



DPI HOLDINGS BERHAD

5th Annual General Meeting

Tuesday, 15 November 2022, 10.30am



Our Financial Performance

Financial Year Ended 31 May ("FYE")	2018	2019	2020	2021	2022
STATEMENTS OF PROFIT OR LOSS	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	50,294	49,129	41,738	62,447	50,681
Gross Profit	17,024	15,585	14,403	23,108	14,752
Other income	9,193	766	1,819	1,754	1,819
Listing expenses	1,092	936	-	-	-
Profit before tax ("PBT")	18,624	8,727	8,424	16,183	7,114
Net profit after tax for the year	15,160	6,395	6,041	11,860	5,150
Net profit attributable to owners of the Company ("PAT")	15,160	6,395	6,041	11,860	5,160

The Group recorded a total revenue of RM50.68 million for the FYE 2022 as compared to RM62.45 million recorded in the previous financial year, representing a **decline of 18.8%**.

Our Group's profit before tax **decreased by** RM9.07 million or approximately **56.0%** from RM16.18 million in the previous FYE 2021 to RM7.11 million in FYE 2022.

Financial Performance Overview

Our Group's business operations during the FYE 2022 has been challenging due to the ongoing COVID-19 pandemic, especially during the first quarter of FYE 2022, covering the period from 1 June 2021 to 31 August 2021 where the Malaysian Government had imposed a Full Movement Control Order ("FMCO") to combat the rising cases of Covid-19 infections then. **As a result, our Group was required to halt our aerosol production from 29 June 2021 to 27 August 2021, thus affecting our Group's ability to fulfil sales orders in the first quarter of FYE 2022.**

Raw material prices increased during the FYE 2022 due to an increase in logistics costs as a result of a disruption to the global supply chain post-COVID-19 pandemic. The situation was further intensified at the start of 2022 by the Russia-Ukraine war resulting in further unexpected disruptions to the global supply chain and logistics.

Our Group's profit before tax decreased by approximately 56.0% from RM16.18 million in the previous FYE 2021 to RM7.11 million in FYE 2022 was mainly due to the lower number of operating days and the reduction of staff operating capacity in 1Q FYE 2022, as well as the increase in average raw materials prices and packaging cost in FYE 2022 compared to FYE 2021. **In response to the increase in raw material prices, our Group had revised our products' selling price upwards in the third quarter of FYE 2022 in order to preserve the Group's profit margins.**

Our Financial Position

Financial Year Ended 31 May ("FYE")	2018	2019	2020	2021	2022
STATEMENTS OF FINANCIAL POSITION					
Total equity attributable to owners of the Company	34,568	70,960	73,108	80,832	82,702
Total assets	42,448	76,595	78,463	90,325	92,121
Cash and bank balances, short-term investments, fixed deposits with licensed banks	18,027	48,790	50,234	56,312	46,947

As at 31 May 2022, our Group managed to maintain a healthy level of cash reserves with a net cash balance of RM46.95 million in FYE 2022 as compared to RM56.31 million in the preceding year with zero borrowing which allowed us to weather through this prolonged period of uncertainty.

The cash and bank balances of our Group comprising cash, fixed deposits and short-term investments amounted to RM46.95 million as at 31 May 2022, a decrease of RM9.36 million from RM56.31 million in the previous financial year. **The decrease was mainly due to capital expenditure incurred to purchase new property, plant and equipment as part of our expansion program to construct a new factory in Muar, Johor.** Our Group always maintained a net cash position since the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad.

Our Dividend Track Record

Although our Group does not adopt any formal dividend policy, we have a commendable dividend payout track record since the Company was listed on Bursa Securities Malaysia Berhad in January 2019. Our Group's historical **dividend payout ratio is in the range of 30.4% to 56.6%** since our IPO.

FYE	PAT RM'000	Dividend Paid/Payable RM'000	Dividend Pay-out Ratio %
2019	6,395	1,947	30.4
2020	6,041	1,947	32.2
2021	11,860	5,232	44.1
2022	5,160	2,920	56.6

The Group's annual dividend payment may vary and is subject to, amongst others, the Group's level of cash, indebtedness, retained earnings, business operations, financial performance, prospects, capital commitments and such other matters that the Board may deem relevant from time to time.

