

**THIS ABRIDGED PROSPECTUS ("AP") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

Unless otherwise stated, all abbreviations and terms used herein shall have the same meanings as those defined in the "Definitions" section of this AP.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.** If you have sold or transferred all your Shares, you should at once hand this AP together with the NPA and the RSF (collectively referred to as "Documents"), to the agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants and Bonus Issue should be addressed to the Share Registrar, Tricor Investor Services Sdn. Bhd. (118401-V) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The Documents are only despatched to the shareholders whose names appear in the Record of Depositors at 5.00 p.m. on 29 October 2015 who have a registered address in Malaysia or who have provided the Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 29 October 2015. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants and Bonus Issue comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and other professional advisers as to whether the acceptance, renunciation, sale or transfer of the Provisional Allotment (as the case may be) would result in the contravention of any laws of such countries or jurisdictions. Neither DTB, IPS nor any of their respective Directors and officers or affiliates shall accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation and/or sale/transfer (as the case may be) made by any Entitled Shareholders and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdiction in which Entitled Shareholders and/or their renounee(s) (if applicable) are residents.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue with Warrants and Bonus Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of the Documents.

The approvals from our shareholders for amongst others, the Rights Issue with Warrants and the Bonus Issue, were obtained at the EGM held on 3 July 2015. Approval has also been obtained from Bursa Securities vide its letter dated 22 May 2015 for, amongst others, the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, the Bonus Shares and the Warrants as well as new DTB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. The admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for all the said new securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the said new securities have been duly credited into the CDS Accounts of the Entitled Shareholders and/or their renounee(s) (if applicable) and notices of allotment have been despatched to them. The admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, the Bonus Shares and the Warrants as well as new DTB Shares to be issued arising from the exercise of the Warrants are in no way reflective of the merits of the Rights Issue with Warrants and Bonus Issue.

The Board has seen and approved all the documentation relating to the Rights Issue with Warrants and Bonus Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false and misleading statements or other facts which, if omitted, would make the statements in these documents false and misleading.

IPS, being the Adviser for the Rights Issue with Warrants and the Bonus Issue and the Underwriter for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants and the Bonus Issue.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS AP.**



**D'NONCE TECHNOLOGY BHD.**

(Company No. 503292-K)

(Incorporated in Malaysia under the Companies Act, 1965)

- (I) **RENOUNCEABLE RIGHTS ISSUE OF UP TO 90,202,000 NEW ORDINARY SHARES OF RM0.25 EACH IN DTB ("RIGHTS SHARE(S)") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) ORDINARY SHARE OF RM0.25 EACH IN DTB ("DTB SHARE(S)") HELD BY THE ENTITLED SHAREHOLDERS OF DTB AS AT 5.00 P.M. ON 29 OCTOBER 2015 ("ENTITLEMENT DATE") AT AN ISSUE PRICE OF RM0.25 PER RIGHTS SHARE TOGETHER WITH UP TO 90,202,000 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED ("RIGHTS ISSUE WITH WARRANTS"); AND**
- (II) **BONUS ISSUE OF UP TO 45,101,000 DTB SHARES ("BONUS SHARE(S)") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS ("BONUS ISSUE")**

*Adviser and Underwriter*

**INTER-PACIFIC**  
SECURITIES SDN. BHD.

(127364J)  
A Participating Organisation of Bursa Malaysia Securities Berhad  
A Trading Participant of Bursa Malaysia Derivatives Berhad

**IMPORTANT RELEVANT DATES AND TIMES:**

Entitlement Date .....	:	Thursday, 29 October 2015 at 5.00 p.m.
<b>Last date and time</b>		
Sale of provisional allotment of rights.....	:	Thursday, 5 November 2015 at 5.00 p.m.
Transfer of provisional allotment of rights .....	:	Wednesday, 11 November 2015 at 4.00 p.m.
Acceptance and payment .....	:	Monday, 16 November 2015 at 5.00 p.m. <sup>#</sup>
Excess application and payment .....	:	Monday, 16 November 2015 at 5.00 p.m. <sup>#</sup>
<sup>#</sup> or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time.		

This AP is dated 29 October 2015

*Unless otherwise stated, all abbreviations and terms used herein shall have the same meanings as those defined in the "Definitions" section of this AP.*

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE CORPORATION AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

SHAREHOLDERS/INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS/INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS AND BONUS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

**DEFINITIONS**

“Abridged Prospectus” or “AP”	:	This abridged prospectus in relation to the Rights Issue with Warrants and Bonus Issue
“Act”	:	The Companies Act, 1965 as amended from time to time including any re-enactment thereof
“Board”	:	Board of Directors of DTB
“Bonus Issue”	:	Bonus issue of up to 45,101,000 new ordinary shares of RM0.25 each in DTB on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed pursuant to the Rights Issue with Warrants
“Bonus Share(s)”	:	New DTB Shares to be issued pursuant to the Bonus Issue
“Bursa Depository”	:	Bursa Malaysia Depository Sdn. Bhd. (165570-W)
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“By-Laws”	:	The By-Laws governing the ESOS as may be amended, varied or supplemented from time to time, the draft of which is set out in Appendix III of the circular to shareholders of DTB dated 11 June 2015
“CDS”	:	Central Depository System, the system established and operated by Bursa Depository for the central holding of securities deposited with Bursa Depository
“CDS Account(s)”	:	A securities account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
“CMSA”	:	Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
“Code”	:	Malaysian Code on Take-Overs and Mergers 2010
“Corporate Exercises”	:	Par Value Reduction, Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants, M&A Amendments, Employees’ Share Option Scheme, Share Buy-Back and Increase in Authorised Share Capital, collectively
“Deed Poll”	:	The deed poll executed by DTB on 12 October 2015 constituting the Warrants
“Director(s)”	:	The director(s) of the Company and shall have the same meaning given in Section 2(1) of the CMSA
“Documents”	:	AP, NPA and RSF, collectively
“DTB” or the “Company”	:	D’nonce Technology Bhd. (503292-K)
“DTB Group” or the “Group”	:	DTB and its subsidiaries, collectively
“DTB Share(s)” or “Share(s)”	:	Ordinary shares of RM0.25 each in DTB after the Par Value Reduction
“EGM”	:	Extraordinary General Meeting
“Eligible Person”	:	A natural person who is an employee of the Group or a Director who meets the criteria of eligibility for participation in the ESOS
“Employees’ Share Option Scheme” or “ESOS”	:	Establishment of an employees’ share option scheme of up to fifteen percent (15%) of the enlarged issued and paid-up share capital of DTB for the eligible directors and employees of DTB Group
“Entitled Shareholder(s)”	:	The shareholders of the Company whose names appear in the Record of Depositors on the Entitlement Date

**DEFINITIONS (Cont'd)**

"Entitlement Date"	:	As at 5.00 p.m. on 29 October 2015, being the time and date on which the shareholders of DTB must be registered in the Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants
"EPS"	:	Earnings per share
"ESOS Committee"	:	The committee to be appointed by the Board to administer the ESOS in accordance with the By-Laws
"ESOS Option(s)"	:	The options awarded to Eligible Persons which may be exercised at a pre-determined price pursuant to the By-Laws
"Excess Rights Shares"	:	Rights Shares which are not taken up or not validly taken up by Entitled Shareholders and/or their renounee(s) prior to closing date as set out in Section 9.3 of this AP
"Foreign Shareholders"	Addressed :	The foreign shareholders on the Entitlement Date who have not provided an address in Malaysia for the service of Documents to be issued for purposes of the Rights Issue with Warrants
"FYE"	:	Financial year(s) ending/ended, as the case may be
"Increase in Share Capital"	Authorised :	Increase in the authorised share capital of DTB from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 800,000,000 ordinary shares of RM0.25 each
"IPS" or "Underwriter"	"Adviser" or :	Inter-Pacific Securities Sdn. Bhd. (12738-U)
"Issue Price"	:	RM0.25 per Rights Share
"LAT"	:	Loss after tax
"LBT"	:	Loss before tax
"LPD"	:	30 September 2015, being the latest practicable date prior to the registration of this AP with the SC
"LPS"	:	Loss per share
"M&A"	:	Memorandum and Articles of Association
"M&A Amendments"	:	Amendments to the M&A of DTB
"Main Market"	:	Main Market of Bursa Securities
"Market Day(s)"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which financial institutions licensed under the Financial Services Act 2013 are open for business in Kuala Lumpur and Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	Assuming all the Entitled Shareholders fully subscribe for their entitlements of the Rights Shares with Warrants
"Minimum Scenario"	:	Assuming the Rights Issue with Warrants is subscribed based on a Minimum Subscription Level
"Minimum Subscription Level"	Subscription :	A minimum subscription level of 52,358,000 Rights Shares together with 52,358,000 Warrants whereby Undertaking has been provided and the underwriting has been obtained for 37,842,410 Rights Shares pursuant to the Underwriting Agreement

**DEFINITIONS (Cont'd)**

"MMLR"	:	Main Market Listing Requirements of Bursa Securities
"NA"	:	Net assets
"NPA"	:	Notice of provisional allotment in relation to the Rights Issue with Warrants and Bonus Issue
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"Par Value Reduction"	:	Reduction of the issued and paid up share capital of DTB pursuant to Section 64(1) of the Act, involving the cancellation of RM0.75 of the par value of each ordinary share of RM1.00 each in DTB which was completed and effected on 23 September 2015
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"Placement Share(s)"	:	New DTB Share(s) to be issued pursuant to the Private Placement with Warrants
"Price-Fixing Date"	:	9 October 2015, being the date on which the issue price of the Rights Shares and the exercise price for the Warrants have been fixed
"Private Placement with Warrants"	:	Private placement of up to 36,080,800 new ordinary shares of RM0.25 each in DTB, representing approximately up to twenty percent (20%) of the enlarged issued and paid-up share capital of DTB after the Rights Issue with Warrants and Bonus Issue together with up to 18,040,400 Warrants on the basis of one (1) Warrant for every two (2) Placement Shares subscribed
"Provisional Allotment(s)"	:	Rights Shares together with the Warrants and the Bonus Shares provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue with Warrants and the Bonus Issue
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the rules of Bursa Depository, as amended from time to time
"Rights Issue with Warrants"	:	Renounceable rights issue of up to 90,202,000 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing DTB Share at an issue price of RM0.25 per Rights Share held on the Entitlement Date, together with up to 90,202,000 free detachable Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed
"Rights Share(s)"	:	New DTB Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights subscription form issued in relation to the Rights Issue with Warrants and Bonus Issue
"Rules of Bursa Depository"	:	The rules of Bursa Depository as issued pursuant to the SICDA including any amendments thereto that may be made from time to time
"SC"	:	Securities Commission Malaysia
"SGD"	:	Singapore Dollar
"Share Buy-Back"	:	Share buy-back of DTB Shares of up to ten percent (10%) of its issued and paid-up share capital
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991 including any amendments thereto that may be made from time to time
"TEAP"	:	Theoretical ex-all price

**DEFINITIONS (Cont'd)**

"THB"	:	Thai Baht
"Undertaking"	:	Irrevocable written undertaking dated 22 May 2015 from the Undertaking Shareholder that he will subscribe in full for his entitlement under the Rights Issue with Warrants
"Undertaking Shareholder"	:	Law Kim Choon
"Underwriting Agreement"	:	The underwriting agreement dated 12 October 2015 between the Company and the Underwriter in relation to the Rights Issue with Warrants
"USD"	:	United States Dollar
"WAMP"	:	Weighted average market price
"Warrant(s)"	:	Free detachable warrants to be issued pursuant to the Rights Issue with Warrants and Private Placement with Warrants

All reference to "our Company" and "the Company" in this AP are to DTB. Reference to "the Group" and "the DTB Group" is to our Company and subsidiaries, collectively. Reference to "we", "us", "our", and "ourselves" are to our Company and save where the context otherwise requires, shall include our subsidiaries.

All references to "you" or "your" in this AP are to the Entitled Shareholders of the Company.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this AP to any provision of the statutes, rules, regulations or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations or rules of stock exchange (as the case may be) as modified by any written law and any amendments to the statutes, regulations or rules of stock exchange for the time being in force or their respective re-enactment. Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise stated.

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

Name / Designation	Age	Address	Profession	Nationality
Dato' Ahmad Ibnihajar (Independent Non-Executive Chairman)	65	355-C Jalan Pemancar, Gelugor, 11700 Penang	Company Director	Malaysian
Dato' Lee Kah Choon (Independent Non-Executive Director)	55	961 Tingkat Aman 4, Robina Park, Teluk Air Tawar, 13050 Butterworth, Penang	Company Director	Malaysian
Wong Thai Sun (Independent Non-Executive Director)	60	33-4-2 Codrington Avenue, 10350 Penang	Chartered Accountant	Malaysian
Lena Leong Oy Lin (Non-Independent Non-Executive Director)	44	56K Jalan Choong Lye Hin, 10470 Georgetown, Pulau Pinang	Advocate and Solicitor	Malaysian
Law Kim Choon (Chief Executive Officer/Group Managing Director)	58	22, Jalan Hargreaves, 11600 Georgetown, Penang	Company Director	Malaysian
Roslant bin Abu (Executive Director)	57	60 Jalan Mamanda 12, Taman Dato Ahmad Razali, 68000 Ampang, Selangor	Company Director	Malaysian

**AUDIT COMMITTEE**

Name	Designation	Directorship
Wong Thai Sun	Chairman	Independent Non-Executive Director
Dato' Ahmad Ibnihajar	Member	Independent Non-Executive Chairman
Dato' Lee Kah Choon	Member	Independent Non-Executive Director

**COMPANY SECRETARIES**

- : Gunn Chit Geok (MAICSA 0673097)  
23 Persiaran Midlands  
10250 Penang
- : Chew Siew Cheng (MAICSA 7019191)  
1-V, Lorong Delima 17, Island Glades  
11700 Georgetown, Penang

**REGISTERED OFFICE**

- : Suite 12-02, 12th Floor Menara Zurich  
170 Jalan Argyll, 10050 Penang  
Tel No.: 04-229 6318  
Fax No.: 04-226 8318

**HEAD OFFICE**

- : D'nonce Technology Bhd. (503292-K)  
51-14-B&C Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Penang  
Tel No.: 04-228 1198  
Fax No.: 04-228 3016  
Website: www.dnoncetech.com

**CORPORATE DIRECTORY (Cont'd)**

<b>SHARE REGISTRAR</b>	: Tricor Investor Services Sdn. Bhd. (118401-V) Unit 32-01, Level 32, Tower A Veritical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel No.: 03-2783 9299 Fax No.: 03-2783 9222
<b>AUDITORS AND REPORTING ACCOUNTANTS</b>	: Ernst & Young (AF 0039) Chartered Accountants 22nd Floor MWE Plaza No. 8 Lebuq Farquhar 10200 Penang Tel No.: 04-263 0033 Fax No.: 04-263 0099
<b>SOLICITORS</b>	: Zaid Ibrahim & Co Advocates & Solicitors 51-22-B&C Menara BHL Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-227 0888 Fax No.: 04-228 6755
<b>PRINCIPAL BANKERS</b>	: Public Bank Berhad (6463-H) 87 Lebuq Bishop 10200 Penang Tel No.: 04-261 3415 Fax No.: 04-261 7417  Malayan Banking Berhad (3813-K) Suite 9-03, 9th Floor Plaza MWE 8, Lebuq Farquhar 10200 Penang Tel No.: 04-261 1663 Fax No.: 04-261 1644
<b>ADVISER AND UNDERWRITER</b>	: Inter-Pacific Securities Sdn. Bhd. (12738-U) West Wing, Level 13, Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888 Fax No.: 03-2144 4910
<b>STOCK EXCHANGE LISTING</b>	: Main Market of Bursa Securities



**D'NONCE TECHNOLOGY BHD.**  
(Company No. 503292-K)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered office:**

Suite 12-02  
12<sup>th</sup> Floor Menara Zurich  
170 Jalan Argyll  
10050 Penang

29 October 2015

**Board of Directors**

Dato' Ahmad Ibnihajar (*Independent Non-Executive Chairman*)  
Dato' Lee Kah Choon (*Independent Non-Executive Director*)  
Wong Thai Sun (*Independent Non-Executive Director*)  
Lena Leong Oy Lin (*Non-Independent Non-Executive Director*)  
Law Kim Choon (*Chief Executive Officer/Group Managing Director*)  
Roslant bin Abu (*Executive Director*)

**To: The Entitled Shareholders of DTB**

Dear Sirs/Madam,

- (I) **RENOUNCEABLE RIGHTS ISSUE OF UP TO 90,202,000 RIGHTS SHARES ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) DTB SHARE HELD BY THE ENTITLED SHAREHOLDERS OF DTB AS AT THE ENTITLEMENT DATE AT AN ISSUE PRICE OF RM0.25 PER RIGHTS SHARE TOGETHER WITH UP TO 90,202,000 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED; AND**
- (II) **BONUS ISSUE OF UP TO 45,101,000 BONUS SHARES ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS**

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**1. INTRODUCTION**

On 2 March 2015, IPS had announced, on behalf of the Board, that DTB proposes to undertake the Corporate Exercises, which include, *inter alia*, the Rights Issue with Warrants and the Bonus Issue.

On 25 May 2015, IPS had announced that Bursa Securities had vide its letter dated 22 May 2015 approved the following:

- (i) The listing of and quotation for up to 90,202,000 new DTB Shares pursuant to the Rights Issue with Warrants;
- (ii) The listing of and quotation for up to 45,101,000 new DTB Shares pursuant to the Bonus Issue;
- (iii) The listing of and quotation for up to 36,080,800 new DTB Shares pursuant to the Private Placement with Warrants;
- (iv) Admission to the Official List and the listing of and quotation for of up to 108,242,400 Warrants to be issued pursuant to the Rights Issue with Warrants and Private Placement with Warrants;

- (v) The listing of and quotation for up to 108,242,400 new DTB Shares to be issued pursuant to the exercise of the Warrants; and
- (vi) The listing of and quotation for such number of new DTB Shares in DTB, representing up to 15% of the issued and paid-up share capital of DTB to be issued pursuant to the exercise of options under the ESOS;

subject to, *inter alia*, the following conditions:

	Conditions imposed	Status of compliance
(1)	DTB and IPS must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Corporate Exercises;	Noted
(2)	DTB and IPS to inform Bursa Securities upon the completion of the Corporate Exercises;	To be complied
(3)	DTB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed;	To be complied
(4)	Payment of additional listing fee for new DTB Shares to be issued pursuant to the Private Placement with Warrants and ESOS. In this respect, DTB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(5)	DTB and IPS are required to make the relevant announcements in accordance to paragraphs 6.35(2)(a) & (b), 6.35(3) and 6.35(5) of the MMLR.	To be complied

The Board is pleased to inform you that at the EGM held on 3 July 2015, the shareholders of DTB had approved the Corporate Exercises, which include, *inter alia*, the Rights Issue with Warrants and the Bonus Issue. A certified true extract of the resolutions approving the Corporate Exercises which were passed by the shareholders of DTB at the aforesaid EGM, is set out in Appendix I of this AP.

