

This Prospectus has been seen and approved by the Directors and Promoters of the Company and they collectively and individually accept full responsibility for the accuracy of all information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

The Adviser and Managing Underwriter acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public and Special Issues (as hereinafter defined) and is satisfied that any profit forecast (for which the Directors of the Company are fully responsible) prepared for inclusion in the Prospectus has been stated by the Directors after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the Public and Special Issues on 17 August 2000 and 30 January 2001. However, the approval shall not be taken to indicate that the SC recommends the Public and Special Issues which are the subject of this Prospectus.

The SC shall not be liable for any non-disclosure on the part of the Company/Group and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

The Kuala Lumpur Stock Exchange ("KLSE") assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of the Company or of its securities.

A copy of this Prospectus has been registered by the SC and lodged with the Registrar of Companies, Malaysia, both of whom take no responsibility for its contents.

INDICATIVE TIMETABLE

Opening of Public and Special Issues	<i>26 February 2001</i>
Closing of Public and Special Issues	<i>12 March 2001</i>
Tentative Balloting Date	<i>19 March 2001</i>
Tentative Allotment Date	<i>3 April 2001</i>
Tentative Listing Date	<i>9 April 2001</i>

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DEFINITIONS

In this Prospectus, unless otherwise requires, the following definitions shall apply throughout:

“Acquisition of D’nonce (M)”	: The acquisition by D’nonce Technology of 100% equity interest in D’nonce (M) comprising 7,000,000 shares for a total purchase consideration of RM27,062,723 satisfied by the issuance of 23,062,723 new ordinary shares of RM1.00 each in D’nonce Technology at an issue price of approximately RM1.17 per Share
“Acquisition of D’nonce (M) Subsidiaries”	: The acquisition by D’nonce Technology of the subsidiaries of D’nonce (M) namely, AV Industries, AV, D’nonce Electronics, AV Innovation, AV (KL), AV (JB), D’nonce (KL), D’nonce (Johore) and D’nonce (Kelantan) for a total cash consideration of RM4,374,000 satisfied via inter-company balances between D’nonce Technology and D’nonce (M)
“Acquisitions”	: Collectively, Acquisition of D’nonce (M) and Acquisition of D’nonce (M) Subsidiaries
“ADA”	: Authorised Depository Agent
“ADA Code”	: ADA (Broker) Code
“AV (JB)”	: Attractive Venture (JB) Sdn Bhd (402215-H)
“AV (KL)”	: Attractive Venture (KL) Sdn Bhd (470665-K)
“AV Industries”	: AV Industries Sdn Bhd (214068-X)
“AV Innovation”	: AV Innovation Sdn Bhd (459047-X)
“AV”	: Attractive Venture Sdn Bhd (222942-P)
“CDS”	: Central Depository System
“Contract Manufacturing”	: Contract manufacturing of electronic components by AV Industries
“Design & Conversion”	: Design and conversion of advanced packaging materials by AV, AV (JB), AV (KL) and AV Innovation
“D’nonce (Johore)”	: D’nonce (Johore) Sdn Bhd (255564-V)
“D’nonce (Kelantan)”	: D’nonce (Kelantan) Sdn Bhd (338629-T)
“D’nonce (KL)”	: D’nonce (KL) Sdn Bhd (265893-X)
“D’nonce (M)”	: D’nonce (M) Sdn Bhd, (formerly known as D’nonce (M) Berhad) (183260-X)
“D’nonce Electronics”	: D’nonce Electronics Sdn Bhd (366030-X)
“D’nonce Group” or “Group”	: D’nonce Technology and its subsidiary companies
“D’nonce Technology ” or “Company”	: D’nonce Technology Bhd (503292-K)
“D’nonce Technology Shares” or “Shares”	: Ordinary shares of RM1.00 each in D’nonce Technology

DEFINITIONS (*Cont'd*)