Summary of Key Corporate Development



30 July 2021 - A wholly owned subsidiary, DPI Alliance Pte Ltd had acquired a new 90% owned subsidiary in Japan, namely DPI Japan Co., Ltd., through subscription of new shares.

11 August 2021 - Bonus issue of 243,365,498 new ordinary shares in DPI Holdings' on the basis of 1 bonus share for every 2 existing DPI Holdings' shares was completed. The distribution of 1 bonus share for every 2 existing ordinary shares held by shareholders has enlarged the Group's total number of issued shares from 486.73 million shares to 730.10 million shares.

26 May 2022 - Subscription of 80% equity interest in DPI Plastics Sdn. Bhd., incorporated in Malaysia.

During the FYE 2022, our Group has subscribed for 80% or 480,000 new ordinary shares in DPI Plastics Sdn Bhd ("DPIP") for a cash consideration of RM480,000 pursuant to a Shareholders' Agreement entered into with a third party. DPIP is principally engaged in the business of manufacturing and trading of plastic caps and other plastic products, as well as moulding businesses. **The acquisition of 80% stake in DPIP form part of the Group's backward integration strategies in order to better control the cost, source and reliability of our products' packaging materials supply and its pricing.**

Our Business Strategies & Plans

Our Group's strategies and plans moving forward are as follows:

a) To maintain our market position in the domestic market and increase our exports for our aerosol products through expansion of production capacity with our new factory and upgrade of existing aerosol filling lines.

	FYE 2022 RM'000	FYE 2021 RM'000
Local market	40,919	52,412
Export market	9,762	10,035
Total	50,681	62,447

During the FYE 2022, the sales to local market decreased by RM11.49 million from RM52.41 million recorded in the FYE 2021 to RM40.92 million. The sales to export market decreased by RM0.28 million from RM10.04 million recorded in the FYE 2021 to RM9.76 million in FYE 2022. **Local market sales contributed 80.7% (FYE 2021 – 83.9%) of our Group's revenue for the FYE 2022, whereas the export market sales contributed 19.3% (FYE 2020 – 16.1%) of our Group's revenue for the FYE 2022.**

Our Business Strategies & Plans

- Our production line is close to fully utilised.
- Increasing annual capacity from 9.7 million cans to 20.0 million cans.
- Constructing new factory with 4 new fully-automated aerosol filling lines.
- Upgrading current production lines into automated aerosol filling lines.
- Increasing plastic injection moulding capacity.



Construction Progress Photos: New DPI Building & Factory in Muar, Johor



Note: The construction progress photos are updated as April 2022

Construction Progress Photos: New DPI Building & Factory in Muar, Johor



Note: The construction progress photos are updated as May 2022

Our Business Strategies & Plans

Our Group's objectives, strategies and plans moving forward are as follows:

b) To penetrate into new markets by establishing new geographical footprints and pursuing opportunities to develop a wider range of aerosol products to cater for new niche market segments through increase in sales, marketing and advertising initiatives.



Our Business Strategies & Plans

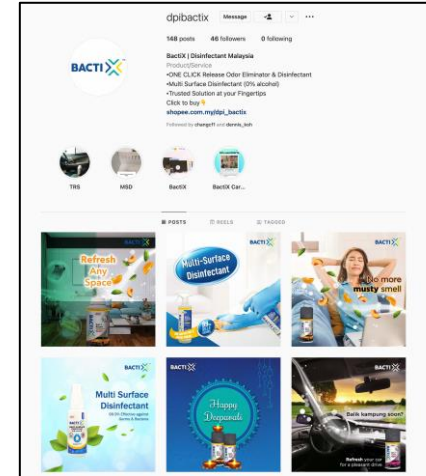
Our Products able to cover and serve various segments including: Automotive Market, Industrial Market, Consumer Market and etc.



Our Business Strategies & Plans

New Products

- New product line - cleaning and sanitisation products under the BactiX brand.



