

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Unaudited Current Year Quarter 31.12.2020 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2019 RM'000	Changes Increase/ (decrease) RM'000	Unaudited Current Year To Date 31.12.2020 RM'000	Unaudited Preceding Year 31.12.2019 RM'000	Changes Increase/ (decrease) RM'000
Revenue	24,384	13,394	10,990	46,907	29,318	17,589
Cost of sales	(18,278)	(13,234)	(5,044)	(36,654)	(26,972)	(9,682)
Gross profit	6,106	160	5,946	10,253	2,346	7,907
Operating expenses	(644)	(2,524)	1,880	(2,352)	(6,818)	4,466
Other operating income	(549)	13,348	(13,897)	409	15,090	(14,681)
Profit from operations	4,913	10,984	(6,071)	8,310	10,618	(2,308)
Finance cost	(235)	(70)	(165)	(336)	(211)	(125)
Profit before tax	4,678	10,914	(6,236)	7,974	10,407	(2,433)
Taxation	-	-	-	-	-	-
Profit from continued operations	4,678	10,914	(6,236)	7,974	10,407	(2,433)
Profit from discontinued operations, net of tax	-	-	-	-	-	-
Net profit for the period	4,678	10,914	(6,236)	7,974	10,407	(2,433)
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive profit for the period	4,678	10,914	(6,236)	7,974	10,407	(2,433)
Weighted average number of shares ('000s)	587,770	587,770		587,770	587,770	
Profit per share (sen)						
- Basic	0.80	1.86		1.36	1.77	
- Diluted #	N/A	N/A		N/A	N/A	

Note :

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

The fully dilutive profit per share of the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price of the warrants is higher than the fair value of the Company's shares.

DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
(The figures have not been audited)

	Unaudited As at End Of Current Quarter 31.12.2020 RM'000	Audited As at Preceding Financial Year End 31.03.2020 RM'000
Non-current assets		
Property, plant and equipment	82,972	85,435
Right-of-use asset	13,613	16,027
Land held for development	2,256	2,256
	<u>98,841</u>	<u>103,718</u>
Current assets		
Property development expenditure	45,789	14,983
Inventories	3,515	1,189
Trade and other receivables	14,173	22,674
Cash and bank balances	11,533	6,340
	<u>75,010</u>	<u>45,186</u>
Total Assets	<u>173,851</u>	<u>148,904</u>
EQUITY		
Share capital	58,962	58,962
Revaluation reserve	13,996	13,996
Warrant reserve	8,742	8,742
Discount on share	(8,742)	(8,742)
Retained earnings	61,700	53,726
Total equity	<u>134,658</u>	<u>126,684</u>
LIABILITIES		
Non-current liabilities		
Borrowings	9,457	9,477
Deferred tax liability	4,290	4,290
	<u>13,747</u>	<u>13,767</u>
Current liabilities		
Trade and other payables	24,751	7,840
Borrowings	670	588
Provision for taxation	25	25
	<u>25,446</u>	<u>8,453</u>
Total Liabilities	<u>39,193</u>	<u>22,220</u>
Total Equity And Liabilities	<u>173,851</u>	<u>148,904</u>
Number of ordinary shares of RM0.10 per share ('000)	587,770	587,770
Net Tangible Assets per share attributable to Owner of the Company (RM)	<u>0.23</u>	<u>0.22</u>

Note :

The unaudited Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

Net assets per share is derived based on DPS Resources Berhad consolidated net assets of RM134,658,000 (FYE 31.03.2020: RM126,684,000) over the issued number of ordinary shares of 587,769,580 (FYE 31.03.2020: 587,769,580) of RM0.10 each.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	← Non-Distributable →				Distributable		Total RM'000
	Share Capital RM'000	Warrant Reserve RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Discount on share RM'000	Retained Earnings RM'000	
Balance as at 1 April 2019 (audited)	58,962	8,742	-	13,996	(8,742)	43,180	116,138
Total comprehensive income for the year	-	-	-		-	10,546	10,546
Balance as at 31 March 2020 (audited)	58,962	8,742	-	13,996	(8,742)	53,726	126,684
Total comprehensive profit for the year	-	-	-	-	-	7,974	7,974
Balance as at 31 December 2020	58,962	8,742	-	13,996	(8,742)	61,700	134,658

