initiatives aimed at the business to consumer segment. These efforts are particularly vital in areas where our physical presence is limited, as they allow us to broaden market awareness and capture untapped opportunities. Additionally, our efforts to engage with the community contribute to strengthening our brand's awareness across different demographics, ensuring continued relevance in the evolving market landscape.

In the Southeast Asia region, we anticipate promising growth, supported by the rising demand for our aerosol products. To capitalise on this, we remain steadfast in our commitment towards enhancing product quality, ensuring that we meet and exceed international standards. While we are optimistic about the region's potential, we remain vigilant in managing the challenges posed by currency fluctuations and global inflation. Our prudent approach ensures that we balance growth with strategic caution, supported by the Group's strong financial foundation.

Our ongoing product development efforts are driven by our commitment towards innovation and excellence. The recent upgrade of our facilities, which includes automated high-speed production lines, advanced research labs, and enhanced blending, packaging, and storage capabilities, underscores our dedication to maintaining superior product standards. While we continue to introduce new products and expand our range, our approach remains measured, ensuring that each advancement is aligned with market needs and reinforces our reputation for quality.

On the business development, we have on 26 September 2024 announced that the Group has proposed to acquire a 65% equity interest in EF Group which has a strong foothold in Sarawak for the past 20 years as agency and distribution of consumer goods. This acquisition will allow the Group to gain immediate access to the growing consumer market in Sarawak and to allow the Group to leverage on EF Group's existing network to expand our presence in Sarawak. This Proposed Acquisition allows the Group to diversify its existing business by including the agency and distribution of consumer goods, thereby generating additional revenue and income stream for the Group.

23. PROFIT FORECAST

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

24. INCOME TAX EXPENSE

	Quarter Ended			Year-To-Date Ended		
	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %
Current tax expense	278	573	(51.5)	278	573	(51.5)
Effective tax rate	33%	30%		33%	30%	

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current financial.

The effective tax rate of the Group for the current quarter and year-to-date is higher than the statutory tax rate as a result of non-tax deductible expenses.

25. STATUS OF CORPORATE PROPOSALS

There were no other corporate proposals undertaken or announced but not completed by the Group for the current financial period except for that disclosed in Note 18 of this report.

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PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**26. UTILISATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING ("IPO")**

The gross proceeds raised from the Company's IPO of RM31.64 million and the status of utilisation as of 31 August 2024 are disclosed in the following table:

No.	Purpose	Proposed utilisation		Actual utilisation	Balance unutilised	Revised utilisation of balance unutilised ⁽¹⁾	Actual utilisation	Balance unutilised	Deviation Explanation (if deviation is 5% or more)	Initial timeframe for utilisation (from the Listing Date)	Revised timeframe for the utilisation (from the Listing Date)
		RM'000	%	RM'000	RM'000	RM'000	RM'000	RM'000			
i	Capital expenditure and expansion ("CEE")	23,540	74.4	13,039	10,501	3,606	1,920	1,686	N/A	Within 18-24 months	Within 72 months
ii	Sales, marketing and advertising expenses ("SMAE")	3,000	9.5	1,088	1,912	-	-	-	N/A	Within 24 months	No change
iii	Product development ("PD")	1,300	4.1	284	1,016	250	250	-	N/A	Within 24 months	Within 72 months
iv	Estimated listing expenses	3,800	12.0	3,428	-	-	-	-	372 ⁽²⁾	Within 1 month	No change
v	Acquisition of a new factory	-	-	-	-	9,573	-	9,573	-	-	Within 72 months
	Total	31,640	100.0	17,839	13,429	13,429	2,170	11,259	372		

⁽¹⁾ The balance of unutilised proceeds from CEE, SMAE and PD amounted to RM 6.90 million, RM1.91 million and RM0.76 million respectively has been reallocated for the acquisition of a new factory.

⁽²⁾ The surplus has been reallocated and fully utilised for working capital purposes.

The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 27 November 2018 and the announcements dated 6 July 2020, 6 January 2021 and 1 November 2023.

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PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
27. BORROWINGS AND DEBT SECURITIES

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

28. CHANGES IN MATERIAL LITIGATION

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

29. DIVIDENDS

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

30. EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	Unaudited 31.08.2024	Unaudited 31.08.2023	Unaudited 31.08.2024	Audited 31.08.2023
Profit after taxation attributable to owners of the Company (RM'000)	570	1,323	570	1,323
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)	0.08	0.18	0.08	0.18
- Diluted ⁽²⁾ (Sen)	0.08	0.18	0.08	0.18

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

31. 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 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Changes %
Amortisation of trademark	8	8	-	8	8	-
Depreciation of right-of-use assets	87	79	10.1	87	79	10.1
Depreciation of property, plant and equipment	244	179	36.3	244	179	36.3
Loss/(Gain) on foreign exchange:						
- realised	27	(47)	(157.4)	27	(47)	(157.4)
- unrealised	312	176	77.3	312	176	77.3
Interest expenses on lease liabilities	2	2	-	2	2	-
Interest income from short term investment and fixed deposits with licensed banks	(304)	(305)	(0.3)	(304)	(305)	(0.3)

32. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 May 2024 was unmodified.

33. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 28 October 2024.

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