- New product line - Waterproof Abrasive Latex Paper

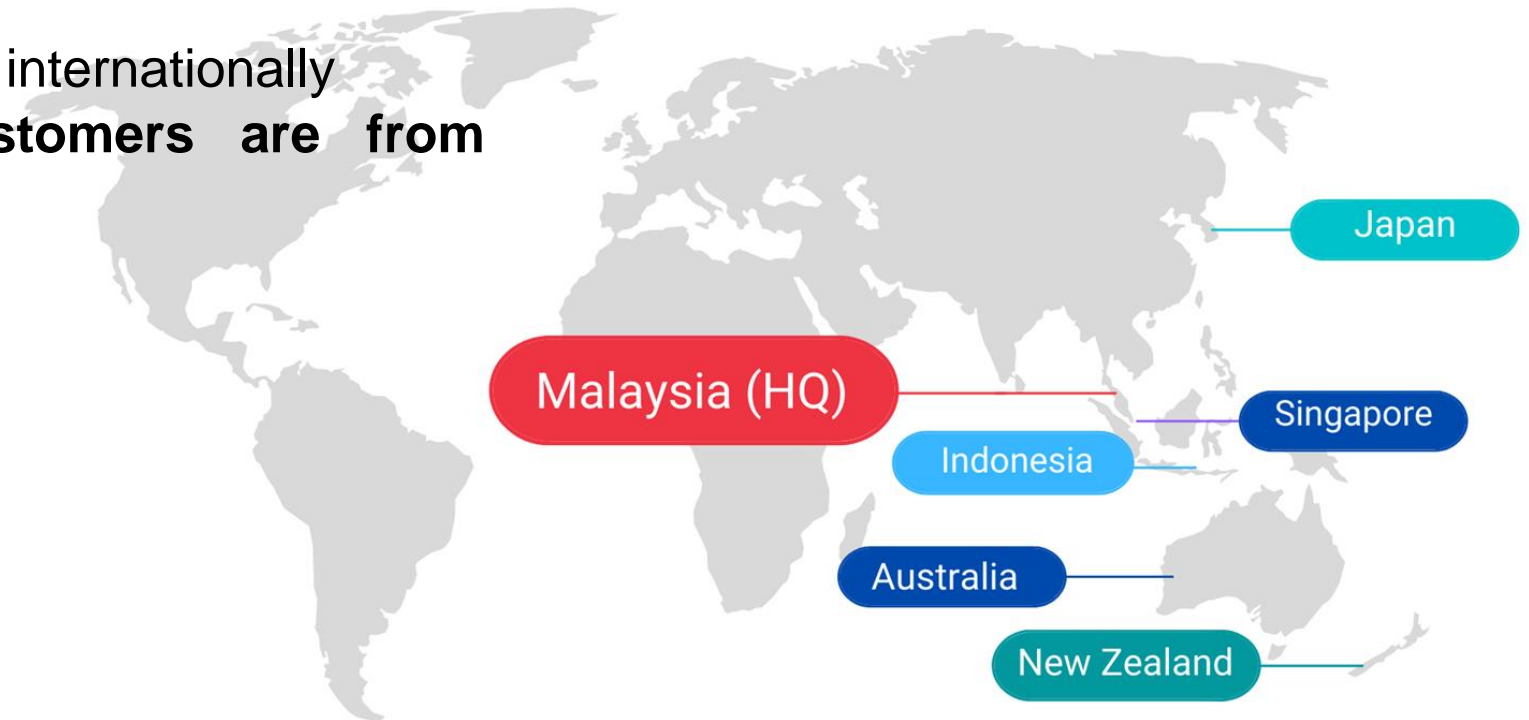


Summary of Our Business Strategies & Plans

Our Aerosol Products – Widen new geographical footprints

Private Label Manufacturing Services (OEM)

- **8 customers** locally and internationally
- **Majority of OEM customers are from overseas**
 - Australia (1)
 - Indonesia (1)
 - Japan (1)
 - New Zealand (2)
 - Singapore (1)