Note :

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	Current Year To Date 31.12.2020 RM'000	Cumulative Preceding Year End 31.12.2019 RM'000
Net cash inflow from operating activities	6,040	13,113
Net cash (outflow) from investing activities	(257)	(683)
Net cash inflow/(outflow) from financing activities	62	(1,841)
Net increase in cash and cash equivalents	<u>5,845</u>	<u>10,589</u>
Cash and bank balances as at 1 April	5,688	2,085
	<u>11,533</u>	<u>12,674</u>
Effect of exchange translation differences on cash and cash equivalents	-	-
Cash and cash equivalents as at 31 December	<u><u>11,533</u></u>	<u><u>12,674</u></u>
<u>Reconciliation :</u>		
Cash and bank balances	11,533	13,983
Bank overdrafts	-	(1,309)
Cash and cash equivalents as at 31 December	<u><u>11,533</u></u>	<u><u>12,674</u></u>

The unaudited Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

DPS RESOURCES BERHAD
(Company No. 630878-X)

A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements

A1. Changes in accounting policies

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim financial reporting and Chapter 9 Part K of the Listing Requirement of Malaysia Securities Berhad.

The interim unaudited financial statement should be read in conjunction with the audited financial statement for the year ended 31 March 2020 and the attached explanatory notes. The 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 for the financial quarter ended 31 December 2020.

As in the previous financial quarter, the Group and the Company have adopted the new MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year.

The Group and the company have not applied the following new MFRSs and amendments to MFRSs that have been issued by MASB but are not yet effective for the Group and the Company. The Group and the Company intend to adopt the following MFRSs when they become

MFRSs

		Effective date for the financial periods <u>beginning on or after</u>
Amendments to MFRS 16	Covid-19-Related Rent Concessions	01-Jun-20
MFRS 17	Insurance Contracts	01-Jan-21
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	01-Jan-22
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"		01-Jan-22
Amendments to MFRS 3	Reference to the Conceptual Framework	01-Jan-22
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use	01-Jan-22
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	01-Jan-22
Amendments to MFRS 10 and Deferred until MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

A2. Auditors' Report on Preceding Annual Financial Statements

The audit report for the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2020 were not subject to any qualification.

A3. Comments about Seasonality or Cyclicity

The Group's business operational results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual Items Due to Their Nature, Size or Incidence

During the current quarter under review, there were no unusual items or events that affecting the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

A5. Material Estimates and Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter and financial period-to-date results under review.

A6. Issuance or Repayment of Debt and Equity Securities

There were no issuances, repurchases and repayment of debt securities during the period under the review and up to the date of this report.

A7. Dividend Declared

No dividend has been declared or paid by the Company during the current quarter under review.

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.

A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements (cont'd)

A8. Segmental Information

Segment information is provided based on four (4) major business segments, i.e. investment holding, manufacturing and property development.

Business segments in revenue and results of the Group for the current quarter to date for 31 December 2020 are as follows:

3 months ended 31 December 2020

Business Segments	Investment	Rental of	Furniture	Property	Adjustments/	Consolidated
	Holding	Building with	Manufacturing	Development	Eliminations	Financial
	RM'000	Services	and Trading	and	RM'000	Statements
		RM'000	RM'000	Construction		RM'000
				Services		
Revenue						
External Sales	-	2,316	2,614	19,454	-	24,384
Inter-segment	432		-	-	(432)	-
Total Revenue	432	2,316	2,614	19,454	(432)	24,384
Results :						
Segment results	(846)	270	933	4,124	432	4,913
Finance cost						(235)
Profit before tax						4,678
Taxation						-
Net profit for the period						4,678

3 months ended 31 December 2019

Business Segments	Investment	Rental of	Furniture	Property	Adjustments/	Consolidated
	Holding	Building with	Manufacturing	Development	Eliminations	Financial
	RM'000	Services	and Trading	and	RM'000	Statements
		RM'000	RM'000	Construction		RM'000
				Services		
Revenue						
External Sales	-		4,523	8,871	-	13,394
Inter-segment	432		-	-	(432)	-
Total Revenue	432	-	4,523	8,871	(432)	13,394
Results :						
Segment results	(201)		8,469	2,716	-	10,984
Finance cost						(70)
Profit before tax						10,914
Taxation						-
Net profit for the period						10,914

A9. Subsequent Events

There were no other material events during the current quarter of 31 December 2020 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

A10. Valuations of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial year ended 31 March 2020.