On 23 September 2015, IPS had, on behalf of the Board, announced that the office copy of the sealed order of the High Court of Malaya confirming the reduction of the par value from RM1.00 to RM0.25 had been lodged with the Companies Commission of Malaysia, upon which, the Par Value Reduction had been effected on the same date.

On 9 October 2015, IPS had, on behalf of the Board, announced that the issue price of the Rights Shares and the exercise price of the Warrants have been fixed at RM0.25 per Rights Share and RM0.25 per Warrant, respectively.

On 12 October 2015, the Company had entered into an underwriting agreement with IPS where IPS shall underwrite 37,842,410 Rights Shares at an issue price of RM0.25 per share (equivalent to approximately RM9.461 million in value). Pursuant thereto, the Rights Issue with Warrants is to be undertaken on the new minimum subscription level of 52,358,000 Rights Shares whereby Undertaking has been provided by the Undertaking Shareholder that he will subscribe in full for his entitlement of 14,515,590 Rights Shares and the underwriting has been obtained for 37,842,410 Rights Shares pursuant to the underwriting agreement.

On 13 October 2015, IPS had, on behalf of the Board, announced that the Entitlement Date has been fixed on 29 October 2015 at 5.00 p.m., along with other relevant dates pertaining to the Rights Issue with Warrants and Bonus Issue.

The admission of the Warrants and the listing of and quotation for the Rights Shares, Bonus Shares and the Warrants to be issued pursuant to the Rights Issue with Warrants and Bonus Issue will commence after, among others, the receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or make any representation not contained in the Documents in connection with the Rights Issue with Warrants and Bonus Issue, and if given or made, such information or representation must not be relied upon as having been authorised by DTB or IPS.

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2. DETAILS OF THE CORPORATE EXERCISES**

### **2.1 Rights Issue with Warrants**

#### **2.1.1 Details of the Rights Issue with Warrants**

In accordance with the terms of the Rights Issue with Warrants as approved by the relevant authorities and the shareholders at the Company's EGM held on 3 July 2015 and subject to the terms of the Documents, our Company will provisionally allot up to 90,202,000 Rights Shares at an issue price of RM0.25 per Rights Share, together with up to 90,202,000 Warrants on the basis of two (2) Rights Shares for every one (1) existing DTB Share held on the Entitlement Date and one (1) Warrant for every one (1) Rights Share subscribed.

The issue price of RM0.25 per Rights Share is payable in full upon application.

The Rights Shares and Warrants will be provisionally allotted to our Entitled Shareholders. The Rights Issue with Warrants is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. If the Entitled Shareholders decide to subscribe for only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion of their subscription of their Rights Shares entitlements. Fractional entitlements under the Rights Issue with Warrants, if any, shall be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient in the best interest of DTB.

The renunciation of the Rights Shares by any Entitled Shareholders will also consequently result in the renunciation of the Bonus Shares to be issued pursuant to the Bonus Issue. Further details of the Bonus Issue are set out in Section 2.2 of this AP. As such, the Entitled Shareholders who renounce all their entitlements to the Rights Shares will be deemed to have renounced all the accompanying entitlements to the Warrants and Bonus Shares. Entitled Shareholders who accept only part of their entitlements to the Rights Shares shall be entitled to the Warrants and Bonus Shares in the proportion of their acceptance of the entitlements to the Rights Shares. The Warrants will be detached from the Rights Shares immediately upon issuance and will be traded separately on Bursa Securities.

Any Rights Shares which are not validly taken up shall be made available for excess applications by other Entitled Shareholders and/or their renounee(s).

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renouncee(s) who have applied for the Excess Rights Shares in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of the Excess Rights Shares applied for; and
- (iv) lastly, for allocation to renouncee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares applied for.

Nevertheless, our Board reserves the right to allot the Excess Rights Shares applied for under Part I (B) of the RSF in such manner as our Board in their absolute discretion deems fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 2.1.1 (i) to (iv) above is achieved. The Board reserves the right not to accept or to accept any of the Excess Rights Shares applications, in full or in part, without assigning any reason thereof.

If you wish to accept the Provisional Allotments (in full or in part) as specified in the NPA and/or apply for Excess Rights Shares, you may do so by completing the RSF.

Any dealings in our securities will be subject to the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares together with the Warrants and the Bonus Shares will, upon allotment and issuance, be credited directly into the respective CDS Accounts of the successful applicants. However, no physical share or warrant certificates will be issued. Notices of allotment will be despatched to the successful applicants.

We will allot and issue the Rights Shares together with the Warrants and Bonus Shares, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares, Bonus Shares and the Warrants within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares or such period as may be prescribed by Bursa Securities. The Rights Shares, the Bonus Shares and the Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

If you do not wish to participate in the Rights Issue with Warrants, you do not need to take any action.

**You should read this AP in its entirety before making a decision.**

### **2.1.2 Basis of determining the issue price of the Rights Share**

On 9 October 2015, IPS had, on behalf of the Board, announced that the issue price of the Rights Shares has been fixed at RM0.25 per Rights Share.

The issue price is determined at the discretion of the Board after taking into consideration, the following:

- (i) the issue price of RM0.25 per Rights Share represents a premium of approximately 4.17% to the TEAP of RM0.24, calculated based on the five (5)-day WAMP of DTB Shares as traded on Bursa Securities up to and including 8 October 2015, being the last trading day immediately prior to the Price-Fixing Date;
- (ii) prevailing market conditions and market price of DTB Share prior to the Price-Fixing Date. The FBM KLCI Index was at 1,761.25 points as at 1 January 2015 compared to 1,692.20 points as at 8 October 2015, being the last trading day preceding the Price-Fixing Date. During the same period, DTB Shares were traded within the range of RM0.36 to RM0.57 per share;
- (iii) the funding requirement of our Group as set out in Section 4 of this AP; and
- (iv) the par value of the DTB Shares of RM0.25.

### **2.1.3 Basis of determining the exercise price of the Warrants**

The Warrants attached to the Rights Shares will be issued free to the Entitled Shareholders and/or their renouncee(s) (if applicable) who subscribe for the Rights Shares.

On 9 October 2015, IPS had, on behalf of the Board, announced that the exercise price of the Warrants has been fixed at RM0.25 per Warrant. This represents a premium of approximately 4.17% to the TEAP of approximately RM0.24, calculated based on the five (5)-day WAMP of DTB Shares as traded on Bursa Securities up to and including 8 October 2015, being the last trading day immediately prior to the Price-Fixing Date.

The exercise price of the Warrants was determined and fixed by our Board after taking into consideration, the following:

- (i) prevailing market conditions and market price of DTB Shares prior to the Price-Fixing Date as mentioned in Section 2.1.2(ii); and
- (ii) the par value of the DTB Share of RM0.25.

### **2.1.4 Ranking of the Rights Shares and new DTB Shares arising from exercise of the Warrants**

The Rights Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing DTB Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid to shareholders, for which the entitlement date of which is prior to the date of allotment of the Rights Shares.

The new DTB Shares to be issued pursuant to the exercise of the Warrants shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing DTB Shares except that such new DTB Shares will not be entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid to shareholders, for which the entitlement date of which is prior to the date of allotment of the new DTB Shares arising from the exercise of the Warrants.

### 2.1.5 Irrevocable Undertaking and Underwriting Agreement

The Board has determined to undertake the Rights Issue with Warrants on a Minimum Subscription Level. The Minimum Subscription Level was determined by the Board after taking into consideration the minimum level of funds that the Company wishes to raise from the Rights Issue with Warrants that will be channeled towards the proposed utilisation as set out in Section 4 of this AP.

The Undertaking Shareholder had vide his letter dated 22 May 2015:

- (i) given his irrevocable undertaking to subscribe in full for his entitlement to the Rights Shares and Warrants pursuant to the Rights Issue with Warrants as set out below;
- (ii) undertake to subscribe in full for his entitlement of the Rights Shares in the event he has increased his shareholding in DTB Shares;
- (iii) in the event of disposal of part or all of his shareholding in the Company, he will continue to irrevocably undertake to subscribe for 14,515,590 Rights Shares subject to the availability of Rights Shares in the event of under-subscription;
- (iv) provided a confirmation that he has sufficient financial resources to take up his entitlement and this confirmation has been verified by IPS; and
- (v) given his confirmation that he will observe and comply at all times with the provisions of the Code.

Details of the Undertaking are as follows:

Name	Direct shareholding as at LPD		Entitlement to the Rights Shares	
	No. of Shares	% of the issued and paid- up share capital <sup>(1)</sup>	No. of Rights Shares	% of the total Rights Shares <sup>(2)</sup>
Law Kim Choon	7,257,795	16.09	14,515,590	16.09

Notes:

(1) Computed based on the issued and paid-up share capital of RM11,275,250 divided into 45,101,000 ordinary shares of RM0.25 each as at the LPD.

(2) Computed based on the Maximum Scenario.

For the remaining portion of the Rights Shares under the Minimum Subscription Level, we have entered into the Underwriting Agreement with the Underwriter.



The Underwriter has agreed to underwrite 37,842,410 Rights Shares representing approximately 41.95% of the total number of Rights Shares to be issued under the Maximum Scenario, in the following proportion:

Underwriter	Number of underwritten Rights Shares '000	Value of underwritten Rights Shares RM'000	% of total underwritten Rights Shares
IPS	37,842	9,461	41.95

The underwriting commission is 2.5% of the value of the underwritten Rights Shares based on the Issue Price, amounting to approximately RM236,515. The underwriting commission payable to the Underwriter and all associated costs in relation to the Underwriting Agreement shall, subject to the terms and conditions of the Underwriting Agreement, be fully borne by DTB.

For avoidance of doubt, the remaining 37,844,000 Rights Shares (i.e. the difference between maximum number of Rights Shares to be issued under the Rights Issue with Warrants and the Minimum Subscription Level) will not be underwritten.

After taking into consideration the above underwriting arrangement and Undertaking, we confirm that the abovementioned subscription of the Rights Issue with Warrants will not give rise to any mandatory offer obligations pursuant to the Code.

#### 2.1.6 Principal terms of the Warrants

The principal terms of the Warrants to be issued pursuant to the Rights Issue with Warrants are set out as follows:

Issuer	:	DTB
Number of Warrants	:	Up to 90,202,000 free detachable Warrants to be issued in conjunction with the Rights Issue with Warrants.
Form and denomination	:	The Warrants will be issued in registered form and constituted by a Deed Poll.
Issue price of Warrants	:	There is no issue price directly attributable to the Warrants.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants will be in 100 units, unless otherwise revised by the relevant authorities.
Listing	:	Bursa Securities has vide its letter dated 22 May 2015, approved the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the Warrants and the new DTB Shares to be issued upon the exercise of the Warrants.
Tenure of Warrants	:	Five (5) years from the date of issuance of the first Warrant. For each Warrant issued, the tenure will commence from the date of issuance of the relevant Warrant up to the Expiry Date.
Expiry Date	:	The expiry date for all the Warrants shall be five (5) years from the date of issuance of the first Warrant.

Exercise Price	:	The exercise price of the Warrants has been fixed at RM0.25 subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
Exercise Period	:	The Warrants shall be exercisable at any time within the period commencing on, and inclusive of, the date of issue of the first Warrant and ending at the close of business at 5.00 p.m. in Malaysia on the date preceding the fifth (5 <sup>th</sup> ) anniversary of the date of issue of the first Warrant, or if such date is not a Market Day, then it shall be the Market Day immediately preceding the said non Market Day, but excluding the five (5) clear Market Days prior to a books closure date or entitlement date announced by the Company and those days during that period on which the Record of Depositors and/or the Warrants Register is or are closed. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Mode of exercise	:	The registered holder of the Warrants shall pay by way of Banker's Draft or Cashier's Order drawn on a bank or Money Order or Postal Order issued by a post office in Malaysia for the Exercise Price when subscribing for new DTB Shares.
Exercise Rights	:	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new DTB Share at the Exercise Price, subject to adjustments in accordance with the provisions for the Deed Poll.
Rights of Warrant holders	:	The Warrant holders are not entitled to dividends declared by the Company, rights (including voting rights), allotments and/or other distributions, until and unless such Warrant holders exercise their Warrants for new Shares in DTB.
Ranking of new shares to be issued arising from the exercise of the Warrants	:	The new DTB Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing DTB Shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment of the new DTB Shares.

Rights in the event of winding up, liquidation, compromise and/or arrangement :

If a resolution is passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement between the Company and its shareholders or creditors or both in connection with a scheme for reconstruction of the Company and its undertakings or amalgamation of the Company with one (1) or more companies, then:

- (a) if such winding up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) is one in which the Warrant holders, or some person designated by them for such purpose by special resolution, are to be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant holders;
- (b) the Company may, without requiring the consent of the Warrant holders, be entitled to exchange or substitute the Warrants for warrants in the reconstructed or amalgamated entity provided that it is not materially prejudicial to the interest of the Warrant holders; and
- (c) in any other case every Warrant holder shall be entitled upon and subject to the terms and conditions of the Warrants set out in the Second Schedule (Part III) of the Deed Poll (as from time to time amended in accordance with the provisions set out in the Deed Poll), at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his Warrant(s) to the Company by submitting the exercise form duly completed, authorising the debiting of his Warrants, together with payment of the relevant Exercise Price to elect, be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights represented by such Warrants to the extent specified in the exercise form and had on such date been the holder of the DTB Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

Subject to the foregoing, if the Company is wound up or an order has been granted for such compromise or arrangement, all Exercise Rights which have not been exercised within six (6) weeks of the passing of such resolution or granting of the court order approving the winding up, compromise or arrangement, shall lapse and the Warrants shall cease to be valid for any purpose.

Transferability	:	The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Deed Poll	:	The Warrants will be constituted by the Deed Poll.
Adjustments of Exercise Price and Exercise Rights	:	<p>Subject to the provisions of the Deed Poll, the Exercise Price and the number of DTB Shares to which a Warrant holder is entitled to subscribe will be adjusted at the determination of DTB in all or any of the following:</p> <ul style="list-style-type: none"> <li>(a) an alteration of the par value of the DTB Shares by reason of any consolidation, subdivision or conversion; or</li> <li>(b) an issue by the Company of DTB Shares to shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund); or</li> <li>(c) a capital distribution to shareholders made by the Company whether on a reduction of capital or otherwise (but excluding any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets); or</li> <li>(d) an offer or invitation to shareholders made by the Company where-under they may acquire or subscribe for DTB Shares by way of rights; or</li> <li>(e) an offer or invitation to shareholders made by the Company or its subsidiaries by way of rights where-under they may acquire or subscribe for securities convertible or exchangeable into, or rights to acquire or subscribe for DTB Shares; or</li> <li>(f) a combination of all or any of the above cases.</li> </ul> <p>Under no circumstances will any adjustment (otherwise than upon the consolidation of DTB Shares into shares of a larger par value) involve an increase in the Exercise Price, result in the Exercise Price falling below the par value of DTB Shares for the time being, or result in the reduction of the number of Warrants outstanding.</p>

Modification	: Any modification to the Deed Poll must be effected only by deed poll, executed by the Company, expressed to be supplemental to the Deed Poll, approved by the Warrant holders sanctioned by special resolution, and if required, the approval of any relevant authority as required under law has been obtained. Save as expressly provided in the Deed Poll, no modification alteration to and abrogation of the provisions of the Deed Poll may be made without the passing of a special resolution other than modifications which in the opinion of the Company:
	(a) are not materially prejudicial to the interest of the Warrant holders; or
	(b) are to correct a manifest error or to comply with mandatory provisions of Malaysian law or to comply with the Rules of Bursa Depository, the SICDA, the MMLR and/or provisions of Malaysian laws (in respect of which each Warrant holder shall sign any document or do any act which the Company may reasonably require for the purpose of complying with such rules or laws).
Governing law	: The Warrants and the Deed Poll shall be governed by the laws of Malaysia.

## 2.2 Bonus Issue

### 2.2.1 Details of the Bonus Issue

The Bonus Issue entails an issuance of up to 45,101,000 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed by the Entitled Shareholders and/or their renounee(s) pursuant to the Rights Issue with Warrants.

Only the Entitled Shareholders and/or their renounee(s) who subscribe for the Rights Shares pursuant to the Rights Issues with Warrants will be entitled to the Bonus Shares. For avoidance of doubt, the Bonus Shares are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their renounees who subscribe for the Rights Shares. The Bonus Shares are not separately renouneable. Entitled Shareholders who renounce all or part of their entitlements to the Rights Shares shall be deemed to have renounced the accompanying entitlements to the Bonus Shares, and they shall be entitled to the Bonus Shares in the proportion of their subscription to the Rights Shares.

Fractional entitlements of the Bonus Shares arising from the Bonus Issue, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deems fit and expedient and in the best interest of the Company.

Any dealing in the Bonus Shares will be subject to provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Bonus Shares will be credited directly into the respective CDS Accounts of the successful applicants for the Rights Shares. No physical share certificates will be issued.

The Bonus Issue will not be implemented in stages over a period of time.

### 2.2.2 Capitalisation of reserves

The Bonus Issue shall be wholly capitalised from the share premium account of the Company.

An illustration of the share premium account upon completion of the Bonus Issue based on the Company's latest audited financial statements for the FYE 31 August 2014 and latest unaudited consolidated financial statements for the FYE 31 August 2015 are as follows:

	Minimum Scenario Audited as at 31 August 2014 RM'000	Maximum Scenario Audited as at 31 August 2014 RM'000	Minimum Scenario Unaudited as at 31 August 2015 RM'000	Maximum Scenario Unaudited as at 31 August 2015 RM'000
Share premium	12,310	12,310	12,310	12,310
Less:				
Capitalisation for the Bonus Shares	<sup>(i)</sup> (6,545)	<sup>(ii)</sup> (11,275)	<sup>(i)</sup> (6,545)	<sup>(ii)</sup> (11,275)
Balance after the Bonus Issue	5,765	1,035	5,765	1,035

Notes:

- (i) Based on 26,179,000 Bonus Shares to be issued pursuant to the Minimum Scenario.
- (ii) Based on 45,101,000 Bonus Shares to be issued pursuant to the Maximum Scenario.