Our Business Strategies & Plans

Marketing Initiatives - Corporate Branding and B2B



About Us

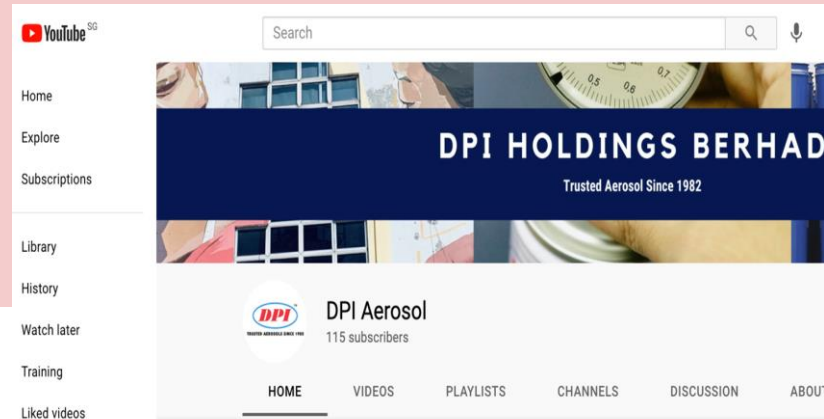
Incorporated in 1975 operating as a factory manufacturing decorative and industrial wood coatings. In 1982, DPI went on to make nitrocellulose-based paint for packaging into aerosol cans for decorative, DPI, motorcycle refinish, craft and professional spray paint project. From a small company staff of 24 manufacturing only 30 colours of aerosol spray paint, DPI business has since grown and is well established as the market leader with over 25% of the local spray paint market.

State-of-the-art blending and packaging DPI has automated production lines and onsite bulk propellant and chemical storage, test in class blending equipment facilities. We have been making great aerosol products for over 35 years and is committed to building

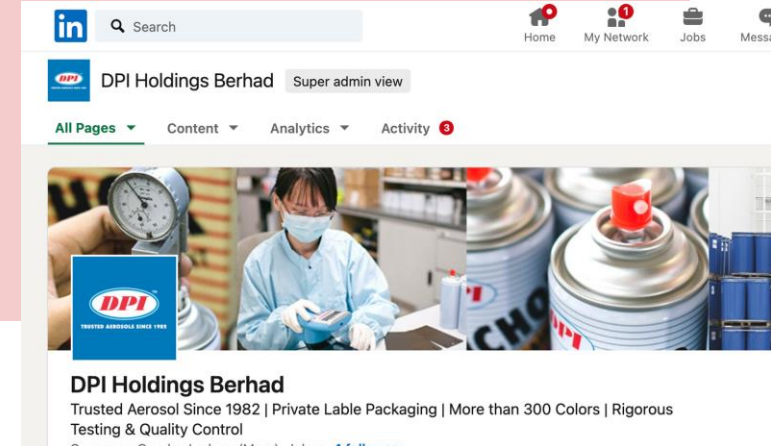
Quality Assurance

Our products are CFC free and manufactured in accordance to strict ISO standards. Some of our milestones and achievements include:

- Certified ISO9001 in 2008 from SGS Malaysia
- Being among the first aerosol packaging companies to achieve the QC requirements to pack for renowned Japanese aerosol products thereby further differentiating and enhancing our branding and quality



More interactive and engaging outreach through the Corporate Youtube Channel



Corporate LINKEDIN Profile to facilitate business networking

DPI Holdings corporate website to provide overall information on the company and the products

Our Business Strategies & Plans

Marketing Initiatives - Channels Network



Marketing Billboards through distributors transport fleet



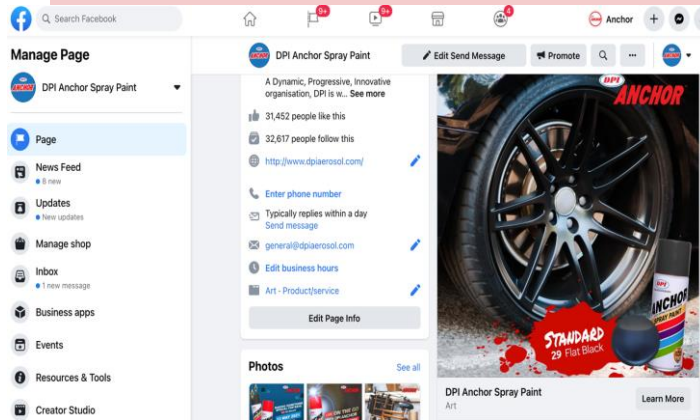
Marketing billboards at Customer's premise