A11. Changes in Composition of the Group

There are no changes in the composition of the Group during the quarter under review.

A12. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 March 2020.

A13. Capital Commitments

There are no capital expenditure commitments contracted and not provided for in the interim financial statements as at 31 December 2020.

B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B)**B1 Review of Performance for Comparison with Current Quarter to Corresponding Quarter of Last Year**

Our Group's revenue was increased as follows:

	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter after prior period adjustment 31.12.2019 RM'000	Increased/ (Decreased) RM'000
REVENUE			
Furniture Manufacturing and Trading	2,614	4,523	(1,909)
Property development and Construction Services	19,454	8,871	10,583
Rental of Building with Comprehensive Services	2,316	-	2,316
Total	24,384	13,394	10,990

B2 Review of Performance for Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 31.12.2020 RM'000	Immediate Preceding Quarter 30.09.2020 RM'000	Increased/ (Decreased) RM'000
REVENUE			
Furniture Manufacturing and Trading	2,614	3,306	(692)
Property development and Construction Services	19,454	10,921	8,533
Rental of Building with Comprehensive Services	2,316	963	1,353
Total	24,384	15,190	9,194
Cost of Sales	(18,278)	(11,951)	(6,327)
Gross Profit	6,106	3,239	2,867
PROFIT BEFORE TAX ("PBT")			
Furniture Manufacturing and Trading	885	371	514
Property development and Construction Services	3,937	2,871	1,066
Rental of Building with Comprehensive Services	270	(297)	567
Investment holdings	(414)	(121)	(293)
Total	4,678	2,824	1,854

For the current quarter, the revenue of the Group is RM24.384m (30.9.20 : RM15.190m), the revenue increase by 60.53% as compared to the preceding quarter due to higher volume of sales of rental of building with comprehensive services and property development sales. The Group registered a profit of RM4.678m (30.9.20 : RM2.824m profit).

Property Development and Construction Services segment

Compared to 2Q FYE 2021, Property development segment posted revenue increase of RM8.533 mil (78.13%) along with PBT increase of RM1.066 mil (37.13%). The positive growth of revenue has proven the resilience of the Group and improvement of the result from developing affordable housing projects.

Furniture Manufacturing and Trading segment

Furniture manufacturing and trading segment was badly impacted by MCO and lockdowns worldwide when MCO first announced on 18 March 2020. The revenue of 3Q FYE 2021 decreased by RM0.692m (20.93%) as compared to 2Q FYE 2021 along with PBT increase of RM0.514 mil (138.54%). This has proven the ability of cost control of the Group during the pandemic.

Rental of Building with Comprehensive Services segment

Compared to 2Q FYE 2021, this segment posted revenue increase of RM1.353 mil (78.13%) along with PBT increase of RM0.567mil (190.91%). Due to the increased demands from tenants to provide rental with comprehensive services, the Group had reclassified other income into revenue source of rental of building with comprehensive services.

B3 Commentary on Prospects

The Board is of the view that the future prospects of our furniture products are encouraging and the Group will potentially benefit from the outlook of the global furniture industry which is expected to improve our financial performance.

Meanwhile, the Group will also focus on developing affordable housing projects to drive its growth and the Group's profitability. Barring any unforeseen circumstances, our Board is confident that the Group will continue to be resilient and remain profitable in the financial year ended 31 March 2021.

B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)**B4 Profit Forecast or Profit Guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B5 Notes to Consolidated Statement of Comprehensive Income

	Current Year To Date 31.12.2020 RM'000	Cumulative Preceding Year To Date 31.12.2019 RM'000
Profit for the period is arrived at		
after crediting:		
Gain on foreign exchange	(56)	(95)
Gain on disposal of property, plant and equipment	(115)	(118)
Rental with comprehensive income	(4,096)	(256)
Interest income	(16)	(6)
Reversal of impairment of property, plant and equipment	(232)	-
and after charging :		
Auditors' remuneration	46	58
Amortisation and depreciation	2,994	3,580
Unrealised loss on foreign exchange	14	-
Loss on foreign exchange	146	100
Interest expense	336	-