### 2.2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing DTB Shares except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid to shareholders, for which the entitlement date of which is prior to the date of allotment of the Bonus Shares.

For avoidance of doubt, the Bonus Shares are not entitled to the Rights Shares.

## 2.3 Other Corporate Exercises

As at the LPD, save for the Corporate Exercises (excluding the Par Value Reduction, the M&A Amendments and the Increase in Authorised Share Capital which were completed), there are no other corporate exercises by the Company which have been announced and approved by the shareholders and regulatory authority (where applicable) but pending completion or implementation.

### **3. JUSTIFICATION AND RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS AND BONUS ISSUE**

#### **3.1 Rights Issue with Warrants**

After due consideration of the various methods of fund raising such as private placement, issuance of debt instruments and bank borrowings, the Board is of the view that the Rights Issue with Warrants is the most appropriate method of fund raising after taking into consideration the following:

- (i) to enable the Company to raise funds for its working capital and capital expenditure;
- (ii) to issue new DTB Shares without diluting shareholders' percentage of shareholdings provided all shareholders subscribe in full for their respective entitlements;
- (iii) to provide the existing shareholders of DTB with an opportunity to maintain their equity interests in the Company and ultimately, participate in the future growth of the DTB Group; and
- (iv) the Warrants will enhance the attractiveness of the Rights Issue with Warrants as they provide the shareholders with an opportunity to further increase their equity participation when they exercise their Warrants, which will also generate proceeds to the Company for its future working capital.

#### **3.2 Bonus Issue**

The Board is of the view that the Bonus Issue will provide added incentive to the Entitled Shareholders and the renounee(s) to subscribe for the Rights Shares while at the same time, enhance the Company's capital base as the Bonus Shares will increase the number of DTB Shares held by the Company's existing shareholders.

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#### 4. UTILISATION OF PROCEEDS

For illustration purposes, based on the issue price of RM0.25 per Rights Share, the Rights Issue with Warrants is expected to raise gross proceeds of approximately RM13.1 million and RM22.6 million respectively based on the scenarios below, which will be utilised as follows:

**Minimum Scenario** : Assuming the Rights Issue with Warrants is subscribed based on a minimum subscription level basis via the issuance of 52,358,000 Rights Shares together with 52,358,000 Warrants.

**Maximum Scenario** : Assuming all the Entitled Shareholders fully subscribe for their entitlements to the Rights Shares with Warrants.

Utilisation of proceeds	Gross proceeds		Estimated utilisation timeframe from date of listing of the Rights Shares
	Minimum Scenario RM'000	Maximum Scenario RM'000	
To partly finance the purchase of land and factory building, renovation and refurbishment expenses	2,400	5,000	Within 12 months
Construction of clean room facility and purchase of 3 lines of tray cleaning systems in Thailand	4,400	4,400	Within 12 months
Construction of new factory building in Penang	1,600	1,600	Within 12 months
Construction of new factory building in Thailand	-	2,200	Within 12 months
Renovation and refurbishment of factory building in Penang	1,000	1,000	Within 12 months
Working capital	2,090	6,751	Within 12 months
Estimated expenses in relation to the Corporate Exercises	1,600	1,600	Within 3 months
<b>Total</b>	<b>13,090</b>	<b>22,551</b>	

The details of each of the above utilisation of proceeds are as set out in the following sections.

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#### 4.1 To partly finance the purchase of land and factory building, renovation and refurbishment expenses

As part of DTB Group's expansion plan, DTB's subsidiary, Attractive Venture (JB) Sdn. Bhd. ("**AVJB**") intends to purchase a piece of land and factory building in the southern region of Malaysia. AVJB is 60% directly held by DTB and 40% held via another subsidiary of DTB, D'nonce (Johore) Sdn. Bhd. ("**D(J)SB**"). D(J)SB is 55% directly held by DTB and its remaining 45% equity interest is held by the following:

Name of shareholder	Equity interest held (%)
Lim Oon Jin <sup>(1), (2)</sup>	22.5
Simon Tu Yeou Mou <sup>(2)</sup>	22.5

Notes:

- (1) *Lim Oon Jin is a director of AVJB and D(J)SB.*
- (2) *The person is not related to any of the Directors, major shareholders of DTB nor persons connected to them as defined in the MMLR.*

The principal activities of AVJB are the design and conversion of advanced packaging materials and distribution of electronic products. AVJB provides the following products:

Product classification	Type of products
Paper	Corrugated carton boxes, kraft paper rolls, paper cores, paper partitions, edge boards, paper reels, slip sheets, paper pallets and paper crates
Foam	Foam packaging
Wooden products <sup>(1)</sup>	Wooden pallets, wooden crates and wood engravings
Electronic products <sup>(2)</sup>	Surveillance system equipments

Notes:

- (1) *AVJB does not manufacture wooden products. AVJB purchases wooden products from suppliers to specifically meet its customers' requirement. The wooden products are sold to these customers.*
- (2) *AVJB does not manufacture electronic products. AVJB purchases electronic products from suppliers to specifically meet its customers' requirement. The electronic products are sold to these customers.*

AVJB provides custom-engineered, cost effective and environmentally efficient packaging designed products for its customers. AVJB's customers are mainly Malaysian incorporated subsidiary companies of multinational corporations based in the United States ("**US**"). AVJB also exports to customers in Japan, Taiwan and Singapore.

AVJB operates from the following factories located in Johor:

Location	Land size (sq. ft.)	Built up area (sq. ft.)	Description of production activity
Taman Putri Kulai, Kulaijaya <sup>(1)</sup>	50,054	59,270	Paper related products production – printing, slitting, die cutting, peeling, glue and stitching process.
Saleng, Senai <sup>(2)</sup>	103,226	31,300	Foam products production – vertical cutting, die cutting, hot air lamination, sheeting, wire cutting and Computer Numerical Control (" <b>CNC</b> ") cutting.

*Notes:*

- (1) *Total of 20 units of industrial lots are occupied, of which 19 units are rented and 1 unit is owned by AVJB.*
- (2) *Owned by AVJB.*

The company's products undergo varied and different processes, such as printing, slitting, die-cutting, peeling, gluing and stitching processes which are dependent on the shape, size, design and specifications of the products as required by different customers. Production capacity and output varies depending on the different designs and specification of products at any time.

AVJB's operations are located in 20 units of industrial lots in Taman Putri Kulai, Kulaijaya, Johor, of which 19 units are rented. AVJB intends to place and consolidate all its operations currently located in the 20 units of industrial lots into a single factory to facilitate improved operations, better management control and also to provide additional floor space for future expansion purposes. The rental expense for the 19 units of industrial lots is approximately RM377,280 per annum. AVJB will benefit from cost savings as it will no longer incur rental expenses after it has moved into the factory building that it proposes to acquire.

As at the LPD, AVJB is in the midst of identifying a suitable piece of land and factory building in Johor. It will be located near our existing factories in Kulai or Senai, Johor. Accordingly, DTB will make the necessary announcement pursuant to the MMLR upon the signing of the sale and purchase agreement to acquire the property. AVJB estimates that the total consideration for the proposed acquisition of land and factory building will be approximately RM10.0 million.

DTB intends to allocate RM2.4 million (based on Minimum Scenario) and RM5.0 million (based on Maximum Scenario) of the gross proceeds raised from the Rights Issue with Warrants to partly finance the purchase of the land and factory building, the renovation and refurbishment expenses. The RM2.4 million (based on Minimum Scenario) and RM5.0 million (based on Maximum Scenario) shall be treated as a loan from the Company to AVJB to undertake the said purchase and expenses as AVJB is a subsidiary company of DTB where DTB has an 82% effective equity interest. The loan from the Company to AVJB shall be an interest bearing loan. However, the terms of this arrangement have not been determined. The balance of the purchase consideration for the land and building will be funded via bank borrowing and/or internally generated funds.

The utilisation of proceeds of RM2.4 million (based on Minimum Scenario) and RM5.0 million (based on Maximum Scenario) raised from the Rights Issue with Warrants are as follows:

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
To partly finance the purchase of land and factory building	1,400	4,000
Renovation and refurbishment expenses	1,000	1,000
<b>Total</b>	<b>2,400</b>	<b>5,000</b>

#### **4.2 Construction of clean room facility and purchase of 3 lines of tray cleaning systems in Thailand**

DTB's wholly-owned subsidiary, ISCM Technology (Thailand) Co., Ltd ("**ISCM Technology**") provides clean room capabilities, component washing services for hard disk drive ("HDD") industries, contract manufacturing services, which include HDD inspection, components and trays cleaning, inspection services, design, tooling, equipment, fabrication and customised packaging services.

ISCM Technology has the capabilities to provide the following products/services:

Product/service classification	Type of products/services
Thermo vacuum forming	Packaging trays
Aqueous cleaning services	Clean room trays and components for HDD and electronic industry

ISCM Technology provides products and services for its customers in the following business:

Product/service classification	Customers' business	Percentage of total revenue <sup>(1)</sup> (%)
Thermo vacuum forming	Consumer electronics	10
	HDD	17
Aqueous cleaning services	HDD	73
<b>Total</b>		<b>100</b>

Note:

(1) Based on the revenue of ISCM Technology for the FYE 31 August 2015.

ISCM Technology's customers are mainly Thailand incorporated subsidiary companies of multinational corporations based in the US. ISCM Technology also exports to customers in the United Kingdom ("UK").

Currently, ISCM Technology is operating in two rented factory buildings which are located in Ayutthaya, Thailand. At present, one of the factory buildings is wholly utilised for clean room facilities with a land size of 45,294 sq. ft. with built up area of 33,025 sq. ft. The second factory building is partly utilised for clean room facilities and partly utilised for its packaging operation for thermo vacuum forming that does not require clean room facilities. This second factory building occupies a land size of 27,900 sq. ft. and built up area of 17,888 sq. ft. The maximum production capacity of ISCM Technology is approximately 313.4 million pieces per annum and current production output is approximately 284.9 million pieces for the FYE 31 August 2015. The maximum production capacity and current production output of ISCM Technology for thermo vacuum forming and aqueous cleaning services are as follows:

	Maximum production capacity (pieces)	Current Production output (pieces)
Thermo vacuum forming	23,500,000	21,491,652
Aqueous cleaning services	289,872,000	263,403,499
<b>Total</b>	<b>313,372,000</b>	<b>284,895,151</b>

As part of DTB Group's business expansion plan, ISCM Technology intends to set up a new clean room facility in the second factory building of which the existing clean rooms have been qualified by its customers in the HDD industry. The qualification process by its customers in the HDD industry for the new clean room facility in the second factory building is expected to be completed within 3 to 6 months. On the contrary, the setting up of clean room facilities in a new premise or factory will require more than 12 months. Such a qualification process in a new premise or factory involves the risk of potential delay and will affect sales to customers. Therefore, ISCM Technology intends to set-up the new clean room facility in its existing rented factory. This will reduce the time required to obtain the necessary qualification from its customers.

As set out in Section 4.4 below, ISCM Technology intends to re-locate its packaging operations from the second factory building to the new factory that it is proposing to construct using part of the proceeds to be raised from the Rights Issue with Warrants under the Maximum Scenario. In the event that DTB is only able to raise the amount of proceeds under the Minimum Scenario and therefore, no proceeds is available to construct the new factory building, ISCM Technology intends to rent a factory building in a suitable location to house the packaging operations.

The clean room is for ISCM Technology's clean room contract manufacturing services and vertically integrated contract manufacturing services division which serve customers in the HDD industry which require stringent qualification.

The proceeds will be utilised as follows:

	RM'000
Construction of 1 clean room	2,000
Purchase of 3 lines of tray cleaning systems	2,400
<b>Total</b>	<b>4,400</b>

The construction of an additional clean room is to house the additional 3 lines of tray cleaning systems. The aforesaid new systems are expected to enable ISCM Technology to generate an additional production capacity of approximately 122.14 million pieces per annum. Currently, ISCM Technology has 4 clean rooms and 8 lines of aqueous cleaning systems.

ISCM Technology expects to commence setting up the clean room and the purchase of tray cleaning systems upon receipt of proceeds raised from the Rights Issue with Warrants and is expected to complete the construction of the clean room and the purchase of the systems within 12 months.

ISCM Technology's revenue is based on purchase order basis from its customers. Its customers do not enter into any contract to purchase from ISCM Technology. The business expansion plan is mainly due to the increasing revenue procured from customers of ISCM Technology in the clean room contract manufacturing services since FYE 31 August 2013. ISCM Technology's revenue has increased by RM7.6 million or 200% from RM3.8 million in FYE August 2013 to RM11.4 million in FYE 31 August 2014. For the FYE 31 August 2015, ISCM Technology has generated revenue of RM15.5 million, representing an increase of RM4.1 million or 36.0% from RM11.4 million in FYE 31 August 2014. In view thereof, ISCM Technology expects that the revenue from this business will continue to grow. The number of customers of ISCM Technology has increased from 24 in FYE 31 August 2013 to 39 in FYE 31 August 2014 and to 45 in FYE 31 August 2015.

#### 4.3 Construction of new factory building in Penang

The principal activities of DTB's wholly-owned subsidiary, Attractive Venture Sdn. Bhd. ("**AVSB**") are the design and conversion of advanced packaging materials and contract manufacturing.

AVSB has the capabilities to provide the following products/services:

Product/service classification	Type of products/services
Paper	Corrugated carton boxes, nesting and paper reels
Foam	Foam packaging
Thermo vacuum forming	Packaging trays
Contract manufacturing services	Clean room products inspection
Aqueous cleaning services	Clean room trays for HDD and semiconductor industries

AVSB provides products and services for its customers in the following business:

Product/service classification	Customers' business	Percentage of total revenue (%) <sup>(1)</sup>
Paper and/or foam	Consumer electronics	39
	Textile	5
Contract manufacturing services	Consumer electronics	11
Thermo vacuum forming	Consumer electronics	31
	Medical	2
	Food	2
	Machinery	3
Aqueous cleaning services	Consumer electronics	7
<b>Total</b>		<b>100</b>

Note:

(1) Based on the revenue of AVSB for the FYE 31 August 2015.

AVSB's customers are mainly Malaysian incorporated subsidiary companies of multinational corporations mostly based in the US. AVSB also exports to a customer in Singapore.

AVSB operates from the following premises located in Penang:

Location of factory	Land size (sq. ft.)	Built up area (sq. ft.)	Description of production activity/ existing use	Production capacity ('000 units per month) <sup>(3)</sup>	Production output ('000 units per month) <sup>(3)</sup>
No.1 Puncak Perusahaan 1, Kawasan MIEL, Prai Industrial Estate <sup>(1)</sup>	21,590	12,208	Packaging		
Plot 425, Tingkat Perusahaan 6A, Free Trade Zone, Prai Industrial Estate <sup>(2)</sup>	46,800	29,614	Thermo vacuum forming	4,775	3,673
			Aqueous cleaning services	5,328	4,406
No 12, Hujung Perusahaan 1, Prai Industrial Estate <sup>(1)</sup>	1,875	2,500	Warehousing		
Plot 37, 1652 Mukim 11, Lorong Perusahaan Maju 7, Taman Perindustrian Bukit Tengah, Phase IV, 13600 Prai <sup>(2), (5)</sup>	44,800	50,000	Contract manufacturing	148,329	98,886

Notes:

(1) Rented by AVSB.

(2) Owned by AVSB.

(3) The company's products undergo varied and different processes, such as printing, slitting, die-cutting, peeling, gluing and stitching processes which are dependent on the shape, size, design and specifications of the products as required by different customers. Production capacity and output varies dependent on the different designs and specification of products at any time.

- (4) Utilised for warehousing purpose.
- (5) This is a two storey factory building where AVSB has rented out the ground floor with a built up area of approximately 25,000 sq. ft. to a manufacturing company which is a customer of AVSB.

DTB intends to construct a new factory building with a floor space of approximately 50,000 sq. ft. on a parcel of vacant leasehold industrial land with a land size of 2.5516 acres located at Plot 314, Penang Science Park, Bukit Minyak, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang, owned by AVSB, which would be utilised to expand its manufacturing capacity for food related, medical packaging products and clean room services.

AVSB is currently producing thermo vacuum forming packaging trays for companies in the consumer electronics, machinery, medical, textile and food related industries at its factory located at Plot 425, Tingkat Perusahaan 6A, Free Trade Zone, Prai Industrial Estate ("**PLOT 425 Factory**"). It intends to transfer its production of food related and medical packaging products and also to expand the capacity for the production of these products at the new factory to be built at Plot 314, Penang Science Park, Bukit Minyak, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang ("**New PSP Factory**") attributable and driven by the following:

- (i) AVSB is currently working on the designs for various models of food trays for a customer in the food related business. The average monthly sales for two models of the food trays that AVSB is currently producing for this customer based on the nine (9)-month up to September 2015 is approximately RM48,000 per month. The maximum production capacity of AVSB for food trays is approximately 0.18 million pieces per month and the current average production output is approximately 0.10 million pieces per month;
- (ii) AVSB has submitted more than 10 designs for medical packaging trays to a customer in the medical industry. 4 models had already been approved and production has started. AVSB anticipates that when the approvals for more of the models are obtained, it will need space to increase capacity to produce these medical packaging trays. The maximum production capacity of AVSB for medical packaging trays is approximately 0.14 million pieces per month and the current average production output is approximately 0.01 million pieces per month. AVSB also plans to approach and supply medical packaging products to other medical companies located in Malaysia; and
- (iii) AVSB intends to transfer the current productions for medical and food packaging to the New PSP Factory. The current PLOT 425 Factory's layout is more suited for the production of electronics packaging. Production of food and medical packaging require a controlled environment with stringent controls on the production area and also the surroundings. In addition, for medical products, it usually takes more than 6 months to obtain the qualification from the customer due to the stringent qualification process of the customer.

DTB has estimated that the cost of construction of the factory building is approximately RM8.0 million. DTB intends to utilise RM1.6 million of the proceeds raised from the Rights Issue with Warrants for the construction cost of the new factory building and the balance of the construction cost shall be funded by bank borrowing and/or internally generated funds. Construction is estimated to be completed within 12 months after the completion of the Rights Issue with Warrants. This new factory building is expected to increase the total production capacity of food trays and medical packaging trays of AVSB up to 6.5 million pieces per month.

#### 4.4 Construction of new factory building in Thailand

DTB intends to construct a new factory building with a floor space of approximately 60,000 sq. ft. on a parcel of vacant freehold industrial land with a land size of 5,408 m<sup>2</sup> located at Plot No. 33, Tanuu, U-Thai, Pranakorn Sri Ayuthaya, Thailand, owned by its wholly-owned subsidiary, ISCM Technology which would be utilised to expand its packaging operations.