“Directors”	: The Directors of the Company as at the date of this Prospectus
“EPS”	: Earnings per share
“Electronic Share Application”	: An application for the Issue Shares through a Participating Financial Institution
“FIC”	: Foreign Investment Committee
“GDP”	: Gross Domestic Product
“GNP”	: Gross National Product
“Hwang-DBS”	: Hwang-DBS Securities Berhad (<i>14389-U</i>)
“IDC”	: International Data Corporation
“IMF”	: International Monetary Fund
“IMP2”	: 2 nd Industrial Master Plan, 1996 to 2005
“Issue Shares”	: 10,000,000 new Shares to be issued by D’nonce Technology pursuant to the Public and Special Issues at an issue price of RM2.00 per Share
“Khazanah”	: Khazanah Nasional Berhad (<i>275505-K</i>)
“KLSE”	: Kuala Lumpur Stock Exchange (<i>30632-P</i>)
“Major Shareholders”	: Shareholders who have interest of not less than five percent (5%) before the Public and Special Issues namely, Goh Hong Lim, Khazanah, Pan Asia, Law Kim Choon, Lim Teik Hoe, Chan Seng Sun and Khor Chee Kong.
“MCD”	: Malaysian Central Depository Sdn Bhd (<i>165570-W</i>), a subsidiary of the KLSE
“MI”	: Minority interests
“MIH”	: Malaysian Issuing House Sdn Bhd (<i>258345-X</i>)
“MITI”	: Ministry of International Trade and Industry
“MNC”	: Multinational corporation
“MSC”	: Multimedia Super Corridor
“NTA”	: Net tangible asset
“OEM”	: Original equipment manufacturer
“Pan Asia”	: Pan Asia Special Opportunities Fund
“Participating Financial Institution(s)”	: Participating financial institution(s) for Electronic Share Application as listed on Section 13.5 of this Prospectus
“PAT”	: Profit after taxation
“PBT”	: Profit before taxation
“PE Multiple”	: Price-earnings multiple
“Percent” or “%”	: Per centum

DEFINITIONS (*Cont'd*)

“Promoters”	:	Major Shareholders of D’nonce Technology namely, Goh Hong Lim, Khazanah, Pan Asia, Law Kim Choon, Lim Teik Hoe, Chan Seng Sun and Khor Chee Kong
“Public and Special Issues”	:	Collectively, Public Issue and Special Issue
“Public Issue”	:	Public issue of 7,000,000 new D’nonce Technology Shares at an issue price of RM2.00 per share payable in full on application to eligible employees and business associates of D’nonce Group and the Malaysian public, subject to the terms and conditions of this Prospectus
“Read-Rite”	:	Read-Rite Malaysia Sdn Bhd (220546-H)
“R&D”	:	Research and development
“Restructuring Scheme”	:	Acquisitions and Rights Issue
“Rights Issue”	:	The rights issue of 6,937,275 new Shares at par on the basis of approximately 10 new Shares for every 33 existing Shares held based on the then issued and paid-up share capital of D’nonce Technology after the Acquisitions
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“ROC”	:	Registrar of Companies
“Sales & Distribution”	:	Sales and distribution of advanced packaging materials, electronic products and consumables predominantly for the electronics industry by D’nonce (M), D’nonce (KL), D’nonce (Johore), D’nonce (Kelantan) and D’nonce Electronics
“SC”	:	Securities Commission
“SMI”	:	Small and medium size industry
“Special Issue”	:	Special Issue of 3,000,000 new D’nonce Technology Shares to the Bumiputera investors approved by the MITI at an issue price of RM2.00 per share payable in full on application
“sq. ft.”	:	Square feet
“sq. m.”	:	Square metre
“UK”	:	United Kingdom
“Underwriters”	:	Hwang-DBS, UT Securities Sdn Bhd (20710-W), HLG Securities Sdn Bhd (12855-D), Soon Theam Securities Sdn Bhd (014147-K), and K&N Kenanga Bhd (15678-H)
“USA”	:	United States of America
“USD”	:	US dollar
“y-o-y”	:	Year-on-year