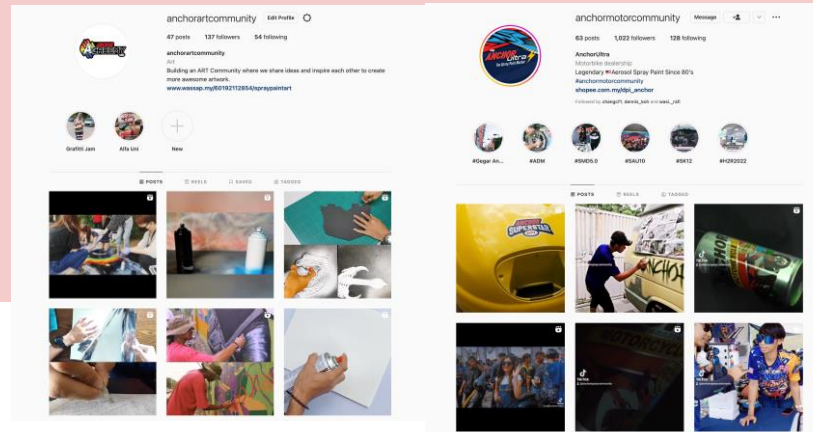
Marketing Billboards on our own transport fleet

Our Business Strategies & Plans

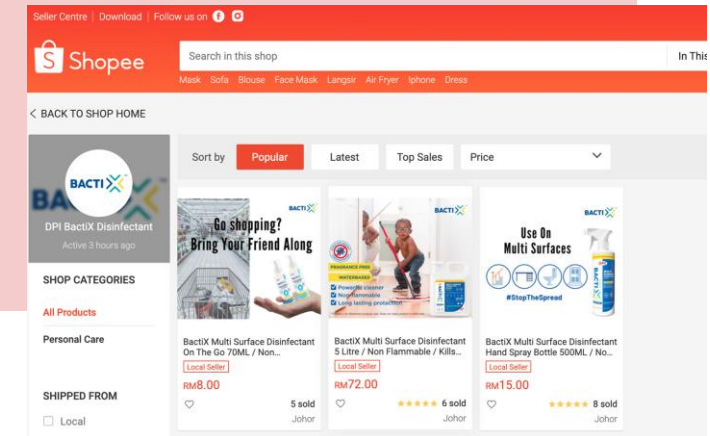
Marketing Initiatives - Social Media & E-Commerce Platforms



Consumer branding online marketing through social media - FACEBOOK



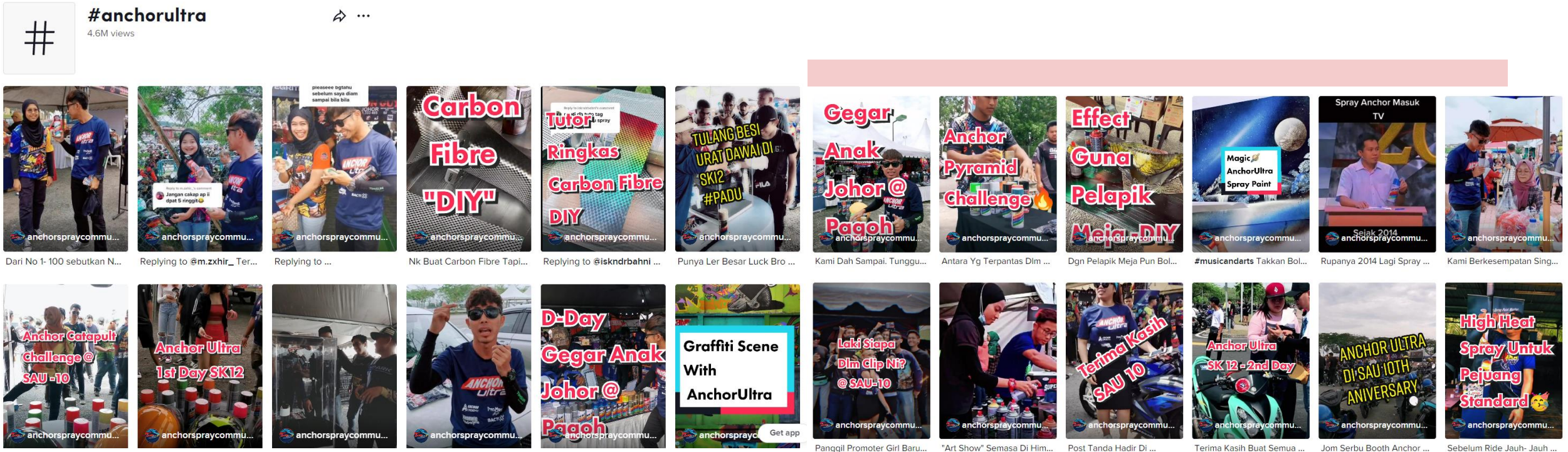
Consumer brand online marketing through INSTAGRAM