Currently, ISCM Technology operates its packaging operation business in one of the two rented factory buildings located in Ayuthaya, Thailand with a total land size of 27,900 sq. ft. and built up area of 17,888 sq. ft. ISCM Technology's packaging operations' maximum production capacity is approximately 23.5 million pieces per annum and the current production output is approximately 21.5 million pieces for the FYE 31 August 2015.

As mentioned earlier in Section 4.2 above, DTB intends to construct 1 clean room and set-up 3 lines of tray cleaning systems in its rented factory which is currently partly utilised for clean room facilities and partly utilised for its packaging operations. The new clean room and 3 lines of tray cleaning systems will be set-up in the part of the rented factory where its packaging operations is currently located. DTB intends to re-locate the packaging operations from the rented factory to the new factory to be constructed as the packaging operations do not require a clean room environment. In addition, the new factory will provide additional space for further expansion of its packaging operations in the future. This new factory building is expected to increase the total production capacity of packaging operations of ISCM Technology up to 70.5 million pieces per annum.

DTB has estimated that the construction cost of the factory building is approximately RM7.2 million. DTB intends to utilise RM2.2 million representing approximately 9.76% of the gross proceeds raised from the Rights Issue with Warrants of approximately RM22.551 million based on the Maximum Scenario for the construction cost of the new factory building and the balance of the construction cost shall be funded by bank borrowing and/or internally generated funds. Construction is estimated to be completed within 12 months after the completion of the Rights Issue with Warrants.

#### 4.5 Renovation and refurbishment of factory building in Penang

On 6 July 2015, DTB's wholly-owned subsidiary, AVSB had completed its acquisition of a piece of leasehold industrial land located at No. PT 2969 held under No. H.S. (D) 4289, Mukim 1, Daerah Seberang Perai Tengah, Negeri Pulau Pinang together with a single storey factory building on the said land, with address at No. 2733, Tingkat Perusahaan 6A, 13600 Prai, Penang. This leasehold industrial land and factory building is located next to an existing factory of AVSB and is not the same as the premises mentioned in Section 4.3 above.

DTB proposes to allocate approximately RM1.0 million representing approximately 7.64% of the gross proceeds of approximately RM13.090 million (based on Minimum Scenario) and 4.43% of the gross proceeds of approximately RM22.551 million (based on Maximum Scenario) for the renovation and refurbishment of the factory building as follows:

	RM'000
(i) Renovation and painting cost	564
(ii) Mechanical and electrical set up cost	374
(iii) Relocation cost	62
Total	1,000



AVSB intends to relocate its current operations in No.1 Puncak Perusahaan 1, Kawasan MIEL, Prai Industrial Estate and No. 12, Hujung Perusahaan 1, Prai Industrial Estate (both of which are currently rented by AVSB) into this factory building as this factory building is located next to AVSB's existing factory located at Plot 425 Factory. The rental expense for the two premises that it is currently renting is approximately RM180,000 per annum. AVSB will benefit from cost savings as it will no longer incur rental expenses after it has moved into this factory building. AVSB will be able to place the current packaging operations and the warehouse in one factory building for better management control and will also have additional floor space for future expansion purposes.

#### 4.6 Working capital

DTB proposed to allocate approximately RM2.090 million (based on Minimum Scenario) and RM6.751 million (based on Maximum Scenario) raised from the Rights Issue with Warrants to finance DTB Group's day-to-day operations as follows:

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Payment of trade and other creditors <sup>(i)</sup>	1,090	3,000
Purchase of raw materials <sup>(ii)</sup>	1,000	3,500
Staff salaries and administrative expenses <sup>(iii)</sup>	-	251
<b>Total</b>	<b>2,090</b>	<b>6,751</b>

Notes:

- (i) As at 31 August 2015, the Group has over 756 trade and other creditors with a total outstanding amount of approximately RM41.82 million. The amount of repayment to be made to these trade and other creditors is RM1.09 million (under the Minimum Scenario) and RM3.0 million (under the Maximum Scenario). The remaining outstanding amount with its trade and other creditors will be repaid via the Group's internally generated funds and/or bank borrowings.
- (ii) Purchase of raw materials include amongst others, paper, plastic resins, plastic sheets and consumables. The purchase of raw materials is to meet the production needs of the existing and future business of the Group.
- (iii) Staff salaries and administrative expenses comprise the Group's day-to-day operations expenses to support the existing business operations which shall include, but not limited to the payment of salaries to staff, utilities, office expenses and other statutory professional fees such as audit fees and tax fees. The exact breakdown of the proceeds in respect of the expenses has not been determined by the Company.

The proceeds from the Rights Issue with Warrants earmarked for the working capital of DTB Group would enhance DTB Group's cash flow in funding the Group's daily operational activities.

#### 4.7 Estimated expenses in relation to the Corporate Exercises

The estimated expenses of approximately RM1.6 million consist of professional fees, fees payable to authorities, printing costs and other expenses relating to the implementation of the Corporate Exercises (excluding placement agent fees and fees payable to the relevant authorities in relation to the Private Placement with Warrants).

Any surplus or shortfall of funds for the payment of expenses in relation to the Corporate Exercises will be adjusted accordingly from or to the working capital.



The actual gross proceeds to be raised would depend on the actual number of Rights Shares to be issued. Any variation between the actual gross proceeds to be raised and the intended gross proceeds will be adjusted against the amount allocated for the intended utilisation as set out above.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants. The gross proceeds to be raised from the exercise of Warrants will be utilised as working capital and/or repayment of bank borrowings of the DTB Group of which the breakdown and the expected timeframe for full utilisation cannot be determined by the Board at this juncture.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the Group.

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## 5. RISK FACTORS

In addition to the other information in this AP, you should carefully consider the following risk factors (which may not be exhaustive) before subscribing for or investing in the Rights Issue with Warrants:

### 5.1 Risk relating to the Group's business

The operations of the Group expose them to risks inherent in the manufacturing industry.

#### (i) Business risks

DTB Group is principally involved in the customised packaging and manufacturing of electronics and electrical ("E&E") components. Hence, we are subject to the risks inherent in such manufacturing industry, which include but are not limited to labour supply, fluctuation in labour costs, changes in general economic, business and credit conditions, and changes in legal and environmental framework within which the industry the Group operates.

The customised manufacturing process may also be disrupted if there is any shortage of raw materials, as well as fluctuation in the prices of these raw materials. As such, any increase in the prices of raw materials will have a direct impact on the Group's cost of sales. In the event the increase in costs cannot be passed on to the customers, the gross profit margin will be eroded, hence affecting the Group's profitability.

Although we continuously seek to limit and mitigate the abovementioned risk through, *inter alia*, prudent business strategies, continuous review of the production operations and marketing strategies, effort taken to improve the efficiency of the operations, as well as maintaining long-term business relationships with the Group's customers, there can be no assurance that any change to these risks would have a material adverse effect on the Group's business.

#### (ii) Economic, political and regulatory risks

The developments in political, economic and regulatory conditions in Malaysia and other countries where the Group has a business presence, such as Thailand, could materially affect the business and financial prospects of the Group. Risks include but are not limited to changes in the interest rate, methods of taxation, currency exchange rules and controls, inflation, introduction of new regulations, civil unrest, expropriation and riots. Whilst the Group continues to take measures to mitigate these risks including close monitoring of the relevant government's master plan in respect of long-term economic and development policies so that the Group can stay ahead as well as capitalise on any regulatory changes in the industry in which the Group operates, there is no assurance that any adverse political, economic and regulatory conditions will not materially affect the Group.

**(iii) Risk inherent in the Group's expansion plan**

The fund from the Rights Issue with Warrants would be utilised partially for the expansion of facilities, which would enable the Group to generate additional production capacity and to expand its packaging and contract manufacturing operations. The expansion will also benefit the Group in terms of cost savings from rental expenses and better management control as a result of the relocation of certain business operations into one factory building.

However, there is no assurance that there will not be any delay in the completion of the Group's business expansion plans. Any prolonged delay could adversely affect the Group's business, financial condition, operating results and future prospects.

Although the Board believes that the Group may derive benefits from the expansion of the Group's facilities, there can be no assurance in terms of realising the anticipated benefits of the expansion, achieving profitability and contributing to the overall financial results of the Group.

However, the Group believes it can mitigate such risks as the management would closely monitor market requirements and regulatory requirements as well as to adopt prudent management and efficient operating procedures in the new facilities.

**(iv) Competition**

The Group may face competition from international and domestic players across the industries in which they operate and there may be no assurance that the Group will be able to maintain its existing market share in the future.

Notwithstanding the above, DTB and its subsidiaries as an established Group in their respective industries, expect that they can continue to strive to remain competitive based on their experience.

In addition, future success will depend significantly upon the Group's ability to respond to changing market conditions and demand, and employ marketing strategies that will suitably position the Group to fulfill the need of the target market.

**(v) Foreign exchange risks**

The functional currencies of the Group are RM and THB. The Group is exposed to foreign exchange risks through its operations in Malaysia and Thailand, where the sales and purchases transactions are mainly in USD and SGD besides its functional currencies. DTB's business is therefore exposed to foreign currency risks, mainly from the fluctuations of these currencies.

In order to mitigate such risk, the Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the operations or investment is located. Certain subsidiary companies of DTB use forward currency contracts to reduce the currency exposure.

Fluctuations in foreign exchange rates may be detrimental to the Group. Nevertheless, the Group will assess the need to utilise financial instruments to hedge its foreign exchange exposure to mitigate both transaction and translation foreign exchange risk exposures.

**(vi) Fluctuations in raw material prices**

Cost escalation from acquiring raw materials, processes, labour and equipment is another concern of the Group, which may result in rising overall cost of production. In this respect, in addition to maintaining good relationships with its existing suppliers, the Group continuously sources for suppliers that are able to meet the Group's specifications and quality requirements at competitive prices and which are able to provide the required level of suppliers' support. Where possible, the Group would also pass on any cost increases to its customers. However, there can be no assurance that the Group's continual effort of expanding its network of suppliers and seeking competitive prices for its raw materials will be able to avoid increase in its cost of production which may adversely affect the business and profitability of the Group.

**(vii) Breakdown of machineries in the Group's production lines**

The Group's business in customised packaging and manufacturing of E&E components are exposed to the risks of breakdown of machineries used in the Group's production lines. The event of significant breakdowns or prolonged interruptions to the Group's production lines could create bottleneck of orders and affect its ability to deliver the orders of their customers. This in turn could have adverse effects on the Group's profitability and reputation.

DTB Group has maintenance personnel in its factories to monitor and maintain its machineries to prevent breakdown and to provide maintenance to ensure its machineries are operating smoothly and to avoid disruptions to production.

**(viii) Emergency risks and security and system disruptions**

Every business faces the risk of losses arising from emergencies such as breakout of fire, energy crisis, flood and other natural disasters. The Group has taken note of such risks and has taken the necessary precautions to reduce such risks by having proper emergency systems and carrying out periodical review on its security and maintenance. The Group has in place a system of educating its employees in fire safety. The Group's staffs are trained in proper handling and storage of combustible materials. Further, every business is generally exposed to security and system disruptions. Security risks would include entry to premises and other areas by unauthorised persons, while system disruptions can be a result of water and power failure, as well as, breakdown in computer systems.

The Group has taken several steps in order to mitigate these risks, including among others, hiring of security personnel and installation of security systems, frequent checks of machineries and other equipments as well as, installation of generators to support machineries and operations areas. In the event that the Group is affected by the abovementioned factors, the financial performance and operations of the Group may be adversely affected. While the Group has taken appropriate insurance cover to mitigate these risks, there can no assurance that this will not happen in the future.

**(ix) Dependence on key personnel**

The success of the Group is believed to depend, to a significant extent, upon the abilities and continual efforts of its existing Directors and senior management. To a certain extent, the loss of any key Directors and key members of the senior management may adversely affect the Group's continued ability to compete effectively in the industries concerned. In addition, the Group's future success will also depend upon its ability to attract and retain skilled personnel. Measures taken by the Group include the provision of on-going training programmes and the offering of attractive remuneration packages as well as grooming talents for succession.

**5.2 Risk relating to the Rights Issue with Warrants**

**(i) Delay in or failure of the Rights Issue with Warrants**

The Rights Issue with Warrants is exposed to risk which could lead to it being aborted or delayed which include, amongst other, the following events:

- (a) force majeure such as flood, earthquake, storm and epidemic, which are beyond the control of the Company and/or the Adviser, arising prior to or during the implementation of the Rights Issue with Warrants; or
- (b) the Underwriter exercises its rights under the Underwriting Agreement to terminate its commitments and discharge itself from its obligations for any reason whatsoever.

Our Company will exercise its best endeavours to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or the abortion of the Rights Issue with Warrants. Pursuant to Section 243 of the CMSA, in the event that the Rights Issue with Warrants is aborted, our Company will repay without interest all monies received from the applicants and if such monies are not repaid within 14 days after it becomes liable, our Company and officers shall be liable to return such money with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

**(ii) No prior market for Warrants**

There can be no assurance that there will be an active market for the Warrants upon or subsequent to its listing on Bursa Securities or, if developed, that such a market is sustainable or adequately liquid during the tenure of the Warrants.

The market price of the Warrants is subject to fluctuations and will be influenced by, *inter alia*, trades in substantial amount of the Warrants, the volatility of DTB Shares, announcements relating to the business of DTB Group, the financial performance of DTB Group, the exercise period of the Warrants, as well as external factors, such as economic and political conditions, sentiments and liquidity in the local stock market as well as the performance of regional and world bourses.

**(iii) Market risk for the Rights Shares, the Bonus Shares and the Warrants**

The Issue Price of the Rights Shares and the exercise price of the Warrants have been determined, after taking into consideration, amongst others, the TEAP of DTB Shares and the par value of DTB Share as set out in Sections 2.1.2 and 2.1.3 of this AP.

The market price of DTB Shares is influenced by prevailing market sentiments, volatility of equity markets, outlook of the manufacturing and electronics industry, and our financial performance. In view of this, there can be no assurance that DTB Shares will trade above the Issue Price or the TEAP of the Shares upon or subsequent to the listing of and quotation for the Rights Shares and the Bonus Shares on the Main Market.

You are also requested to consider that each Warrant derives its value by giving its holder the right to subscribe for new DTB Share at an exercise price of RM0.25 per DTB Share over the tenure of the Warrants of five (5) years from the date of the issuance of the first Warrant. If the price of the Warrants is quoted and traded on the Main Market and the exercise price is higher than the price of the underlying DTB Shares, the Warrants are deemed to be "out-of-the-money" and hence, there may not be an incentive for the Warrant holders to exercise their Warrants.

The value of the Warrants is dependent on the market price of DTB Shares, exercise price for the Warrants, remaining tenure of the Warrants, volatility of the share price, perceived risk-free rates applicable in the relevant market and dividend payments of the Company.

There is also no assurance that an active market for the Warrants will develop upon their listing on Bursa Securities or if developed, that such market can be sustained upon or subsequent to the listing of the Warrants.

Furthermore, you are reminded that should the outstanding Warrants expire at the end of its tenure, it will cease thereafter to be valid for any purposes and hence, will no longer have any value.

**(iv) Potential dilution**

Entitled Shareholders who do not or are not able to subscribe for all or part of the Rights Issue with Warrants provisionally allotted to them will have their proportionate percentage of shareholdings and voting interests in the Company reduced accordingly.

**5.3 Forward looking statements**

Certain information in the AP is based on the historical experience of the Group which may not be reflective of the future results. Whilst these information may be forward-looking, the subjective contingencies and inherent uncertainties underlying these information should be carefully considered by investors and should not be regarded as a representation or warranty by the Company and IPS that the objectives and future plans of the Group will be achieved.

Further, and save as required by law or relevant rules and regulations, none of the Directors and the advisers are under any obligation to update any forward looking statements included in this AP, or to publicly announce any revision to those forward looking statements for any reason, even if new information becomes available or other events occur in the future.

## 6. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

### 6.1 Overview and outlook of Malaysian economy

The Malaysian economy registered a growth of 4.9% in the second quarter of 2015 (1Q 2015: 5.6%), driven mainly by the private sector demand. On the supply side, growth was supported by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.1% (1Q 2015: 1.2%).

Private sector activity remained the key driver of growth during the quarter. Private consumption expanded at a more moderate rate of 6.4% (1Q 2015: 8.8%), as households adjust to the implementation of the Goods and Services Tax ("GST"). Private investment grew more moderately by 3.9% (1Q 2015: 11.7%), due to a decline in spending on machinery and equipment, especially in the transportation segment, and slower investment in dwelling services.

Growth in public consumption improved in the second quarter (6.8%; 1Q 2015:4.1%), due to stronger expansion in supplies and services expenditure amid sustained growth in emoluments. Public investment turned negative in the second quarter (-0.8%; 1Q 2015: 0.5%) attributed mainly to the near completion of a few projects by public enterprises, which more than offset the positive growth of capital expenditure by the Federal Government.

On the supply side, the major economic sectors registered more moderate growth during the quarter. The lower growth in the services sector was the outcome of a slower expansion in most sub-sectors while the moderation in manufacturing sector was due to the more modest performance in export oriented industries. Growth in the mining sector was affected mainly by the lower production of natural gas. The construction sector also recorded lower growth due to a moderation in real activity in the residential, non-residential and civil engineering sub-sectors. The agriculture sector turned around to record positive growth amid higher production of palm oil.

Inflation, as measured by the annual change in the Consumer Price Index ("CPI"), increased to 2.2% in the second quarter of 2015 (1Q 2015: 0.7%) reflecting mainly the impact of the implementation of the GST on 1 April. The price increases were broad-based, with all twelve categories of the CPI basket registering higher inflation in the second quarter compared to the first quarter. Meanwhile, prices in the transport category declined at a lower rate of 3.6% in the second quarter (1Q 2015: -7.6%), reflecting the upward adjustment of domestic fuel prices.

The trade surplus amounted to RM20.4 billion in the second quarter of 2015 (1Q 2015: RM21.3 billion). Gross exports declined by 3.7% (1Q 2015: -2.5%), due mainly to the contraction in the exports of commodities and resource-based manufactured products. Similarly, gross imports recorded a contraction of 5.2% during the quarter (1Q 2015: +0.2%), weighed down by weaker performance of all import categories, except for consumption imports.

The Malaysian economy is expected to remain on a steady growth path, with domestic demand continuing to be the key driver of growth. Private consumption is expected to continue to adjust to the introduction of the GST, although wage growth and stable labour market conditions would provide support to household spending. Investment activity will be supported by capital spending in the manufacturing and services sectors, as well as for infrastructure projects. These developments will contribute towards offsetting the weaker performance of the external sector.