GLOSSARY OF TECHNICAL TERMS/ACRONYM DECODER

“Actuator arm”	:	The mechanical arm that moves the read/write head across the surface of the disk, similar to the tone arm on a phonograph.
“Bit”	:	The smallest unit of information. A single bit can hold only one of two values: 0 or 1. More meaningful information is obtained by combining consecutive bits into larger units such as one (1) byte is composed of eight (8) consecutive bits.
“Byte”	:	A byte holds the equivalent of a single character such as the letter ‘A’, the dollar sign or a decimal point.
“Class 100”	:	This describes the quality of air in a clean room, with not more than 100 particles in size 0.5 micron or larger per cubic foot of air.
“Class 1K”	:	This describes the quality of air in a clean room, with not more than 1,000 particles in size 0.5 micron or larger per cubic foot of air.
“Class 10K”	:	This describes the quality of air in a clean room, with not more than 10,000 particles in size 0.5 micron or larger per cubic foot of air.
“Clean room”	:	A room in which the concentration of airborne particles is controlled to meet a specified airborne particulate cleanliness class, such as, Class 100, Class 10K. A clean room is utilised for the manufacture of various types of devices from medical applications to wafer fabrication, disk drives to PCBs. This is to avoid any contamination, which could adversely affect the performance of these devices.
“Data”	:	Distinct pieces of information existing in various forms e.g. numbers or text on pieces of paper, bits and bytes stored in electronic devices.
“Disk”	:	A direct access storage device in the form of a round plate on which data can be encoded. There are two basic types of disks – magnetic disk and optical disk.
“Disk drive”	:	A peripheral storage device that holds, spins, reads and writes magnetic or optical disks. There are different types of disk drives for different types of disks e.g. hard disk drive reads and writes hard disk, floppy disk drive reads and writes floppy disk. Key components of a disk drive are HSA, PCBA, disk, motor and casing.
“DRAM”	:	Dynamic Random Access Memory, they are mainly used in desktop and notebook PCs, where they are used to provide two different functions: main storage and frame buffers.
“Electronic commerce” or “E-commerce”	:	Using electronics means as a medium to make business transactions, the buying and selling of merchandise and online banking, which are mainly conducted through the internet.
“Electrostatic discharge” or “ESD”	:	The rapid, spontaneous transfer of electrostatic charge or electricity. The charge or electricity flows between two bodies at different electrostatic potentials as they contact one another.
“Flexible circuit board” or “FCB”	:	As opposed to a PCB, which uses a flat board to hold chips and other electronic components, FCB uses a soft, flexible board. In a disk drive, it is used in the interconnecting parts that are required to be in constant dynamic motion.
“Flexible circuit board assembly” or “FCBA”	:	An assembled product involving the surface mounting of components such as integrated circuits, resistors/capacitors and other parts onto the FCB.

GLOSSARY OF TECHNICAL TERMS/ACRONYM DECODER (Cont'd)

- “Floppy disk” : A portable plastic disk coated in magnetisable substance used for storing computer data. Often referred to as ‘floppies’ or ‘diskettes’, the earlier version was a flexible 5 ¼ inch diskette. The floppy disk commonly used today is the rigid 3 ½ inch microfloppy that holds 1.44 MB of data.
- “Giant magnetoresistive technology” or “GMR technology” : A technology used for the read element of a read/write head. Compared with a read/write head using the conventional inductive technology or MR technology, a read/write head using GMR technology is even more sensitive, allowing it to read data from the disk drive at higher densities and smaller track widths.
- “Gigabyte” or “GB” : 1 billion bytes.
- “Hard disk” : The primary computer storage medium made of one or more aluminium or glass platters, coated in magnetisable substance. Most hard disks are fixed disks, permanently sealed in the drive. Removable hard disk drives are however gaining in popularity. A hard disk is faster than a floppy disk, and has more storage capacity.
- “Head gimbal assembly” or “HGA” : The assembly comprising the read/write head and slider.
- “Head stack assembly” or “HSA” : The assembly comprising the HGA, actuator arm, FCBA and certain other piece parts.
- “Inductive technology” : An earlier technology used for the read element of a read/write head. Compared to a read/write head using MR technology, a read/write head using inductive technology is less sensitive, and is unable to read smaller bits; thus resulting in lower storage capacity for the disk drive.
- “Internet” : A combination of computer networks that communicate using the same protocols and that are connected to each other by circuits, through which information providers can make information available to users globally.
- “Jaz drive” : A high-capacity removable hard disk system from Iomega Corp. Its removable hard disk has capacity of 1GB or 2GB, and is called Jaz 1 and Jaz 2, respectively. The read/write head in this drive uses inductive technology.
- “Kilobyte” or “KB” : 1 thousand bytes.
- “Magnetic disk” : On a magnetic disk, data is encoded as microscopic magnetised needles on the disk’s surface. One can record and erase data on a magnetic disk any number of times. Magnetic disks come in three forms – floppy disk, hard disk and removable hard disk (e.g. Jaz and ORB disks).
- “Magnetoresistive technology” or “MR technology” : A technology used for the read element of a read/write head. Compared to a read/write head using inductive technology, a read/write head using MR technology is more sensitive, and is able to read smaller bits; thus resulting in higher storage capacity for the disk drive.
- “Megabyte” or “MB” : 1 million bytes.
- “Micron” : A unit measurement equal to one-millionth of a meter or approximately 0.00003937 inch e.g. 25 microns is approximately 0.001 inch.
- “Microprocessor” : An integrated circuit that contains all the functions of a central processing unit of a computer.