B6 Taxation

	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000
Malaysian income tax	-	-
Deferred tax	-	-
Tax for the financial period	-	-

B7 Status of Corporate Proposals

On 23 October 2020, the Company announced a proposed private placement will be undertaken pursuant to the shareholders' mandate for the issuance of new ordinary shares in DPS ("DPS Share(s)" or "Share(s)") under Section 75 and 76 of the Companies Act 2016 ("Act") obtained at the Company's 17th Annual General Meeting ("AGM") convened on 22 September 2020 whereby the Board has been authorised to allot and issue new ordinary shares in DPS, not exceeding 20% of the issued ordinary shares of the Company ("General Mandate").

On 4 November 2020, Inter-Pacific Securities Sdn Bhd, on behalf of the Board of Directors of DPS announced that save for the Proposed Private Placement, the Company has not implemented any fund raising exercise within 12 months preceding the date of the First Announcement.

On 5 November 2020, Inter-Pacific Securities Sdn Bhd, on behalf of the Board of Directors of DPS announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has, via its letter dated 5 November 2020, resolved to approve the listing and quotation of up to 117,553,916 Placement Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

- 1) DPS and IPS must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities ("Main Market LR") pertaining to the implementation of the Proposed Private Placement;
- 2) DPS and IPS to inform Bursa Securities upon the completion of the Proposed Private Placement; and
- 3) DPS and IPS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

On 29 December 2020, Inter-Pacific Securities Sdn Bhd, on behalf of the Board of Directors of DPS announced that the Company has fixed the issue price at RM0.118 per Placement Share to be issued pursuant to the Proposed Private Placement.

The issue price of RM0.118 represents a discount of approximately RM0.0126 or 9.65% to the five (5)-day volume weighted average market price of DPS Shares up to and including 28 December 2020, being the last trading day prior to this announcement of RM0.1306.

B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)

B7 Status of Corporate Proposals (Cont'd)

On 7 January 2021, Inter-Pacific Securities Sdn Bhd, on behalf of the Board of Directors of DPS announced that the Private Placement has been completed on 7 January 2021 following the listing of and quotation for 117,553,916 Placement Shares on the Main Market of Bursa Securities today.

B8 Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2020 were as follows :-

	As at 31.12.2020 Total RM'000	As at 31.03.2020 Total RM'000
Term Loans- short term	670	588
Term Loans- long term	9,457	9,477
Total borrowings	10,127	10,065

The Group does not have any foreign borrowings as at the date of this report.

B9 Material Litigation

Save for the following, the Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report:-

Shantawood Sdn Bhd ("SSB") vs HSBC Amanah Takaful (Malaysia) Berhad ("HSBC")

The Board refer to the announcement made on 21st July 2017, 26th February 2018, 28th February 2019.in relation to the Material Litigation ("Announcement").

The Board had on 21 July 2017 announced that SSB, its wholly-owned subsidiary had initiated legal proceedings against HSBC on 6 July 20

On 28 February 2020, the Court had allowed the claim for the building amounting to RM1,716,362.63 together with 5% interests from the date of filing the suit till the date of full settlement but the Court dismissed the claim for the plant and machineries and stock. Hence, SSB had filed an appeal for the plant and machineries and stock to the Court of Appeal and the matter is now going through the case management stage at the Court of Appeal.

We shall update Bursa on the development of the case in due course.

B10 Proposed Dividend

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

B11 Earnings per Share

a) Basic

Basic earnings per ordinary share is calculated by dividing the net profit for the financial period attributable to owner of the company by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter Preceding Year Current Year 31.12.2020 RM'000	Corresponding Quarter 31.12.2019 RM'000	Cumulative Quarter Preceding Year Current Year 31.12.2020 RM'000	Corresponding Quarter 31.12.2019 RM'000
Gain attributable to ordinary equity holders of the parent (RM'000)	4,678	10,914	7,974	10,407
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	587,770	587,770	587,770	587,770
Basic gain per share (sen)	0.80	1.86	1.36	1.77

B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)

B11 Earnings per Share (Cont'd)

b) Diluted

The fully diluted earnings per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

B12 Authority For Issue

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.