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2015, Bank Negara Malaysia)*

## 6.2 Overview and outlook of manufacturing industry

The manufacturing sector recorded a lower growth of 4.2% (1Q 2015: 5.6%) which was the result of the more modest performance in export-oriented industries. The performance of the export-oriented industries was affected by weaker global demand particularly for E&E products. However, the domestic-oriented industries recorded a stronger growth, supported by better performance in the transport-equipment industries.

Overall capacity utilisation rate in the manufacturing sector remains unchanged in the second quarter (78%; 1Q 2015: 78%). The slight improvement in the export-oriented industries' capacity utilisation (81%, 1Q 2015: 80%) offsets the lower capacity utilisation in the domestic-oriented industries (71%, 1Q 2015: 74%).

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2015, Bank Negara Malaysia)*

For the first three months of 2015, approved investments in the manufacturing sector surged 152.6% compared with the corresponding period in 2014. The higher level of investments were from the Petronas project in Pengerang, Johor, to build a refinery and cracker plant as well as expansion and diversification activities by existing E&E manufacturers in storage devices, and semiconductor sub-sectors. The petroleum, petrochemicals, and E&E products accounted for RM29.5 billion or 87.8% of total approved investments in the manufacturing sector.

The E&E projects contributed RM4.1 billion or 49.4% of investments of the non-oil sector. The industry continued to attract high levels of investments after a strong performance of RM11.1 billion recorded in 2014. Almost three-quarters of the E&E projects approved in January-March 2015 will export 80% of their products, indicating their major role in generating export earnings.

Capital-intensive projects continue to dominate the approved investments for the manufacturing sector. Capital intensity, as measured by the capital investment per employee ("**CIPE**") ratio of projects approved in Q1 2015 was at RM1,221,812. The CIPE ratio of manufacturing projects in Q1 2015 has registered an increase of 62% compared with the ratio in Q1 2014 (RM753,203). Projects with investments of at least RM100 million or more accounted for more than 90% of approved investments. Encouragingly, investments in small and medium sized ("**SMI**") projects held their own as well, with the approval of 176 projects of less than RM100 million each, compared to 174 projects in the corresponding period last year.

The largest number of projects will be located in Johor, Penang, Selangor, Kedah and Malacca, accounting for 96.1% or a total of RM32.3 billion of approved investments in this sector.

The leading sources of foreign investments for the first three months of 2015 were the US, Japan, Netherlands, Singapore and China. These five countries jointly accounted for 88.1% of total foreign investments approved in the manufacturing sector for this period.

*(Source: Malaysian Investment Development Authority ("**MIDA**"))*



### 6.3 Overview and outlook of electronics industry in Malaysia

The E&E industry is one of the leading industries, contributing 24.5 per cent to the manufacturing sector in the Malaysia's Gross Domestic Product ("GDP"). E&E products have been the largest traded items for Malaysia for several decades since the industry inception in the 1960s. The industry evolution until today has turned Malaysia as one of the leading points in the global E&E value chain.

In 2014, Malaysia's exports of E&E products was valued at RM231.23 billion, with 49.2 per cent share of manufactured goods exports and 32.9 per cent share of Malaysia's total exports. Major export destinations are China, United States of America ("USA"), Singapore, Hong Kong and Japan.

E&E products were also the largest imports amounted to RM175.00 billion, representing a share of 37.8% of manufactured goods imports and 28.8% of Malaysia's total imports. Malaysia's top import sources for E&E products are China, Singapore, USA, Japan and Taiwan.

*(Source: MATRADE)*

In the E&E subsector, production grew more strongly by 13.3%, during the first seven months of 2014 (January - July 2013: 6.9%), mainly driven by electronic components communication equipment and domestic appliances. The global trend in semiconductor sales has been encouraging in the US, Asia Pacific, Japan and Europe, with the book-to-bill ratio increasing above 1 since October 2013. The global sales of semiconductors increased 10.3% during the first seven months of 2014 to about USD188 billion, a record high for the semiconductor industry. The output of printed circuit boards and semiconductor device rose 53.9% and 10.5%, respectively (January - July 2013: 26.2%; 18.5%) in line with the growing demand for consumer electronics, particularly mobile devices, as well as improving global personal computers ("PC") sales. Since early this year, global PC sales rose, albeit on a moderating trend, due to the replacement of PCs with a new operating system. Prices of PCs are also falling, narrowing the price differential with tablets. In contrast, the output of general-purpose machinery decreased 8.8% (January - July 2013: -1.8%) on account of decline in manufacture of air-conditioning machines (-17.9%) as well as lifting and handling equipment (-8.25%).

Receipts form E&E products grew at an impressive 10.6%, rebounding from a contraction of 2.9% in the corresponding period last year. The steady improvement in the global economy, coupled with a pick up in the ICT industry led to surge of 20.1% in exports of semiconductor devices (January - July 2013: 0.8%). The segment remained the largest component, accounting for 49.4% of total E&E exports during the first seven months of 2014. Higher shipments of semiconductor devices were recorded, especially to major markets such as China, Hong Kong and the US. In particular, electronic integrated circuits and photosensitive semiconductor devices accelerated 24.1% and 18.5%, respectively. In addition, the robust demand for mid-to-low-end smartphones and tablets, notably in emerging markets has driven higher shipments of telecommunication equipments and parts, which turned around with a strong growth of 30.9% (January-July 2013: -9.4%) to the US, Netherlands, Singapore and Mexico.

*(Source: Chapter 3, Economic Report 2014/2015, Ministry of Finance Malaysia)*

### 6.4 Prospects of the DTB Group

The DTB Group is involved in three major business segments:

- (i) Integrated supply chain of products and services – sales and distribution of advanced packing materials, electronic products, chemicals, spare parts and consumables;
- (ii) Contract manufacturing – contract manufacturer for consumer electronics and HDD components; and

- (iii) Supply of packaging materials and other materials – manufacturing, sales and distribution of advanced packaging material for electronics products, medical products, food related products, consumables and supply of surveillance system equipment.

The types of products and services offered by DTB Group in the three major business segments are as follows:

<b>Product/services classification</b>	<b>Description and type of products/services</b>	<b>Major customers' business/ Target market</b>
<b>Integrated supply chain of products and services</b>		
Supply chain management service utilising Just-in-time ("JIT") system	Advanced packaging materials, electronic products, chemicals, spare parts and consumables	Electronics and electrical  Rubber gloves
<b>Contract manufacturing</b>		
Clean room inspection	Visual inspection on customers' products for quality acceptance	Consumer electronics
Aqueous cleaning services and thermo vacuum forming	Production of customised thermo formed products together with clean room aqueous cleaning services	HDD
<b>Supply of packaging materials and other materials</b>		
Paper	Corrugated carton boxes, kraft paper rolls, paper cores, paper partitions, edge boards, paper reels, slip sheets, paper pallets and paper crates	Consumer electronics  Food
Foam	Foam packaging	Electronics and electrical
Wooden products	Wooden pallets, wooden crates and wood engravings	
Thermo vacuum forming	Customised trays for product display, material handling trays or packaging trays.	
Supply of surveillance system equipment	Security and video surveillance equipments such as Closed-Circuit Television ("CCTV"), cameras and wired or wireless alarms.	Surveillance system installers

DTB Group's customers are in the E&E, rubber gloves manufacturing, HDD, medical products, consumer electronics, foods related products sectors. DTB Group's customers mainly operate in Malaysia, Thailand and Singapore. The DTB Group has over 25 years of operating history in Malaysia and more than 10 years in Thailand with an extensive network within Peninsular Malaysia and Thailand.

DTB's subsidiary, ISCM Technology's quality management has been certified International Organisation of Standardisation ("ISO") 9001:2008 and its environmental management system has been certified ISO 14001:2004 while AVSB's environmental management system has been certified MS ISO 9001:2008 and MS ISO 14001:2004. As part of the Group's contract manufacturing operations, the DTB Group provides washing services under various classes of clean room environments for the electronic and electrical industry whereby the DTB Group has strong specialisation in tray and component washing. The DTB Group's customised packaging and design operation has in-house designing capabilities to custom-design packaging needs of any product or component with great precision.

The DTB Group also operates as a supply chain management hub, utilising JIT system whereby the DTB Group is able to consolidate materials from various sources, manage and control materials and vendors, and then supply them to its customers as and when required using the DTB Group's sophisticated and well developed logistic network. The DTB Group's JIT system is able to provide its customers with efficient inventory management system under the JIT process.

One project undertaken by DTB Group, namely by its subsidiary, AVJB recently is as follows:

Customer	Nature of Project	Approximate contract value (RM' million)	Secured	Completed
Malaysian company involved in surveillance system business	To supply equipment for the installation of surveillance system in 25 town councils in Malaysia	53.0 <sup>(1)</sup>	May 2014	February 2015

*Note:*

- (1) Pursuant to the terms of the agreement between AVJB and the customer, the total contract sum of RM53.0 million will be paid to AVJB over a period of fifty (50) months commencing 1 January 2015 or upon completion of the project, whichever is earlier.

Other than the above, all of DTB Group's sales are on purchases order basis from its customers. Its customers do not enter into any contract to purchase from subsidiary companies of DTB.

The Group's financial performance for the past four (4) years up to FYE 31 August 2015 and the commentaries for the performance are as set out in Section 7 of Appendix II of this AP.

Today, multinational corporations ("MNC") are concentrating on expanding their research and development capabilities in Malaysia and creating higher income jobs from higher value-added activities. Malaysian companies such as the DTB Group are following suit and are developing their competencies in order to support the MNC's activities. The DTB Group expects that the demand for its products and services from existing or potential new customers in the semiconductor, HDD, medical products, consumer electronics and food related products will increase.

The Group will continue to improve its businesses, processes and cost management to retain and gain market share. It is expected that the market environment will continue to be challenging and the Group will continue to adapt its business strategies to current market environment, streamline its business processes and grow via expansion programmes.

Moving forward, DTB intends to develop and expand its core business into other market segments especially into the medical, automotive and food industries.

The proceeds to be raised from the Rights Issue with Warrants will be used to upgrade the Group's facilities into world class manufacturing facilities in tandem with the expansion of its existing capacity.

*(Source: Management of the DTB Group)*

## 7. FINANCIAL EFFECTS OF THE CORPORATE EXERCISES

### 7.1 Share capital

The effects of the Corporate Exercises (excluding the Par Value Reduction which has been completed on 23 September 2015) on the issued and paid-up share capital of DTB are as follows:

	Minimum Scenario			Maximum Scenario		
	No. of Shares	Par value		No. of Shares	Par value	
	'000	RM	RM'000	'000	RM	RM'000
Existing issued and paid-up share capital as at LPD	45,101	0.25	11,275	45,101	0.25	11,275
No. of Rights Shares to be issued	52,358	0.25	13,090	90,202	0.25	22,551
After Rights Issue with Warrants	97,459	0.25	24,365	135,303	0.25	33,826
No. of Bonus Shares to be issued	26,179	0.25	6,545	45,101	0.25	11,275
After Bonus Issue	123,638	0.25	30,910	180,404	0.25	45,101
No. of Placement Shares to be issued	24,728	0.25	6,182	36,081	0.25	9,020
After Private Placement with Warrants	148,366	0.25	37,092	216,485	0.25	54,121
Assuming full exercise of Warrants	64,722	0.25	16,180	108,243	0.25	27,061
After full exercise of Warrants	213,088	0.25	53,272	324,728	0.25	81,182
Assuming full exercise of ESOS <sup>(i)</sup>	31,963	0.25	7,991	48,709	0.25	12,177
After full exercise of ESOS	245,051	0.25	61,263	373,437	0.25	93,359

Note:

- (i) For illustration purposes, the maximum number of DTB Shares which may be offered for subscription, and allotted and issued upon exercise of the ESOS Options under the ESOS is 31,963,000 (under the Minimum Scenario) and 48,709,000 (under the Maximum Scenario) or approximately 15% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after the implementation of the Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants and assuming that all of the Warrants have been exercised by the Warrant holders.

The effects of the Share Buy-Back on the issued and paid-up share capital of the Company will depend on whether the purchased shares are cancelled or retained as treasury shares.

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For illustration purposes, based on the audited consolidated financial statements of DTB as at 31 August 2014 and on the assumption that the Corporate Exercises have been effected as at that date, the maximum number of DTB Shares (of up to ten percent (10%) of the issued and paid-up share capital) authorised under the Share Buy-Back are purchased and cancelled, it will result in the issued and paid-up share capital of the Company being reduced as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Enlarged issued and paid-up share capital <sup>(i)</sup>	245,051	61,263	373,437	93,359
Less: Maximum number of DTB Shares that may be purchased pursuant to the Share Buy-Back	(24,505)	(6,126)	(37,344)	(9,336)
Resultant issued and paid-up share capital	220,546	55,137	336,093	84,023

Note:

- (i) *Enlarged issued and paid-up share capital assuming that the Corporate Exercises have been effected as at 31 August 2014 and all the Warrants and ESOS Options have been exercised.*

The Share Buy-Back is not expected to have any effect on the issued and paid-up share capital if all the shares purchased are retained as treasury shares but the rights attaching to the treasury shares as to voting, dividends and participation in any other distribution or otherwise will be suspended. The treasury shares shall not be taken into account in calculating the number of percentage of shares or of class of shares in the Company for any purposes including calculation of substantial shareholdings, take-overs, notices, the requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

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## 7.2 NA per share and gearing

For illustration purposes, based on the audited consolidated financial statements of DTB as at 31 August 2014 and on the assumption that the Corporate Exercises had been effected as at that date, the proforma effects of the Corporate Exercises on the NA per share and gearing of the DTB Group are as follows:

### Minimum Scenario

	Audited as at 31 August 2014	(i) After the Par Value Reduction	(ii) After (i) and the Rights Issue with Warrants	(iii) After (ii) and the Bonus Issue	(iv) After (iii) and the Private Placement Warrants <sup>(iii)</sup>	(v) After (iv) and the ESOS	(vi) After (v) and assuming full exercise of Warrants <sup>(viii)</sup>	(vii) After (vi) and assuming full exercise of ESOS <sup>(ix)</sup>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	45,101	11,275	24,365	30,910	37,092	37,092	53,272	61,263
Share premium	12,310	12,310	12,310	5,765	5,765	5,765	12,520	18,507
Other reserves	5,730	5,730	5,730	5,730	5,730	5,730	5,730	5,730
Warrants reserves	-	-	<sup>(i)</sup> 5,466	5,466	<sup>(iv)</sup> 6,755	6,755	-	-
Share option reserves (Accumulated losses)/retained earnings	-	-	-	-	-	<sup>(vi)</sup> 5,987	5,987	-
Shareholders' funds/NA	(17,352)	16,474	<sup>(ii)</sup> 9,408	9,408	<sup>(v)</sup> 7,919	<sup>(vii)</sup> 1,932	1,932	1,932
	45,789	45,789	57,279	57,279	63,261	63,261	79,441	87,432
No. of DTB Shares in issue ('000)	45,101	45,101	97,459	123,638	148,366	148,366	213,088	245,051
NA per DTB Share (RM) <sup>(x)</sup>	1.02	1.02	0.59	0.46	0.43	0.43	0.37	0.36
Total borrowings (RM'000)	82,767	82,767	82,767	82,767	82,767	82,767	82,767	82,767
Gearing ratio (times) <sup>(xi)</sup>	1.81	1.81	1.44	1.44	1.31	1.31	1.04	0.95

Notes:

- (i) Based on the indicative relative fair value of RM0.1044 per Warrant as at LPD. Please refer to Appendix III for further information.
- (ii) After taking into consideration the indicative relative fair value of RM0.1044 per Warrant and estimated expenses of the Corporate Exercises of approximately RM1.6 million.
- (iii) Based on assumed issue price of RM0.25 per Placement Share.
- (iv) Based on the indicative relative fair value of RM0.1043 per Warrant as at LPD. Please refer to Appendix III for further information.
- (v) After taking into consideration the indicative relative fair value of RM0.1043 per Warrant and estimated expenses in relation to the Private Placement with Warrants of approximately RM0.20 million.
- (vi) Based on 15% of issued and paid-up share capital after and assuming full exercise of Warrants and an indicative fair value of RM0.1873 per ESOS Option as at LPD. Please refer to Appendix III for further information.
- (vii) After taking into consideration the indicative fair value of RM0.1873 per ESOS Option. Please refer to Appendix III for further information.
- (viii) Assuming that all the Warrants are fully exercised at the exercise price of RM0.25 per Warrant.
- (ix) Assuming that all the ESOS Options are granted with an exercise price of RM0.25 per ESOS Option and fully exercised.
- (x) Being total shareholders' funds of the DTB Group divided by the number of DTB Shares in issue.
- (xi) Being total borrowings divided by total shareholders' funds of the DTB Group.

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**Maximum Scenario**

	(i) Audited as at 31 August 2014	(i) After the Par Value Reduction	(ii) After (i) and the Rights Issue with Warrants	(iii) After (ii) and the Bonus Issue	(iv) After (iii) and the Private Placement with Warrants <sup>(iii)</sup>	(v) After (iv) and the ESOS	(vi) After (v) and assuming full exercise of Warrants <sup>(viii)</sup>	(vii) After (vi) and assuming full exercise of ESOS <sup>(ix)</sup>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	45,101	11,275	33,826	45,101	54,121	54,121	81,182	93,359
Share premium	12,310	12,310	12,310	1,035	1,035	1,035	12,164	20,216
Other reserves	5,730	5,730	5,730	5,730	5,730	5,730	5,730	5,730
Warrants reserves	-	-	<sup>(i)</sup> 9,273	9,273	<sup>(iv)</sup> 11,129	11,129	-	-
Share option reserves (Accumulated losses)/retained earnings	-	-	-	-	-	<sup>(vi)</sup> 8,052	8,052	-
Shareholders' funds/NA	(17,352)	16,474	<sup>(ii)</sup> 5,601	5,601	<sup>(iv)</sup> 3,545	<sup>(vii)</sup> (4,507)	(4,507)	(4,507)
	45,789	45,789	66,740	66,740	75,560	75,560	102,621	114,798
No. of DTB Shares in issue ('000)	45,101	45,101	135,303	180,404	216,485	216,485	324,728	373,437
NA per DTB Share (RM) <sup>(x)</sup>	1.02	1.02	0.49	0.37	0.35	0.35	0.32	0.31
Total borrowings (RM'000)	82,767	82,767	82,767	82,767	82,767	82,767	82,767	82,767
Gearing ratio (times) <sup>(xi)</sup>	1.81	1.81	1.24	1.24	1.10	1.10	0.81	0.72

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Notes:

- (i) Based on the indicative relative fair value of RM0.1028 per Warrant as at LPD. Please refer to Appendix III for further information.
- (ii) After taking into consideration the indicative relative fair value of RM0.1028 per Warrant and estimated expenses of the Corporate Exercises of approximately RM1.6 million.
- (iii) Based on assumed issue price of RM0.25 per Placement Share.
- (iv) Based on the indicative relative fair value of RM0.1029 per Warrant as at LPD. Please refer to Appendix III for further information.
- (v) After taking into consideration the indicative relative fair value of RM0.1029 per Warrant and estimated expenses in relation to the Private Placement with Warrants of approximately RM0.20 million.
- (vi) Based on 15% of issued and paid-up share capital after and assuming full exercise of Warrants and an indicative fair value of RM0.1653 per ESOS Option as at LPD. Please refer to Appendix III for further information.
- (vii) After taking into consideration the indicative fair value of RM0.1653 per ESOS Option. Please refer to Appendix III for further information.
- (viii) Assuming that all the Warrants are fully exercised at the exercise price of RM0.25 per Warrant.
- (ix) Assuming that all the ESOS Options are granted with an exercise price of RM0.25 per ESOS Option and fully exercised.
- (x) Being total shareholders' funds of the DTB Group divided by the number of DTB Shares in issue.
- (xi) Being total borrowings divided by total shareholders' funds of the DTB Group.