GLOSSARY OF TECHNICAL TERMS/ACRONYM DECODER (Cont'd)

- “Optical disk” : An optical disk records data by burning microscopic holes in the surface of the disk with a laser. To read the disk, another laser beam shines on it and detects the holes by changes in the reflection pattern. Optical disks come in three forms – CD-ROM (read-only), WORM (write-once, read-many) and EO (erasable optical).
- “Personal computer” or “PC” : A small, single user computer designed for an individual user. It has a central processing unit for executing instructions, a keyboard for entering data, a monitor for displaying information and a storage device for saving data. With a modem, the PC becomes a terminal capable of retrieving information from other computers, online services and the Internet.
- “Peripheral” : A device or piece of equipment used with a computer but not an integral part of it.
- “Printed circuit board” or “PCB” : A flat board that holds chips and other electronic components. The board is made of reinforced fiberglass or plastic and interconnects components via copper pathways.
- “Printed circuit board assembly” or “PCBA” : An assembled product involving the surface mounting of components such as integrated circuits, resistors/capacitors and other parts onto the PCB.
- “Read/write head” : A miniature component the size of a pen tip, that reads data from and writes data to a magnetic disk or tape. It is also known as a recording head.
- “Removable hard disk” : A hard disk encased in a metal or plastic cartridge, so it can be removed just like a floppy disk. It is also known as a removable cartridge.
- “Semiconductor” : A halfway state between a conductor and an insulator. When charged with electricity or light, a semiconductor changes its state from non-conductive to conductive, or visa versa.
- “Slider” : A pair of aerodynamically designed rails, which holds the read/write head at a proper distance from the disk.
- “Storage” : A semi-permanent or permanent holding place for digital data. Storage refers to disks and tapes. (As opposed to memory, which is the temporary workspace for executing instructions and processing data.)
- “Surface mount technology” or “SMT” : A circuit board packaging technique in which the leads on the chips and components are soldered on top of the board, not through it.
- “Tape” : A magnetically coated strip of plastic on which data can be encoded.
- “Tape drive” : A device, like a tape recorder, that reads data from and writes data to a tape.
- “World Wide Web” or “www” : An Internet facility that links documents locally and remotely. A Web document is called a Web page, and it contains both text and graphics; and with plug-in extensions, allow for audio, video, telephony, 3-D animations and videoconferencing over the Internet.

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1. PROSPECTUS SUMMARY

THE FOLLOWING IS ONLY A SUMMARY OF SALIENT INFORMATION CONTAINED IN THIS PROSPECTUS. THIS SUMMARY SHOULD BE READ IN CONJUNCTION WITH, AND IS QUALIFIED IN ITS ENTIRETY, BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN D'NONCE TECHNOLOGY.

1.1 HISTORY AND PRINCIPAL ACTIVITIES

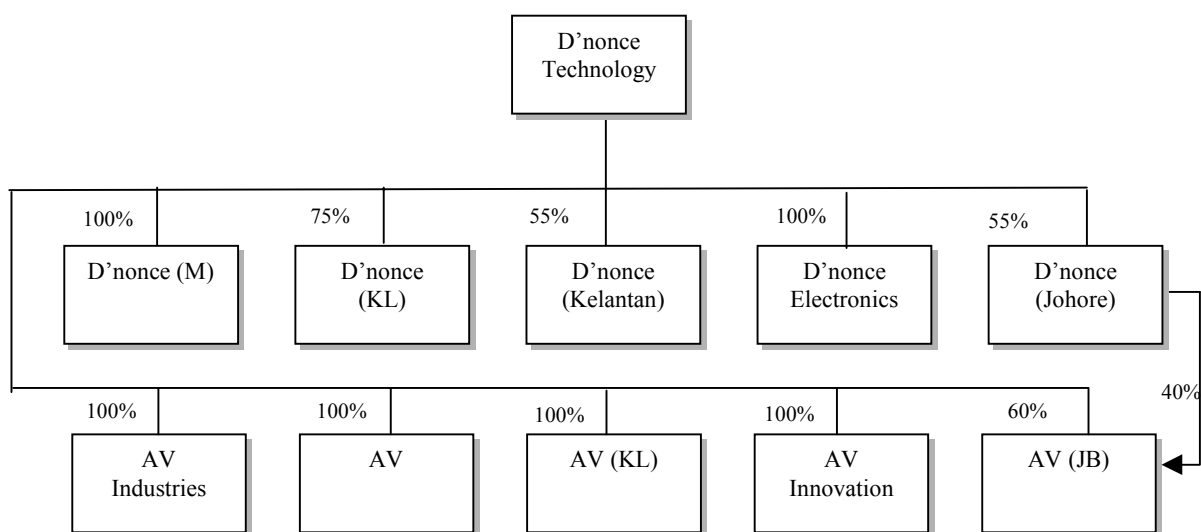
D'nonce Technology was incorporated in Malaysia as a public limited company on 20 January 2000 pursuant to the Companies Act, 1965.