Consumer e-commerce platform on SHOPEE for direct outreach

Our Business Strategies & Plans

Marketing Initiatives - Social Media & E-Commerce Platforms

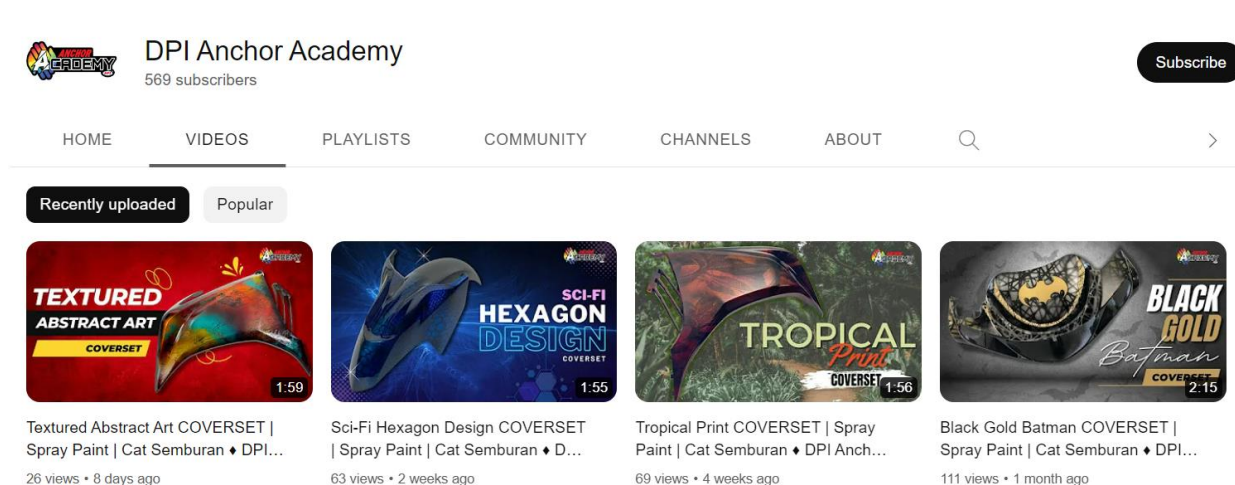


Consumer brand online marketing through TikTok

Our Business Strategies & Plans

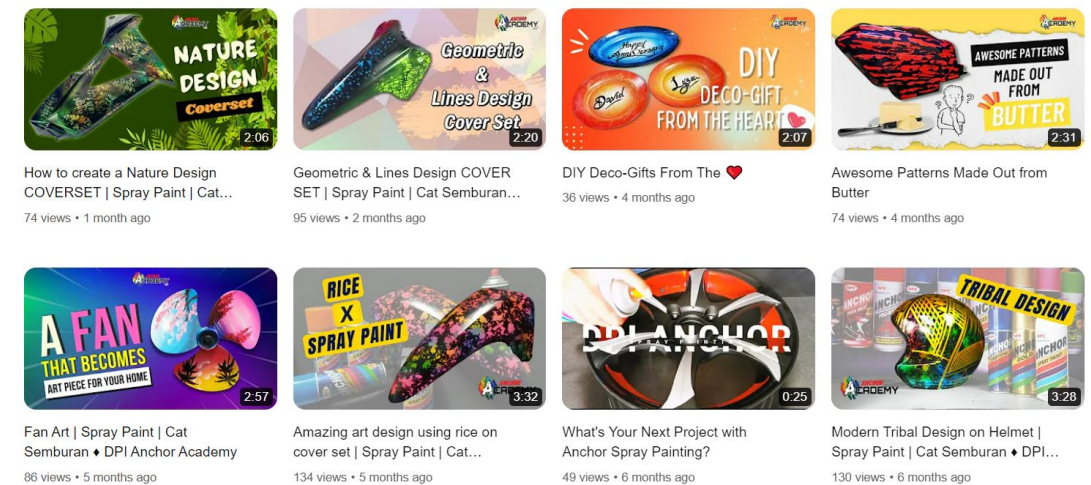
Marketing Initiatives - Social Media & E-Commerce Platforms

We have established an Academy under our core brand, DPI Anchor, which is responsible for carrying out the training programme known as Anchor Academy. **Anchor Academy's objective is to build a community where individuals can come together to enrich each other's lives through the exchange of ideas, while learning from each other as well as through teaching.**



The screenshot shows the YouTube channel page for DPI Anchor Academy, which has 569 subscribers. The navigation bar includes links for HOME, VIDEOS, PLAYLISTS, COMMUNITY, CHANNELS, and ABOUT. Below the navigation bar, there are two tabs: 'Recently uploaded' and 'Popular'. The 'Recently uploaded' tab is selected, showing a grid of four video thumbnails. Each thumbnail features a different design theme: 'TEXTURED ABSTRACT ART COVERSET', 'SCI-FI HEXAGON DESIGN COVERSET', 'TROPICAL PRINT COVERSET', and 'BLACK GOLD BATMAN COVERSET'. Below each thumbnail, the video title, description, and view count are displayed.

Video Title	Description	Views	Time Ago
Textured Abstract Art COVERSET Spray Paint Cat Semburan • DPI...		26 views	8 days ago