Regardless of whether the DTB Shares purchased pursuant to the Share Buy-Back are cancelled or retained as treasury shares, the NA per share will decrease if the cost per purchased share exceeds the NA per share at the relevant point in time when the DTB Shares are purchased. However, if the cost per purchased share is below the NA per share at the relevant point in time when the DTB Shares are purchased, the NA per share will increase.

In the case where the purchased shares are treated as treasury shares and subsequently resold on the stock market of Bursa Securities, the NA per share upon the resale will increase if the Company resell the treasury shares at price(s) higher than the cost of purchase and vice-versa. If the treasury shares are distributed as share dividends, the NA of the Company will decrease by the cost of the treasury shares at the point of purchase. The quantum of the increase or decrease in NA will depend on the actual selling price and the number of the treasury shares resold to the market.

### 7.3 Earnings and EPS

Save for the effect of the estimated expenses to be incurred pursuant to the Corporate Exercises, the Corporate Exercises are not expected to have any material effect on the earnings of DTB Group for the FYE 31 August 2016. Upon completion, the Board expects the Rights Issue with Warrants to contribute positively to the future earnings of the DTB Group.

However, the EPS of the Group is expected to be diluted as a result of the increase in the number of DTB Shares to be issued pursuant to the Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants and the number of new DTB Shares to be issued upon the exercise of the Warrants and ESOS Options in the future. The effect of any exercise of the Warrants and ESOS Options on the EPS of the DTB Group would be dependent on the returns to be generated by the DTB Group from the utilisation of proceeds arising from the exercise of the Warrants and ESOS Options.

The ESOS is not expected to have any immediate effect on the earnings and EPS of the DTB Group. In accordance with the Malaysian Financial Reporting Standards 2 ("**MFRS 2**") on share based payments issued by the Malaysian Accounting Standards Board, the potential cost arising from the issuance of the ESOS Options, which is measured by the fair value of the ESOS Options after taking into consideration, *inter alia*, the number of ESOS Options granted and vested and the exercise price of the ESOS Options, will need to be measured at the grant date and be recognised as an expense over the vesting period of the ESOS Options, and may therefore reduce the future earnings of the DTB Group, the quantum of which can be determined only at the grant date. The Company has taken note of the potential impact of MFRS 2 on the DTB Group's earnings and will take into consideration such impact in the granting and vesting of the ESOS Options under the ESOS.

The effect of the Share Buy-Back on the earnings of the Group is dependent on the purchase price of the DTB Shares, the quantum of shares bought back and the effective funding cost to finance such purchases and/or loss in interest income to DTB if internally generated funds are utilised. Further, if the purchased shares are cancelled or retained as treasury shares, the EPS may increase as a result of a lower number of shares being taken into account for purposes of EPS computation. However, the Share Buy-Back is not expected to have any material effect on the EPS of DTB for the FYE 31 August 2016.

## 8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

### 8.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds arising from the Rights Issue with Warrants and the funds generated from our operations and banking facilities made available to our Group, our Group will have adequate working capital for a period of twelve (12) months from the date of issue of this AP.

## 8.2 Borrowings

As at the LPD, the Group's total outstanding borrowings of approximately RM83.6 million, all of which are interest bearing, are as follows:

	Amount in foreign currency THB'000	Amount in RM RM'000
Short-term borrowings (payable within twelve (12) months)		
THB	118,091	*14,300
RM		31,765
<b>Total short-term borrowings</b>		<b>46,065</b>
Long-term borrowings (payable after twelve (12) months):		
THB	23,486	*2,844
RM		34,625
<b>Total long-term borrowings</b>		<b>37,469</b>
<b>Total borrowings</b>		<b>83,534</b>

Note:

\* *The borrowings in foreign currency are translated into RM for illustrative purposes only. Such translations should not be construed as representations that the foreign currency amounts referred to could have been, or could be, converted into RM, at that or any other rate at all.*

*Based on the exchange rate of THB8.2584/ RM1 as at the LPD.*

There has been no default on payments of either interest and/or principal sums in respect of any borrowings for the past FYE 31 August 2015 and the subsequent financial period up to the LPD.

## 8.3 Contingent liabilities

Save as disclosed below, as at the LPD, the DTB Group has not incurred any material contingent liabilities which upon being enforced may materially and adversely affect the profits and/or NA of the DTB Group:

Contingent liabilities	RM'000
Corporate guarantees given to licensed banks for banking facilities granted to certain subsidiaries	83,405

#### 8.4 Material commitments

Save as disclosed below, as at the LPD, the DTB Group has not incurred or known to be incurred any material commitment for capital expenditure that has not been provided for which, upon becoming due or enforceable, may have a material impact on the financial results/position or the business of DTB Group:

<b>Capital Commitment</b>	<b>RM'000</b>
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Approved and not contracted for:

- construction cost of a factory building	4,400
---	-------

The above commitment will be funded by the funds from the Rights Issue with Warrants, internally generated funds and/or borrowings.

### 9. PROCEDURES FOR ACCEPTANCE, SALE/TRANSFER, EXCESS RIGHTS SHARES APPLICATION AND PAYMENT

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment(s) which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants and Bonus Issue. You will find enclosed with this AP, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for Excess Rights Shares if you choose to do so.

This AP and the RSF are also available on Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)).

**FULL PROCEDURES FOR THE ACCEPTANCE, SALE/TRANSFER, APPLICATION FOR EXCESS RIGHTS SHARES AND PAYMENT ARE SET OUT IN THIS SECTION AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.**

**YOU AND/OR YOUR RENOUNCEE(S) ARE ADVISED TO READ THIS AP, THE RSF AND NOTES AND INSTRUCTIONS THEREIN CAREFULLY.**

Acceptance and/or payment for the Provisional Allotment(s) which do not conform strictly to the terms of this AP, the RSF and the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

#### 9.1 Acceptance and payment

Acceptance of and payment for the Provisional Allotment must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of the Board.

If you wish to accept your entitlement to the Provisional Allotment(s) provisionally allotted to you either in full or in part, please complete Parts I (A) and II of the RSF in accordance with the notes and instructions provided therein.

Each completed and signed RSF together with the appropriate remittance(s) for the full amount payable in respect of the amount of Rights Shares accepted must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** in the official envelope provided, to the Share Registrar at the following address, entirely at your own risk:

**Tricor Investor Services Sdn. Bhd. (118401-V)**

Unit 32-01, Level 32, Tower A  
Veritcal Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel No.: 03-2783 9299  
Fax No.: 03-2783 9222

so as to arrive not later than **5.00 p.m. on 16 November 2015**, being the last date and time for acceptance and payment, or such later date and time as the Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time.

Only one (1) RSF can be used for acceptance of the Provisional Allotments standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of the Provisional Allotments standing to the credit of more than one (1) CDS Account. If successful, the Rights Shares accepted by you or your renounee(s) (if applicable) and Warrants and Bonus Shares will be credited into the respective CDS Accounts where the Provisional Allotments are standing to the credit.

If you do not wish to accept the Provisional Allotments in full, you are entitled to accept part of your entitlement to the Provisional Allotments. The minimum number of the Provisional Allotments that can be accepted is two (2) Rights Shares. You should take note that a trading board lot comprises 100 Rights Shares.

If you or your renounee(s) (if applicable) lose, misplace or for any reasons require another copy of RSF, you may obtain additional copies of the RSF from your stockbrokers, Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)), the Share Registrar at the address stated above or the Registered Office at the following address:

Suite 12-02, 12th Floor Menara Zurich  
170 Jalan Argyll, 10050 Penang  
Tel No.: 04-229 6318  
Fax No.: 04-226 8318

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE PROVISIONAL ALLOTMENT(S) ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE PAYABLE TO "DTB RIGHTS ISSUE ACCOUNT" AND CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.**

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT WILL BE ISSUED BY THE COMPANY OR THE SHARE REGISTRAR FOR THE RECEIPT OF THE RSF OR THE APPLICATION MONIES IN RESPECT OF THE ACCEPTANCE OF THE PROVISIONAL ALLOTMENTS. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES, WARRANTS AND BONUS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

If the acceptance and payment for the Provisional Allotments allotted to you (whether in full or part) are not received by the Share Registrar by **5.00 p.m. on 16 November 2015**, being the last day and time for acceptance and payment, or such extended day and time as may be determined and announced by the Board, the said Provisional Allotments to you will be deemed to have been declined and will be cancelled. Such Rights Shares not taken up shall be made available for application for Excess Rights Shares in the manner as set out in Section 9.3 of this AP.

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN. IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS.**

## **9.2 Sale/transfer of Provisional Allotments**

As an Entitled Shareholder, you may wish to sell or transfer all or part of your entitlement to the Provisional Allotments to one (1) or more person(s) immediately through your stockbroker(s) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account(s).

To sell/transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such person(s) as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the sale/transfer of the Provisional Allotments.

Purchaser(s) of the Provisional Allotments may obtain a copy of this AP and the RSF from all Malaysian stockbroking companies, Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)), the Registered Office or the Share Registrar.

If you have sold/transferred only part of your entitlement to the Provisional Allotments, you may still accept the balance of your entitlement to the Provisional Allotments by completing Parts I and II of the RSF and forwarding the RSF together with the appropriate remittance for the full amount payable for the balance of the Rights Shares accepted to DTB Shares Registrar in accordance with the instructions as set out in Section 9.1 of this AP.

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

## **9.3 Application for Excess Rights Shares**

If you wish to apply for additional Rights Shares in excess of those provisionally allotted to you, you may do so by completing Part I (B) of the RSF (in addition to Parts I (A) and II of the RSF) and forwarding the RSF, together with a separate remittance for the full amount payable in respect of the Excess Rights Shares applied for to the Share Registrar so as to arrive not later than **5.00 p.m. on 16 November 2015**, being the last date and time for the application and payment, or such later date and time as the Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time.

Payment for the Excess Rights Shares applied for shall be made in the same manner described in Section 9.1 of this AP except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be payable to "**DTB EXCESS RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and your CDS Account number. The payment must be made in the exact amount. Any excess or insufficient payment and other than in the manner stated in this AP may be rejected at the absolute discretion of the Board.

The Board reserves the right to allocate the Excess Rights Shares, if any, in a fair and equitable manner, in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares applied for; and
- (iv) lastly, for allocation to renounee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares applied for.

Nevertheless, the Board reserves the right to allot any Excess Rights Shares applied for under Part 1 (B) of the RSF in such manner as the Board in their absolute discretion deems fit and expedient and in the best interest of the Company subject always to such allocation being made in a fair and equitable basis, and that the intention of the Board as set out above is achieved. The Board reserves the right not to accept or to accept the Excess Rights Shares application, in full or in part, without assigning any reason thereof.

**NO ACKNOWLEDGEMENT WILL BE ISSUED BY THE COMPANY OR THE SHARE REGISTRAR FOR THE RECEIPT OF THE RSF OR THE APPLICATION MONIES IN RESPECT OF THE ACCEPTANCE OF THE EXCESS RIGHTS SHARES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE EXCESS RIGHTS SHARES, WARRANTS AND BONUS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN. IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE AND TIME FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES.**

#### **9.4 Acceptance by renounees**

As a renounee, the procedures for acceptance, selling/transferring of the Provisional Allotments, applying for the Excess Rights Shares and/or payment is the same as that which is applicable to Entitled Shareholders as described in Section 9.1 of this AP.

Renounees may obtain a copy of this AP and the RSF from all Malaysian stockbroking companies, Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)), the Registered Office or the Share Registrar.

#### **9.5 Foreign Addressed Shareholders**

These Documents are not intended to comply with the laws of any jurisdiction other than Malaysia and will not be registered under applicable securities legislation of any overseas jurisdiction. Accordingly, the Rights Issue with Warrants will not be offered for subscription in any country other than Malaysia.

Therefore the Documents relating to the Rights Issue with Warrants and Bonus Issue will not be sent to foreign shareholders and/or their renounee(s) (if applicable) who have not provided an address in Malaysia for the service of documents as at the Entitlement Date. The foreign shareholders may, prior to the Entitlement Date, provide an address in Malaysia for service of documents to their respective stockbrokers as well as the Company's Registrar to effect the change of address. Alternatively, such foreign shareholders may collect the Documents from the Share Registrar, in which event, the Share Registrar shall be entitled to request for such evidence (i.e. identification or authorisation documents) as it may deem necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

The Foreign Addressed Shareholders and/or their renounee(s) of the Company may only exercise their rights in respect of the Rights Issue with Warrants to the extent that it would be lawful to do so, and the Company and/or advisers would not, in connection with the Rights Issue with Warrants and Bonus Issue, be in breach of the laws of any jurisdiction that the Foreign Addressed Shareholders and/or their renounee(s) might be subject to. The Foreign Addressed Shareholders and/or their renounee(s) shall be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subject to, and a participation by Foreign Addressed Shareholders and/or their renounee(s) in the Rights Issue with Warrants and Bonus Issue shall be on the basis of a warranty by the Foreign Addressed Shareholders and/or their renounee(s) that they may lawfully participate without the Company and/or advisers being in breach of the laws of any jurisdiction.

The Foreign Addressed Shareholders and/or their renounee(s) who do not provide an address in Malaysia or who are not entitled to subscribe for the Rights Shares pursuant to the Rights Issue with Warrants under the laws and jurisdiction to which they are subject to, will have no claim whatsoever against the Company and/or advisers in respect of their rights and entitlements under the Rights Issue with Warrants.

Neither the Company and/or advisers shall accept any responsibility or liability in the event that any acceptance of Foreign Addressed Shareholders and/or their renounee(s) of their rights in respect of the Rights Issue with Warrants and Bonus Issue is or shall become illegal, unenforceable, voidable or void.



By signing any of the RSF accompanying this AP, foreign Entitled Shareholders and/or their renounee(s) are deemed to have represented, acknowledged and declared in favour of (and which representation, acknowledgements and declarations will be relied upon by) the parties (or if it is a broker-dealer or custodian acting on behalf of its customer, such customer has confirmed to it that so represented, acknowledged and declared in respect of itself) that:

- (i) the parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants and Bonus Issue, be in breach of the laws of any countries or jurisdictions to which that the foreign Entitled Shareholders and/or their renounee(s) are or may be subject to;
- (ii) foreign Entitled Shareholders and/or their renounee(s) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) foreign Entitled Shareholders and/or their renounee(s) are not a nominee or agent of a person in respect of whom the parties would, by acting on the acceptance or renunciation, be in breach of the laws of any countries or jurisdictions to which that person is or may be subject to;
- (iv) foreign Entitled Shareholders and/or their renounee(s) are aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any way in accordance with all applicable laws in Malaysia;
- (v) foreign Entitled Shareholders and/or their renounee(s) have respectively received a copy of the Documents and had access to such financial and other information and have been provided with the opportunity to pose such questions to the representatives of the parties and receive answers thereto as they deem necessary in connection with their decision to subscribe or purchase the Rights Shares; and
- (vi) foreign Entitled Shareholders and/or their renounee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

However, the Company reserves the right, in its absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance with is treated as invalid will be included in the pool of Excess Rights Shares available for Excess Rights Shares application by Entitled Shareholders and/or their renounee(s).

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**10. TERMS AND CONDITIONS**

The issuance of the Rights Shares, the Bonus Shares, and the Warrants pursuant to the Rights Issue with Warrants and Bonus Issue is governed by the terms and conditions set out in the Documents and Deed Poll.

**11. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of the Board  
**D'NONOE TECHNOLOGY BHD.**



**Law Kim Choon**  
Chief Executive Officer/Group Managing Director

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015**



**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015**

**D'NOUNCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**SPECIAL RESOLUTION 1**

**PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF DTB PURSUANT TO SECTION 64(1) OF THE COMPANIES ACT, 1965 ("ACT"), INVOLVING THE CANCELLATION OF RM0.75 OF THE PAR VALUE OF EACH ORDINARY SHARE OF RM1.00 EACH IN DTB ("PROPOSED PAR VALUE REDUCTION")**

On the proposal of Ho Chin Yin, seconded by Naliny Damodharan, it was resolved:

"THAT subject to the passing of Special Resolution 2 and the approval and sanction of the High Court of Malaya pursuant to Section 64(1) of the Act and the approvals of any other relevant authorities or parties being obtained, approval be and is given for the reduction of the existing issued and paid-up share capital of DTB comprising 45,101,000 ordinary shares of RM1.00 each via the cancellation of RM0.75 from the par value of the ordinary share of RM1.00 each in DTB;

THAT the credit arising there from be utilised to offset against the accumulated losses of the Company and any remaining credit after the offset against the accumulated losses of the Company to be credited to the retained earnings of the Company;

AND THAT the Board be and is hereby authorised to do all such acts and things as they may deem fit, necessary, expedient and/or appropriate in the best interests of the Company and to execute, sign and deliver on behalf of the Company all such documents and/or replacements that they may consider necessary or expedient to give full effect to the Proposed Par Value Reduction with full power to assent to any term, condition, modification, variation and/or amendments as may be imposed or permitted by the High Court of Malaya and/or as a consequence of any such requirement."

**CERTIFIED TRUE COPY**

A handwritten signature in black ink, appearing to read "Law Kim Choon", is written over a horizontal line.

Director  
Law Kim Choon

A handwritten signature in black ink, appearing to read "Gunn Chit Geok", is written over a horizontal line.

Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**

(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**SPECIAL RESOLUTION 2  
PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF DTB (“M&A”) (“PROPOSED M&A AMENDMENTS”)**

On the proposal of Choo Keang Thong, seconded by Chan Guo Wen, it was resolved:

“THAT subject to the passing of Special Resolution 1 and Ordinary Resolution 6 and all approvals being obtained from the relevant authorities or parties, approval be and is hereby given for the Company to amend its M&A in the manner set out in Section 2.5 of the Company’s circular to shareholders dated 11 June 2015 (“Circular”), and that these amendments be and are hereby approved and adopted;

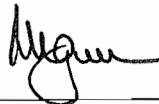
AND THAT the Board be and is hereby authorised to do or procure to be done all acts, deeds and things as they may deem fit, necessary, expedient and/or appropriate in the best interests of the Company and to execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give full effect to and implement the Proposed M&A Amendments with full power to assent to any condition, modification, variation and/or amendments as may be imposed or permitted by the relevant authorities.”

**CERTIFIED TRUE COPY**



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Director  
Law Kim Choon



---

Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**

(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**ORDINARY RESOLUTION 1**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 90,202,000 NEW ORDINARY SHARES OF RM0.25 EACH IN DTB (“RIGHTS SHARE(S)”) ON THE BASIS OF TWO (2) RIGHTS SHARES FOR ONE (1) DTB ORDINARY SHARE OF RM0.25 EACH (“DTB SHARE(S)”) HELD AFTER THE PROPOSED PAR VALUE REDUCTION, TOGETHER WITH UP TO 90,202,000 FREE DETACHABLE WARRANTS (“WARRANT(S)”) ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)**

On the proposal of Khor Siew Hwa, seconded by Chow Kwai Quin, it was resolved:

“THAT subject to the passing of Special Resolutions 1, 2 and approvals of any other relevant authorities or parties including but not limited to, the approval of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the admission of the Warrants to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Rights Shares and Warrants and the new shares in the Company arising from the exercise of the Warrants being obtained, approval be and is hereby given to the Board to:-

- (i) provisionally allot and issue by way of renounceable rights issue of up to 90,202,000 Rights Shares at an indicative issue price of RM0.25 per Rights Share together with up to 90,202,000 Warrants on the basis of two (2) Rights Shares for every one (1) DTB Share held, and one (1) Warrant for every one (1) Rights Share subscribed by the entitled shareholders of DTB and/or their renounee(s), on an Entitlement Date to be determined later (“Entitlement Date”);
- (ii) deal with fractional entitlements under the Proposed Rights Issue with Warrants arising from any reason whatsoever as the Board shall in their absolute discretion deem fit and expedient, and to be in the interests of the Company;
- (iii) allot the excess Rights Shares in such a manner as they in their absolute discretion deems fit and expedient and in the best interest of the Company subject always to such allocation being made on a fair and equitable basis;
- (iv) utilise the proceeds to be derived from the Proposed Rights Issue with Warrants for the purposes as set out in Section 2.2.4 of the Circular, and the Board be and is hereby authorised to revise the manner and purpose of utilisation of such proceeds as they may deem fit, necessary and/or expedient in the best interests of the Company subject to the approvals of the relevant authorities, where required;

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

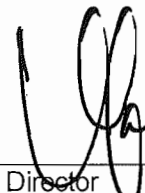
**D'NONCE TECHNOLOGY BHD. (Company No 503292-K)  
EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 3 JULY 2015**

- (v) create and issue the Warrants based on the indicative principal terms as set out in Appendix I of the Circular and the terms and conditions of a deed poll constituting the Warrants ("Deed Poll") to be executed by the Company;
- (vi) allot and issue such further Warrants as may be required or permitted to be issued as a consequence of any adjustments in accordance with the provisions of the Deed Poll;
- (vii) allot and issue new DTB Shares pursuant to the exercise of the Warrants, from time to time, during the tenure of the Warrants (including further Warrants arising from any adjustments under the provisions of the Deed Poll); and
- (viii) enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll.

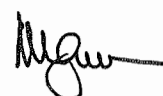
THAT the Rights Shares and the new DTB Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the DTB Shares, save and except that the Rights Shares and new DTB Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares and the new DTB Shares arising from the exercise of the Warrants respectively;

AND THAT the Board be and is hereby empowered and authorised to do all such acts and things as they may deem necessary and/or expedient in the best interests of the Company and to take such steps, execute such documents, and enter into any arrangements, agreements and/or undertakings including but not limited to an underwriting agreement for the underwriting of the Proposed Rights Issue with Warrants with any party or parties that the Board may deem fit, necessary and expedient or appropriate in order to implement, finalise and/or give full effects to the Proposed Rights Issue with Warrants with full power to assent to any terms, conditions, variations, modifications and/or amendments as may be agreed to/required by any relevant authorities or as a consequence of any such requirement."

**CERTIFIED TRUE COPY**



Director  
Law Kim Choon



Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**ORDINARY RESOLUTION 2  
PROPOSED BONUS ISSUE OF UP TO 45,101,000 NEW ORDINARY SHARES (“BONUS SHARE(S)”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED PURSUANT TO THE PROPOSED RIGHTS ISSUE WITH WARRANTS (“PROPOSED BONUS ISSUE”)**

On the proposal of Wong Chuen Yin, seconded by Goh Lip Sen, it was resolved:

“THAT subject to the passing of Special Resolutions 1, 2 and Ordinary Resolution 1 and approvals of any other relevant authorities or parties including but not limited to, the approval of Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities being obtained, approval be and is hereby given to the Board to capitalise up to RM11,275,250 from the Company's share premium account for the purpose of the Proposed Bonus Issue;

THAT the Board is hereby authorised to apply such capitalised sums in making payment in full and at par for up to 45,101,000 new DTB Shares to be credited as fully paid-up and such new DTB Shares be allotted and issued to the entitled shareholders of the Company and/or their renounee(s) who subscribe for the Rights Shares pursuant to the Proposed Rights Issue with Warrants on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed for;

THAT any fractional entitlement shall be disregarded and shall be dealt with in such manner as the Board in its absolute discretion thinks fit and expedient and in the best interest of the Company;

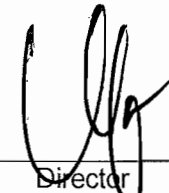
THAT such Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing DTB Shares save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Bonus Shares;

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

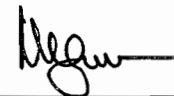
**D'NONCE TECHNOLOGY BHD. (Company No 503292-K)  
EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 3  
JULY 2015**

AND THAT the Board be and is hereby empowered and authorised to do all such acts and things as they may deem necessary and/or expedient in the best interests of the Company and to take such steps, execute such documents, and enter into any arrangements, agreements and/or undertakings with any party or parties that the Board may deem fit, necessary and expedient or appropriate in order to implement, finalise and/or give full effects to the Proposed Bonus Issue with full power to assent to any terms, conditions, variations, modifications and/or amendments as may be agreed to/required by any relevant authorities or as a consequence of any such requirement.”

**CERTIFIED TRUE COPY**



Director  
Law Kim Choon



Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097



**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**

(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**ORDINARY RESOLUTION 3**

**PROPOSED PRIVATE PLACEMENT OF UP TO 36,080,800 NEW ORDINARY SHARES (“PLACEMENT SHARE(S)”), REPRESENTING APPROXIMATELY UP TO TWENTY PERCENT (20%) OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF DTB AFTER THE PROPOSED RIGHTS ISSUE WITH WARRANTS AND PROPOSED BONUS ISSUE TOGETHER WITH UP TO 18,040,400 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) PLACEMENT SHARES TO BE SUBSCRIBED BY POTENTIAL INVESTORS (“PROPOSED PRIVATE PLACEMENT WITH WARRANTS”)**

On the proposal of Tan Hooi Siam, seconded by Lim Seow Hoe, it was resolved:

“THAT subject to the passing of Special Resolutions 1, 2 and Ordinary Resolution 1 and approvals of any other relevant authorities or parties, including but not limited to, the approval of Bursa Securities for the admission of the Warrants to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Placement Shares and Warrants and the new shares in the Company arising from the exercise of the Warrants being obtained, approval be and is hereby given for the Board to:-

- (i) allot and issue up to 36,080,800 Placement Shares at an issue price to be determined and fixed by the Board at future date(s), which shall be determined later after all the relevant approvals have been obtained, together with up to 18,040,400 Warrants on the basis of one (1) Warrant for every two (2) Placement Shares subscribed;
- (ii) utilise the proceeds to be derived from the Proposed Private Placement with Warrants for the purposes as set out in Section 2.4.5 of the Circular, and the Board be and is hereby authorised to revise the manner and purpose of utilisation of such proceeds as they may deem fit, necessary and/or expedient in the best interests of the Company subject to the approvals of the relevant authorities, where required;
- (iii) create and issue the Warrants based on the indicative principal terms as set out in Appendix I of the Circular and the terms and conditions of a Deed Poll to be executed by the Company;
- (iv) allot and issue such further Warrants as may be required or permitted to be issued as a consequence of any adjustments in accordance with the provisions of the Deed Poll;
- (v) allot and issue new DTB Shares pursuant to the exercise of the Warrants, from time to time, during the tenure of the Warrants (including further Warrants arising from any adjustments under the provisions of the Deed Poll); and

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

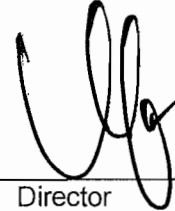
**D'NONCE TECHNOLOGY BHD. (Company No 503292-K)  
EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 3  
JULY 2015**

- (vi) enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll.

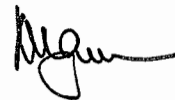
THAT the Placement Shares and the new DTB Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the DTB Shares, save and except that the Placement Shares and new DTB Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares and the new DTB Shares arising from the exercise of the Warrants respectively;

AND THAT the Board be and is hereby empowered and authorised to do all such acts and things as they may deem necessary and/or expedient in the best interests of the Company and to take such steps, execute such documents, and enter into any arrangements, agreements and/or undertakings with any party or parties that the Board may deem fit, necessary and expedient or appropriate in order to implement, finalise and/or give full effects to the Proposed Private Placement with Warrants with full power to assent to any terms, conditions, variations, modifications and/or amendments as may be agreed to/required by any relevant authorities or as a consequence of any such requirement.”

CERTIFIED TRUE COPY



Director  
Law Kim Choon



Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**

(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**ORDINARY RESOLUTION 4**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO FIFTEEN PERCENT (15%) OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF DTB FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF DTB AND ITS SUBSIDIARIES ("DTB GROUP") ("PROPOSED ESOS")**

On the proposal of Yeoh Shu Sien, seconded by Choo Keang Thong, it was resolved:

"THAT subject to the approval of any other relevant authorities or parties including but not limited to, the approval of Bursa Securities for the listing of the new ordinary shares of the Company to be allotted and issued hereunder pursuant to the exercise of options granted under the Proposed ESOS being obtained, the terms of which are set out in the Circular, approval be and is hereby given for the Board to:-

- (i) establish and administer the Proposed ESOS, which involves the granting of ESOS Options to all eligible employees and directors of the DTB Group, save for subsidiary companies which are dormant, who meet the eligibility criteria for participation in the Proposed ESOS ("Eligible Person(s)") as set out in the By-laws governing the Proposed ESOS, a draft of which is set out in Appendix III of the Circular to the shareholders of DTB dated 11 June 2015 ("By-Laws");
- (ii) allot and issue such number of new DTB Shares to the Eligible Persons from time to time as may be required in connection with the implementation of the Proposed ESOS while this approval is in force provided that the aggregate number of DTB Shares to be allotted and issued shall not exceed fifteen percent (15%) of the issued and paid-up share capital of the Company (excluding treasury shares) at any one time throughout the duration of the Proposed ESOS, subject always that not more than ten percent (10%) of the total number of new DTB Shares to be issued under the Proposed ESOS would be allocated to any one Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the issued and paid-up share capital of DTB (excluding treasury shares);
- (iii) make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Securities for the listing of and quotation for the new DTB Shares which may from time to time be allotted and issued pursuant to the Proposed ESOS. Such new DTB Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing DTB Shares, save and except that the new DTB Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid, the entitlement date of which precedes the date of issuance of such new DTB Shares;


**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD. (Company No 503292-K)  
EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 3  
JULY 2015**

- (iv) modify and/or amend the Proposed ESOS from time to time provided that such modifications and/or amendments are effected in accordance with the By-Laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESOS; and
- (v) extend the duration of the Proposed ESOS for up to an additional five (5) years (the duration of the Proposed ESOS would then be for a total period of ten (10) years from the effective date of the Proposed ESOS), if the Board deems fit.

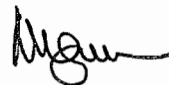
AND THAT the Board be and is hereby empowered and authorised to do all such acts and things as they may deem necessary and/or expedient in the best interests of the Company and to take such steps, execute such documents, and enter into any arrangements, agreements and/or undertakings with any party or parties that the Board may deem fit, necessary and expedient or appropriate in order to implement, finalise and/or give full effects to the Proposed ESOS with full power to assent to any terms, conditions, variations, modifications and/or amendments as may be agreed to/required by any relevant authorities or as a consequence of any such requirement.”

CERTIFIED TRUE COPY



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Director  
Law Kim Choon



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Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**

(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**ORDINARY RESOLUTION 5  
PROPOSED SHARE BUY-BACK OF ITS ORDINARY SHARES OF RM0.25 EACH BY DTB OF UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED SHARE BUY-BACK")**

On the proposal of Chan Guo Wen, seconded by Ho Chin Yin, it was resolved:

"THAT subject to the passing of Special Resolutions 1 and 2, the Act, the provisions of the M&A of the Company, the Main Market Listing Requirements of Bursa Securities ("MMLR"), the Company be and is hereby authorised to purchase such amount of DTB Shares as may be determined by the Board from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the DTB Shares shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and
- (iii) the Board may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividend.

THAT the authority conferred by this resolution will commence immediately and will, subject to renewal thereat, and shall continue to be in force until:-

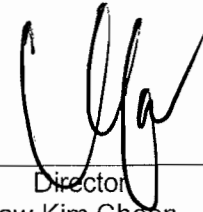
- (i) at the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting at which such resolution was passed at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting after the date is required by law to be held; or
- (iii) revoked or varied by a resolution of the shareholders of the Company in a general meeting; whichever occurs first.

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD. (Company No 503292-K)  
EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 3  
JULY 2015**

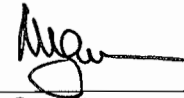
AND THAT the Board be and is hereby empowered and authorised to do all such acts and things as they may deem necessary and/or expedient in the best interests of the Company and to take such steps, including but not limited to the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, execute such documents, and enter into any arrangements, agreements and guarantee with any party or parties that the Board may deem fit, necessary and expedient or appropriate in order to implement, finalise and/or give full effects to the Proposed Share Buy-Back with full power to assent to any terms, conditions, variations, modifications and/or amendments as may be agreed to/required by any relevant authorities or as a consequence of any such requirement.”

CERTIFIED TRUE COPY



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Director  
Law Kim Choon



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Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

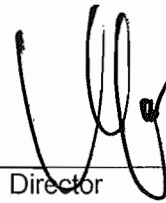
**ORDINARY RESOLUTION 6**  
**PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF DTB FROM RM100,000,000 COMPRISING 100,000,000 ORDINARY SHARES OF RM1.00 EACH TO RM200,000,000 COMPRISING 800,000,000 ORDINARY SHARES OF RM0.25 EACH (“PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL”)**

On the proposal of Naliny Damodharan, seconded by Jonathan Phang Qun Yuan, it was resolved:

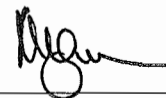
“THAT subject to the passing of Special Resolutions 1, 2 and approvals of any other relevant authorities or parties being obtained, the authorised share capital of the Company be increased from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 800,000,000 ordinary shares of RM0.25 each;

AND THAT the Board be and is hereby empowered and authorised to do all such acts and things as they may deem necessary and/or expedient in the best interests of the Company and to take such steps that are necessary to give full effects to the Proposed Increase in Authorised Share Capital.”

**CERTIFIED TRUE COPY**



Director  
Law Kim Choon



Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

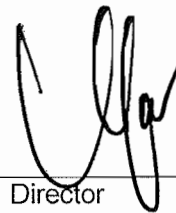
**ORDINARY RESOLUTION 7**  
**PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' AHMAD IBNIHAJAR**

On the proposal of Lim Seow Hoe, seconded by Khor Siew Hwa, it was resolved:

"THAT subject to the passing of Ordinary Resolution 4 and approvals of any other relevant authorities or parties being obtained, the Board be and is hereby empowered and authorised at any time, and from time to time, to specifically grant to Dato' Ahmad Ibnihajar, being the Independent Non-Executive Chairman of the Company, the options to subscribe for such number of DTB Shares under the Proposed ESOS provided that not more than ten percent (10%) of the new DTB Shares available under the Proposed ESOS shall be allocated to any Eligible Person, who either singly or collectively through persons connected with the Eligible Person (as defined in the MMLR), holds twenty percent (20%) or more of the issued and paid-up share capital of the Company;

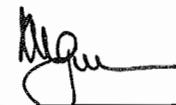
AND THAT subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-Laws of the Proposed ESOS AND THAT the Board be and is hereby empowered and authorised to issue and allot from time to time such number of DTB Shares to him pursuant to the exercise of such options."

**CERTIFIED TRUE COPY**



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Director  
Law Kim Choon



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Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097



**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**ORDINARY RESOLUTION 8**  
**PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' LEE KAH CHOON**

On the proposal of Goh Lip Sen, seconded by Yeoh Shu Sien, it was resolved:

“THAT subject to the passing of Ordinary Resolution 4 and approvals of any other relevant authorities or parties being obtained, at any time, and from time to time, to specifically grant to Dato' Lee Kah Choon, being the Independent Non-Executive Director of the Company, the options to subscribe for such number of DTB Shares under the Proposed ESOS provided that not more than ten percent (10%) of the new DTB Shares available under the Proposed ESOS shall be allocated to any Eligible Person, who either singly or collectively through persons connected with the Eligible Person (as defined in the MMLR), holds twenty percent (20%) or more of the issued and paid-up share capital of the Company;

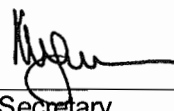
AND THAT subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-Laws of the Proposed ESOS AND THAT the Board be and is hereby empowered and authorised to issue and allot from time to time such number of DTB Shares to him pursuant to the exercise of such options.”