D'nonce Technology is principally an investment holding company while the principal activities of its subsidiary companies are as follows:-

Subsidiary companies	Principal Activities
AV Industries	Contract manufacturing of electronic components
AV, AV(JB), AV(KL), AV Innovation	Design and conversion of advanced packaging material
D'nonce (M), D'nonce (KL), D'nonce (Johore), D'nonce (Kelantan)	Sales and distribution of advanced packaging materials, electronic products and consumables for electronics industry
D'nonce Electronics	International procurement office for the electronics industry.

(Full details of information on the business activities of the D'nonce Group are set out in Section 7.4 of this Prospectus)

The structure of D'nonce Group is set out below:-



(Full details of information regarding the incorporation and business of the D'nonce Group are set out in Section 7.1 of this Prospectus)

1. PROSPECTUS SUMMARY (*Cont'd*)

1.2 MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

1.2.1 Major Shareholders and Promoters

Name	Designation	Nationality/ Place of incorporation	← After the Public and Special Issues →			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Goh Hong Lim	Managing Director	Malaysian	¹ 11,510,000	¹ 28.8	-	-
Khazanah	-	Malaysia	9,000,000	22.5	-	-
Pan Asia	-	Luxembourg	² 2,290,000	² 5.7	-	-
Law Kim Choon	Executive Director	Malaysian	1,800,000	4.5	-	-
Lim Teik Hoe	Executive Director	Malaysian	1,800,000	4.5	-	-
Chan Seng Sun	Executive Director	Malaysian	1,800,000	4.5	-	-
Khor Chee Kong	-	Malaysian	1,800,000	4.5	-	-

- Of which, 1,800,000 Shares are registered under HDM Nominees (Tempatan) Sdn Bhd and are held in trust for Goh Hong Lim who is the beneficial owner.*
- The Shares are registered under Cartaban Nominees (Asing) Sdn Bhd and are held in trust for Pan Asia which is the beneficial owner.*

(Full details of the Major Shareholders and Promoters are set out in Section 7.10 of this Prospectus)

1.2.2 Directors

Name	Designation	Nationality	← After the Public and Special Issues →			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Dato' Haji Ahmad bin Hj Ibnihajar	<i>(Non-Executive Chairman)</i>	Malaysian	-	-	-	-
Goh Hong Lim	<i>(Managing Director)</i>	Malaysian	¹ 11,510,000	¹ 28.8	-	-
Law Kim Choon	<i>(Executive Director)</i>	Malaysian	1,800,000	4.5	-	-
Lim Teik Hoe	<i>(Executive Director)</i>	Malaysian	1,800,000	4.5	-	-
Chan Seng Sun	<i>(Executive Director)</i>	Malaysian	1,800,000	4.5	-	-
Chin Yam Sin	<i>(Executive Director)</i>	Malaysian	-	-	-	-
Emeri bin Johari ²	<i>(Non-Executive Director)</i>	Malaysian	-	-	-	-
Roslant bin Abu ²	<i>(Non-Executive Director)</i>	Malaysian	-	-	-	-
Dato' Oon Choo Eng @ Oon Choo Khye	<i>(Non-Executive Director)</i>	Malaysian	-	-	-	-

- Of which, 1,800,000 Shares are registered under HDM Nominees (Tempatan) Sdn Bhd and are held in trust for Goh Hong Lim who is the beneficial owner.*
- Both were appointees of Khazanah*

(Full details of the Directors are set out in Section 7.9.1 of this Prospectus)

1. PROSPECTUS SUMMARY (*Cont'd*)

1.2.3 Management Team

Name	Designation	Nationality	After the Public and Special Issues			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Simon Tu Yeou Mou	<i>Director of AV (JB) and D'nonce (Johore)</i>	Malaysian	-	-	-	-
Lim Oon Jin	<i>Director of AV (JB) and D'nonce (Johore)</i>	Malaysian	-	-	-	-
Ang Oon Ling	<i>Director of D'nonce (Kelantan)</i>	Malaysian	-	-	-	-
Ng Paik Choo	<i>Director of D'nonce Electronics</i>	Malaysian	-	-	-	-
Ooi Ching Hock	<i>General Manager of AV Industries</i>	Malaysian	¹ 8,000	0.0	-	-
Lee Khiang Choon	<i>Senior Manager of AV Industries</i>	Malaysian	¹ 8,000	0.0	-	-
Saw Chong Siew	<i>Senior Manager of AV Innovation</i>	Malaysian	¹ 7,000	0.0	-	-
Mohamed Salleh bin Samsuddin	<i>Senior Manager – Human Resource</i>	Malaysian	¹ 7,000	0.0	-	-
Teh Wee Nee	<i>Senior Marketing Manager of D'nonce (M) and AV</i>	Malaysian	¹ 7,000	0.0	-	-
Tham Yoke Chan	<i>Factory Manager of AV</i>	Malaysian	¹ 7,000	0.0	-	-

1 Based on their respective entitlement pursuant to the allocation of the Public and Special Issues to eligible employees of the D'nonce Group.