Sci-Fi Hexagon Design COVERSET Spray Paint Cat Semburan • D...		63 views	2 weeks ago
Tropical Print COVERSET Spray Paint Cat Semburan • DPI Anch...		69 views	4 weeks ago
Black Gold Batman COVERSET Spray Paint Cat Semburan • DPI...		111 views	1 month ago



This block displays a grid of eight video thumbnails from the DPI Anchor Academy channel. Each thumbnail shows a different art project, such as 'NATURE DESIGN COVERSET', 'Geometric & Lines Design COVERSET', 'DIY Deco-Gifts From The Heart', 'Awesome Patterns Made Out from Butter', 'A FAN THAT BECOMES ART PIECE FOR YOUR HOME', 'RICE X SPRAY PAINT', 'What's Your Next Project with Anchor Spray Painting?', and 'Modern Tribal Design on Helmet'. Below each thumbnail, the video title, description, and view count are provided.

Video Title	Description	Views	Time Ago
How to create a Nature Design COVERSET Spray Paint Cat...		74 views	1 month ago
Geometric & Lines Design COVERSET Spray Paint Cat Semburan...		95 views	2 months ago
DIY Deco-Gifts From The Heart		36 views	4 months ago
Awesome Patterns Made Out from Butter		74 views	4 months ago
A FAN THAT BECOMES ART PIECE FOR YOUR HOME		86 views	5 months ago
Amazing art design using rice on cover set Spray Paint Cat...		134 views	5 months ago
What's Your Next Project with Anchor Spray Painting?		49 views	6 months ago
Modern Tribal Design on Helmet Spray Paint Cat Semburan • DPI...		130 views	6 months ago

Our Business Strategies & Plans

Marketing Initiatives – DPI Anchor Art Workshops and Motor Events