Save for the pink form allocation, none of the above key management and technical personnel have any shareholdings, direct or indirect, in D'nonce Technology.

(Full details of Management Team are set out in Section 7.9.4 of this Prospectus)

1.3 RISK FACTORS

The following are some of the investment consideration (which may not be exhaustive) as extracted from Section 4 of this Prospectus. Applicants for the Public and Special Issues should carefully consider in addition to the other information contained elsewhere in this Prospectus before applying for the Issue Shares:-

(a) No prior market for D'nonce Technology Shares

Prior to the Public and Special Issues, there has been no public market for D'nonce Technology Shares and, as such there can be no assurance that an active market may be developed upon the Company's listing on the Second Board of the KLSE or if developed, that such market will be sustained.

(b) Business Risk

The Group is susceptible to certain business risk which include limited history and dependence on a limited number of customers and suppliers for its Contract Manufacturing activities. In respect of its Design & Conversion activities, the Group is subject to increase in raw material cost; and for its Sales & Distribution activities, the Group is subject to potential loss of distribution rights. In addition, technological changes and the increasing number of usage of internet could also affect the way business is being conducted in the future.

1. PROSPECTUS SUMMARY (Cont'd)

(c) Industry Risk

The Group's continued growth will also depend on the future of electronic and hard disk drive industry. While current prospects for the electronic and hard disk drive industry can be considered positive, there can be no assurance that this will be sustained in the future.

(d) Dependence on Key Personnel

The Company's continued success depends to a significant extent upon the abilities and continued effort to retain its existing Directors and senior management as well as key technical personnel.

(e) Control by Major Shareholders

Upon completion of the Public and Special Issues, certain Major Shareholders, namely, Goh Hong Lim, Law Kim Choon, Lim Teik Hoe and Chan Seng Sun will collectively own 42.3% of the enlarged share capital of D'nonce Technology. As such, they may be able to influence the outcome of certain matters requiring the vote of the Company's shareholders.

(f) Changes in General Economic, Political, Legislative, Business and Credit Conditions

As with any other companies, the performance of the Group is also subject to the overall economic, political, legislative, business and credit environment, both domestically and internationally.

(g) Profit Forecast

The profit forecast in this Prospectus is based on assumptions that are subject to uncertainties and contingencies. Therefore, there can be no assurance that the profit forecast contained herein will be realised and the actual results may be materially different from those shown.

(h) Disclosure Regarding Forward Looking Statement

Other than statements of historical facts, this Prospectus also contains forward-looking statements that are reasonable at this time. There can be no assurance that such expectations will prove to be correct in the future.

(Full details of Risk Factors are set out in Section 4 of this Prospectus)

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1. PROSPECTUS SUMMARY (*Cont'd*)

1.4 PROFIT RECORD

The table below sets out the summary of the proforma audited consolidated results of the Group for the past five (5) financial years ended 31 August 2000 (after such adjustments) considered necessary based on the audited results of the companies in the D'nonce Group on the assumption that the current structure of the Group has been in existence throughout the years under review. The proforma consolidated results of the D'nonce Group have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Section 10 of this Prospectus.

Year ended 31 August

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
Turnover	24,087	35,522	58,389	138,228	146,436
Profit before taxation, interest and depreciation	3,804	5,679	10,184	10,971	12,885
Interest expense	(139)	(262)	(536)	(924)	(1,463)
Depreciation	(177)	(343)	(615)	(1,294)	(2,005)
PBT	3,488	5,074	9,033	8,753	9,417
Taxation	(982)	(1,293)	(1,346)	(180)	(1,073)
PAT	2,506	3,781	7,687	8,573	8,344
MI	(128)	(86)	(91)	(218)	(302)
PAT after MI	2,378	3,695	7,596	8,355	8,042
No. of ordinary shares assumed to be in issue ('000)	23,063	23,063	23,063	23,063	23,063
Basic Gross EPS (sen)	15	22	39	38	41
Basic Net EPS (sen)	10	16	33	36	35
Fully Diluted Gross EPS (sen) *	9	13	23	22	24
Fully Diluted Net EPS (sen) *	6	9	19	21	20

* Based on the enlarged issued and paid-up share capital of D'nonce Technology of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each after the Public and Special Issues.

Notes:

- The above proforma consolidated financial results have been prepared based on the audited accounts after making adjustments for (under)/overprovision for taxation.

1. PROSPECTUS SUMMARY (Cont'd)

2. *The accounts of D'nonce (Johore) for the year ended 31 December 1996 and of AV Industries for the year ended 31 March 1996 have been time-apportioned in order to be co-terminous with its holding company.*
3. *Minority interest are in respect of 25% minority interest in D'nonce (KL), 45% minority interests each in D'nonce (Johore) and D'nonce (Kelantan) and 18% minority interest in AV(JB).*
4. *Turnover and PBT for the year ended 1997 increased as the Group has introduced new products, mainly wire harness to its customers.*
5. *In 1998, the Group's turnover and PBT increased further due to the introduction of cleanroom products and higher sales volume of wire harness.*
6. *Turnover for the year ended 1999 increased by 137%. This is mainly due to the commencement of commercial operations in AV Industries. However, the gross profit margin of the Group dropped, as the margin for AV Industries was relatively lower as compared to other existing business divisions of the Group.*
7. *Turnover for the year ended 2000 increased because D'nonce (M) managed to secure sales to supply moisture barrier and static shielding bags to a multinational company. However, the lower profit after taxation for year ended 2000 as compared to 1999 is mainly due to the tax charge in respect of business income for the year ended 1999 has been waived in accordance with the Income Tax (amendment) Act, 1999.*
8. *There is no tax charge in respect of business income for the year ended 31 August 1999 as it is waived in accordance with the Income Tax (Amendment) Act, 1999. The provision for taxation was in respect of deferred tax for timing difference between capital allowance claimed and depreciation.*
9. *There were no extraordinary and exceptional items in all the financial years under review.*

(Full details of Profit Record are set out in Section 9.1.1 of this Prospectus)

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1. PROSPECTUS SUMMARY (*Cont'd*)

1.5 PROFORMA CONSOLIDATED BALANCE SHEETS

The proforma Consolidated Balance Sheets of D'nonce Technology set out below are prepared for illustrative purposes only to show the effects on the proforma consolidated balance sheet at 31 August 2000 on the assumption that the exercises had been effected on that date:

		I	II	III	IV
	Audited As At 31.08.00	After the Acquisitions	After I and Rights Issue	After II and Public and Special Issues	After III and the utilisation of proceeds from Rights Issue, Public and Special Issues
	RM'000	RM'000	RM'000	RM'000	RM'000
CURRENT ASSETS					
Cash and bank balances	-	2,371	9,308	27,808	3,878
Fixed deposits with licensed banks	-	1,891	1,891	1,891	1,891
Trade debtors	-	19,346	19,346	19,346	19,346
Other debtors	-	2,072	2,072	2,072	2,072
Stocks	-	12,906	12,906	12,906	12,906
	-	38,586	45,523	64,023	40,093
CURRENT LIABILITIES					
Bank borrowings	-	7,880	7,880	7,880	7,424
Trade creditors	-	10,930	10,930	10,930	10,930
Other creditors	4	7,308	7,308	7,308	6,979
Taxation	-	996	996	996	996
	4	27,114	27,114	27,114	26,329
NET CURRENT (LIABILITIES)/ASSETS	(4)	11,472	18,409	36,909	13,764
FIXED ASSETS	-	34,434	34,434	34,434	51,648
OTHER INVESTMENTS	-	221	221	221	221
INTANGIBLE ASSETS	4	4	4	4	4
HIRE-PURCHASE CREDITORS	-	(3,719)	(3,719)	(3,719)	(2,369)
TERM LOANS	-	(6,057)	(6,057)	(6,057)	(1,476)
DEFERRED TAXATION	-	(391)	(391)	(391)	(391)
MINORITY INTEREST	-	(859)	(859)	(859)	(859)
	-	35,105	42,042	60,542	60,542
SHAREHOLDERS' FUNDS					
Share capital	-*	23,063	30,000	40,000	40,000
Share Premium	-	4,000	4,000	12,500	12,500
Reserve arising from consolidation	-	8,042	8,042	8,042	8,042
	-	35,105	42,042	60,542	60,542
NTA/(Net tangible liabilities)	(4)	35,101	42,038	60,538	60,538
NTA/(Net tangible liabilities) per share (RM)	(2,000)	1.52	1.40	1.51	1.51

* The issued and paid-up share capital is RM2

(Full details of Proforma Consolidated Balance Sheets are set out in Section 9.8 of this Prospectus)

1. PROSPECTUS SUMMARY (Cont'd)

1.6 AUDIT QUALIFICATION IN THE AUDITED ACCOUNTS FOR THE PAST FIVE (5) YEARS

All the audited financial statements for the past five (5) financial years have not been subjected to any auditors' qualifications. Prior to the financial year/period of appointment of the Reporting Accountants as disclosed below, the accounts of the following subsidiaries were audited by other firm of public accountants.

Company	Financial Year/Period of Appointment
D'nonce (M)	31 August 1997
AV Industries	31 August 1997
AV	31 August 1997
AV (JB)	31 August 1999
D'nonce (KL)	31 August 1997
D'nonce (Johore)	31 August 1997
D'nonce (Kelantan)	31 August 1997

The Reporting Accountants are the auditors for the following subsidiaries from the date of their incorporation.

Company	Financial Year/Period of Appointment
D'nonce Electronics	31 August 1996
AV (KL)	31 August 1999
AV Innovation	31 August 1998

(Full details are set out in Section 10 of this Prospectus)

1.7 PRINCIPAL STATISTICS

(i) Issue price per share RM 2.00
(Full details are set out in Section 5.6 of this Prospectus)

(ii) Share Capital

	RM
<i>Authorised:</i>	
100,000,000 ordinary shares of RM1.00 each	100,000,000
<i>Issued and fully paid-up:</i>	
30,000,000 ordinary shares of RM1.00 each	30,000,000
<i>To be issued pursuant to the Public and Special Issues:</i>	
10,000,000 ordinary shares of RM1.00 each	10,000,000
	40,000,000

There is only one (1) class of share in the Company, namely ordinary share of RM1.00 each. The Issue Shares, upon allotment and issue, will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and will be entitled to all rights, dividends and distributions, the entitlement date of which is subsequent to the date of allotment of the said Issue Shares.

(Full details are set out in Section 5.1 of this Prospectus)

1. PROSPECTUS SUMMARY (Cont'd)

(iii) Consolidated Profit Forecast

Year ending 31 August	Forecast 2001 RM'000
Consolidated PAT after MI	10,012
Less : Pre-acquisition profits	(1,317)

Consolidated PAT after MI and after pre- acquisition profits	8,695
	=====

Based on the weighted average number of shares in issue of 29,424,859 D'nonce Technology Shares assuming completion of the Public and Special Issues by March 2001

Net EPS	29.6 sen
Net PE Multiple (<i>based on the issue price of RM2.00 per share</i>)	6.8 times

Based on the enlarged issued and paid-up share capital of 40,000,000 Shares:

Net EPS	25.0 sen
Net PE Multiple (<i>based on the issue price of RM2.00 per share</i>)	8.0 times

(Full details are set out in Section 9.3 of the Prospectus)

(iv) Dividend Forecast

Year ending 31 August	Forecast 2001
Gross dividend per Share	2.5 sen
Gross dividend yield (<i>based on the issue price of RM2.00 per share</i>)	1.25%
Net dividend per Share	2.5 sen
Net dividend yield (<i>based on issue price of RM2.00 per share</i>)	1.25%
Net dividend cover	10.0 times

(Full details are set out in Section 9.7 of this Prospectus)

1.8 PROCEEDS AND UTILISATION

The total gross proceeds derived from the Rights Issue, Public and Special Issues amounting to RM26.9 million are intended to be utilised as follows:

	RM '000
Purchase of new machinery and equipment	17,214
Repayment of bank borrowings	6,717
Working capital	1,506
Estimated listing expenses	1,500

	26,937

(Full details are as set out in Section 5.7 of this Prospectus)

1. PROSPECTUS SUMMARY (Cont'd)

1.9 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND MATERIAL LITIGATION

Capital Commitments

As at 14 February 2001 (*being the latest practical date at which such amounts could be calculated prior to the printing of this Prospectus*), the Group has capital commitments amounting to RM1.085 million for the purchase of plant and machinery for the Group's Contract Manufacturing division and Design & Conversion division.

(Full details are set out in Section 9.2.3 of this Prospectus)

Contingent Liabilities

As at 14 February 2001 (*being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus*), the Directors are of the opinion that the Group has no contingent liabilities which, upon materialisation would have a material impact on the profit or net assets of the Group.

(Full details are set out in Section 9.2.4 of this Prospectus)

Material Litigation

Save as disclosed below, as at 14 February 2001 (*being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus*), neither the Company nor its subsidiary companies are engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of D'nonce Technology or its subsidiary companies and the Directors have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of D'nonce Technology or its subsidiary companies.

- (i) Debt of RM218,977.60 owed by Applied Magnetics Sdn Bhd ("Defendant") for arrears of rental owing to D'nonce (M). The Defendant has obtained a court order to set aside the Writ of Distress and for damages for wrongful distress. D'nonce (M) filed an appeal to the High Courts. The Defendant has not agreed to a stay of proceedings pending outcome of the appeal by D'nonce(M).

(Full details are set out in Section 12.7 of this Prospectus)

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