**CERTIFIED TRUE COPY**



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Director  
Law Kim Cheon



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Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

**ORDINARY RESOLUTION 9**  
**PROPOSED ALLOCATION OF ESOS OPTIONS TO WONG THAI SUN**

On the proposal of Chow Kwai Quin, seconded by Tan Hooi Siam, it was resolved:

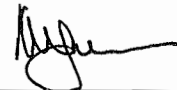
THAT subject to the passing of Ordinary Resolution 4 and approvals of any other relevant authorities or parties being obtained, the Board be and is hereby empowered and authorised at any time, and from time to time, to specifically grant to Wong Thai Sun, being the Independent Non-Executive Director of the Company, the options to subscribe for such number of DTB Shares under the Proposed ESOS provided that not more than ten percent (10%) of the new DTB Shares available under the Proposed ESOS shall be allocated to any Eligible Person, who either singly or collectively through persons connected with the Eligible Person (as defined in the MMLR), holds twenty percent (20%) or more of the issued and paid-up share capital of the Company;

AND THAT subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-Laws of the Proposed ESOS AND THAT the Board be and is hereby empowered and authorised to issue and allot from time to time such number of DTB Shares to him pursuant to the exercise of such options.”

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Director  
Law Kim Choon



Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

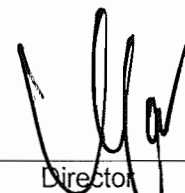
**ORDINARY RESOLUTION 10**  
**PROPOSED ALLOCATION OF ESOS OPTIONS TO LENA LEONG OY LIN**

On the proposal of Jonathan Phang Qun Yuan, seconded by Wong Chuen Yin, it was resolved:

“THAT subject to the passing of Ordinary Resolution 4 and approvals of any other relevant authorities or parties being obtained, the Board be and is hereby empowered and authorised at any time, and from time to time, to specifically grant to Lena Leong Oy Lin, being the Non-Independent Non-Executive Director of the Company, the options to subscribe for such number of DTB Shares under the Proposed ESOS provided that not more than ten percent (10%) of the new DTB Shares available under the Proposed ESOS shall be allocated to any Eligible Person, who either singly or collectively through persons connected with the Eligible Person (as defined in the MMLR), holds twenty percent (20%) or more of the issued and paid-up share capital of the Company;


AND THAT subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-Laws of the Proposed ESOS AND THAT the Board be and is hereby empowered and authorised to issue and allot from time to time such number of DTB Shares to her pursuant to the exercise of such options.”

**CERTIFIED TRUE COPY**



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Director  
Law Kim Cheon



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Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-


**ORDINARY RESOLUTION 11**  
**PROPOSED ALLOCATION OF ESOS OPTIONS TO LAW KIM CHOON**

On the proposal of Choo Keang Thong, seconded by Lim Seow Hoe, it was resolved:

“THAT subject to the passing of Ordinary Resolution 4 and approvals of any other relevant authorities or parties being obtained, the Board be and is hereby empowered and authorised at any time, and from time to time, to specifically grant to Law Kim Choon, being Chief Executive Officer/Group Managing Director of the Company, the options to subscribe for such number of DTB Shares under the Proposed ESOS provided that not more than ten percent (10%) of the new DTB Shares available under the Proposed ESOS shall be allocated to any Eligible Person, who either singly or collectively through persons connected with the Eligible Person (as defined in the MMLR), holds twenty percent (20%) or more of the issued and paid-up share capital of the Company;

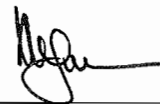
AND THAT subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-Laws of the Proposed ESOS AND THAT the Board be and is hereby empowered and authorised to issue and allot from time to time such number of DTB Shares to him pursuant to the exercise of such options.”

**CERTIFIED TRUE COPY**



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Director  
Law Kim Choon



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Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

**APPENDIX I – CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 3 JULY 2015 (Cont'd)**

**D'NONCE TECHNOLOGY BHD.**  
(Company No 503292-K)  
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ON HELD ON 3 JULY 2015**

IT WAS RESOLVED :-

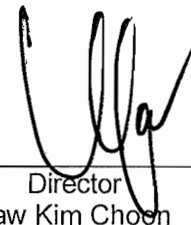
**ORDINARY RESOLUTION 12**  
**PROPOSED ALLOCATION OF ESOS OPTIONS TO ROSLANT BIN ABU**

On the proposal of Tan Hooi Siam, seconded by Wong Chuen Yin, it was resolved:

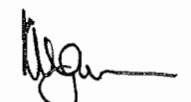
"THAT subject to the passing of Ordinary Resolution 4 and approvals of any other relevant authorities or parties being obtained, the Board be and is hereby empowered and authorised at any time, and from time to time, to specifically grant to Roslant bin Abu, being Executive Director of the Company, the options to subscribe for such number of DTB Shares under the Proposed ESOS provided that not more than ten percent (10%) of the new DTB Shares available under the Proposed ESOS shall be allocated to any Eligible Person, who either singly or collectively through persons connected with the Eligible Person (as defined in the MMLR), holds twenty percent (20%) or more of the issued and paid-up share capital of the Company;

AND THAT subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-Laws of the Proposed ESOS AND THAT the Board be and is hereby empowered and authorised to issue and allot from time to time such number of DTB Shares to him pursuant to the exercise of such options."

**CERTIFIED TRUE COPY**



Director  
Law Kim Choon



Secretary  
Gunn Chit Geok, FCIS  
MAICSA 0673097

## APPENDIX II – INFORMATION ON DTB

### 1. HISTORY OF THE BUSINESS

DTB was incorporated in Malaysia under the Act on 20 January 2000 as a public limited company under its present name. DTB was listed on the then Second Board of the Kuala Lumpur Stock Exchange on 9 April 2001 and is classified under the Main Market of Bursa Securities with effect from 3 August 2009.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of management services and investment holding whilst the principal activities of its subsidiaries consists of sales and distribution of advanced packaging materials, chemical, packaging materials, spare parts, electronic products and consumables, trading and manufacturing of food related products, design and conversion of advanced packaging materials and contract manufacturing of electronic components, processing of plastic injected moulded products, manufacturing of packaging materials and printing of packaging materials. The principal activities of the subsidiaries are more particularly disclosed in Section 6 of this Appendix.

### 3. SHARE CAPITAL

As at the LPD, the authorised, issued and paid-up share capital of the Company are set out below:

	No. of DTB Shares	Par Value RM	Amount RM
Authorised	800,000,000	0.25	200,000,000
Issued and paid-up	45,101,000	0.25	11,275,250

Details of the changes in the authorised share capital as well as issued and fully paid-up share capital of the Company for the past three (3) years prior to the LPD are as follows:

Date of creation	No. of shares created	Cummulative no. of authorised shares	Par Value (RM)	Total created (RM)	Cummulative authorised share capital (RM)
b/f	-	100,000,000	1.00	-	100,000,000
23 September 2015	-	800,000,000	0.25	-	200,000,000

Note:

- (i) At the EGM held on 3 July 2015, the shareholders of DTB approved the increase in the authorised capital of DTB from RM100 million to RM200 million. DTB had on 8 September 2015 obtained confirmation from the High Court of Malaya pursuant to Section 64 of the Act, to reduce its issued and paid-up share capital through the cancellation of RM0.75 of the par value of each existing ordinary share of RM1.00 each in DTB to RM0.25 each in DTB. The lodgement of the order with the Companies Commission of Malaysia was made on 23 September 2015, upon which the par value of each ordinary share of DTB is reduced from RM1.00 to RM0.25.



## APPENDIX II – INFORMATION ON DTB (Cont'd)

	(VI) After (V) and Share Buy-Back <sup>(iv)</sup>		No. of ordinary shares of RM0.25 each	%
	Direct	Indirect		
<b>Substantial Shareholders</b>				
Law Kim Choon	43,546,770	-	19.75	-
Lim Teik Hoe	25,058,400	-	11.36	-

## Notes:

- (i) For illustration purposes, it is assumed that each substantial shareholder subscribe in full for his respective entitlement.
- (ii) For illustration purposes, the maximum number of DTB Shares which may be offered for subscription, and allotted and issued upon exercise of the ESOS Options under the ESOS is 31,963,000 or approximately 15% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after the implementation of the Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants and assuming that all of the Warrants have been exercised by the Warrant holders.
- (iii) Proforma V does not include any DTB Shares that may be issued and allotted pursuant to the exercise of ESOS Options that may be granted to Law Kim Choon, being the Director of DTB.
- (iv) Assuming the Share Buy-Back is implemented in full, i.e. up to 10% of the enlarged issued and paid-up share capital of the Company, the purchased shares are held as treasury shares and that the substantial shareholders' shareholdings in DTB remain unchanged.





## APPENDIX II – INFORMATION ON DTB (Cont'd)

Substantial Shareholders	(VI) After (V) and Share Buy-Back <sup>(iv)</sup>		No. of ordinary shares of RM0.25 each	%
	Direct	Indirect		
Law Kim Choon	43,546,770	-	12.96	-
Lim Teik Hoe	25,058,400	-	7.46	-

## Notes:

- (i) For illustration purposes, it is assumed that each substantial shareholder subscribe in full for his respective entitlement.
- (ii) For illustration purposes, the maximum number of DTB Shares which may be offered for subscription, and allotted and issued upon exercise of the ESOS Options under the ESOS is 48,709,000 or approximately 15% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after the implementation of the Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants and assuming that all of the Warrants have been exercised by the Warrant holders.
- (iii) Proforma V does not include any DTB Shares that may be issued and allotted pursuant to the exercise of ESOS Options that may be granted to Law Kim Choon, being the Director of DTB.
- (iv) Assuming the Share Buy-Back is implemented in full, i.e. up to 10% of the enlarged issued and paid-up share capital of the Company, the purchased shares are held as treasury shares and that the substantial shareholders' shareholdings in DTB remain unchanged.

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APPENDIX II – INFORMATION ON DTB *(Cont'd)*

## 5. BOARD OF DIRECTORS

## 5.1 Directors' particulars

The particulars of the Directors of the Company as at the LPD are as follows:

Name / Designation	Age	Address	Profession	Nationality
Dato' Ahmad Ibnihajar <i>(Independent Non-Executive Chairman)</i>	65	355-C Jalan Pemancar, Gelugor, 11700 Penang	Company Director	Malaysian
Dato' Lee Kah Choon <i>(Independent Non-Executive Director)</i>	55	961 Tingkat Aman 4, Robina Park, Teluk Air Tawar, 13050 Butterworth, Penang	Company Director	Malaysian
Wong Thai Sun <i>(Independent Non-Executive Director)</i>	60	33-4-2 Codrington Avenue, 10350 Penang	Chartered Accountant	Malaysian
Lena Leong Oy Lin <i>(Non-Independent Non-Executive Director)</i>	44	56K Jalan Choong Lye Hin, 10470 Georgetown, Pulau Pinang	Advocate and Solicitor	Malaysian
Law Kim Choon <i>(Chief Executive Officer/Group Managing Director)</i>	58	22, Jalan Hargreaves, 11600 Georgetown, Penang	Company Director	Malaysian
Roslant bin Abu <i>(Executive Director)</i>	57	60 Mamanda 12, Taman Dato Ahmad Razali, 68000 Ampang, Selangor	Company Director	Malaysian

## 5.2 Directors' shareholdings

The proforma effects of the Corporate Exercises on the Directors' shareholdings based on the Company's Registrar of Directors' Shareholdings as at the LPD, are illustrated based on the following scenarios:

**Minimum Scenario** : Assuming the Rights Issue with Warrants is subscribed based on a minimum subscription level basis via the issuance of 52,358,000 Rights Shares together with 52,358,000 Warrants.

**Maximum Scenario** : Assuming all the Entitled Shareholders fully subscribe for their entitlements of the Rights Shares with Warrants.

## APPENDIX II – INFORMATION ON DTB (Cont'd)

Minimum Scenario

Directors	As at LPD		After Rights Issue with Warrants <sup>(i)</sup>		After (I) and Bonus Issue	
	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each
Dato' Ahmad Ibnihajar	-	-	-	-	-	-
Dato' Lee Kah Choon	288,000	0.64	864,000	0.89	1,152,000	0.93
Wong Thai Sun	-	-	-	-	-	-
Lena Leong Oy Lin	-	-	-	-	-	-
Law Kim Choon	7,257,795	16.09	21,773,385	22.34	29,031,180	23.48
Roslant bin Abu	10,000	0.02	30,000	0.03	40,000	0.03
Directors	After (II) and Private Placement with Warrants		After (III) and full exercise of Warrants		After (IV) and assuming full exercise of ESOS <sup>(ii)</sup>	
	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each
Dato' Ahmad Ibnihajar	-	-	-	-	-	-
Dato' Lee Kah Choon	1,152,000	0.78	1,728,000	0.81	(iii)1,728,000	0.71
Wong Thai Sun	-	-	-	-	-	-
Lena Leong Oy Lin	-	-	-	-	-	-
Law Kim Choon	29,031,180	19.57	43,546,770	20.44	(iii)43,546,770	17.77
Roslant bin Abu	40,000	0.03	60,000	0.03	(iii)60,000	0.02

## APPENDIX II – INFORMATION ON DTB (Cont'd)

Directors	(VI)		
	After (V) and Share Buy-Back <sup>(iv)</sup> Direct No. of ordinary shares of RM0.25 each	%	Indirect No. of ordinary shares of RM0.25 each
Dato' Ahmad Ibnihajar	-	-	-
Dato' Lee Kah Choon	1,728,000	0.78	-
Wong Thai Sun	-	-	-
Lena Leong Oy Lin	-	-	-
Law Kim Choon	43,546,770	19.75	-
Roslant bin Abu	60,000	0.03	-

## Notes:

- (i) For illustration purposes, it is assumed that each Director subscribe in full for his respective entitlement.
- (ii) For illustration purposes, the maximum number of DTB Shares which may be offered for subscription, and allotted and issued upon exercise of the ESOS Options under the ESOS is 31,963,000 or approximately 15% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after the implementation of the Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants and assuming that all of the Warrants have been exercised by the Warrant holders.
- (iii) Proforma V does not include any DTB Shares that may be issued and allotted pursuant to the exercise of ESOS Options that may be granted to the Directors of DTB.
- (iv) Assuming the Share Buy-Back is implemented in full, i.e. up to 10% of the enlarged issued and paid-up share capital of the Company, the purchased shares are held as treasury shares and that the Directors' shareholdings in DTB remain unchanged.

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## APPENDIX II – INFORMATION ON DTB (Cont'd)

**Maximum Scenario**

Directors	As at LPD		After Rights Issue with Warrants <sup>(i)</sup>		After (I) and Bonus Issue	
	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each
Dato' Ahmad Ibnihajar	-	-	-	-	-	-
Dato' Lee Kah Choon	288,000	0.64	864,000	0.64	1,152,000	0.64
Wong Thai Sun	-	-	-	-	-	-
Lena Leong Oy Lin	-	-	-	-	-	-
Law Kim Choon	7,257,795	16.09	21,773,385	16.09	29,031,180	16.09
Roslant bin Abu	10,000	0.02	<sup>(i)</sup> 30,000	0.02	40,000	0.02

Directors	After (II) and Private Placement with Warrants		After (III) and full exercise of Warrants		After (IV) and assuming full exercise of ESOS <sup>(ii)</sup>	
	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each	Direct No. of ordinary shares of RM0.25 each	Indirect No. of ordinary shares of RM0.25 each
Dato' Ahmad Ibnihajar	-	-	-	-	-	-
Dato' Lee Kah Choon	1,152,000	0.53	1,728,000	0.53	<sup>(iii)</sup> 1,728,000	0.46
Wong Thai Sun	-	-	-	-	-	-
Lena Leong Oy Lin	-	-	-	-	-	-
Law Kim Choon	29,031,180	13.41	43,546,770	13.41	<sup>(iii)</sup> 43,546,770	11.66
Roslant bin Abu	40,000	0.02	60,000	0.02	<sup>(iii)</sup> 60,000	0.02

## APPENDIX II – INFORMATION ON DTB (Cont'd)

Directors	(VI) After (V) and Share Buy-Back <sup>(iv)</sup>		Indirect No. of ordinary shares of RM0.25 each	%
	Direct No. of ordinary shares of RM0.25 each	%		
Dato' Ahmad Ibnihajar	-	-	-	-
Dato' Lee Kah Choon	1,728,000	0.51	-	-
Wong Thai Sun	-	-	-	-
Lena Leong Oy Lin	-	-	-	-
Law Kim Choon	43,546,770	12.96	-	-
Roslant bin Abu	60,000	0.02	-	-

## Notes:

- (i) For illustration purposes, it is assumed that each Director subscribe in full for his respective entitlement.
- (ii) For illustration purposes, the maximum number of DTB Shares which may be offered for subscription, and allotted and issued upon exercise of the ESOS Options under the ESOS is 48,709,000 or approximately 15% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after the implementation of the Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants and assuming that all of the Warrants have been exercised by the Warrant holders.
- (iii) Proforma V does not include any DTB Shares that may be issued and allotted pursuant to the exercise of ESOS Options that may be granted to the Directors of DTB.
- (iv) Assuming the Share Buy-Back is implemented in full, i.e. up to 10% of the enlarged issued and paid-up share capital of the Company, the purchased shares are held as treasury shares and that the Directors' shareholdings in DTB remain unchanged.

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**APPENDIX II – INFORMATION ON DTB (Cont'd)**
**6. SUBSIDIARIES AND ASSOCIATED COMPANIES**

As at the LPD, the subsidiary companies of DTB are as follows:

Name of company	Date and place of incorporation	Principal activities	Issued and paid-up share capital RM (unless otherwise stated)	Effective equity interest held (%)
D'nonce (M) Sdn. Bhd.	19 June 1989 /Malaysia	Sales and distribution of advanced packaging materials, electronics products and consumables.	7,000,000	100
D'nonce (K.L) Sdn. Bhd.	2 June 1993 /Malaysia	Sales and distribution of advanced packaging materials, electronics products and consumables.	50,000	100
D'nonce (Kelantan) Sdn. Bhd.	4 April 1995 /Malaysia	Sales and distribution of advanced packaging materials, electronics products and consumables.	300,000	55
D(J)SB	6 January 1993 /Malaysia	Sales and distribution of advanced packaging materials and security products.	1,000,000	55
D'nonce Biofoods Sdn. Bhd.	7 November 1995/Malaysia	Trading and manufacturing of food related products.	400,000	100
AVSB	14 August 1991 /Malaysia	Design and conversion of advanced packaging materials and contract manufacturing.	2,600,000	100
Attractive Venture (KL) Sdn. Bhd.	22 October 1998 /Malaysia	Design and conversion of advanced packaging materials.	500,000	100
AV Industries Sdn. Bhd.	19 March 1991 /Malaysia	Contract manufacturing of electronic components and renting of plant and machinery.	8,500,000	100
D'nonce Health Science Sdn. Bhd. (formerly known as (AV Biofoods Sdn. Bhd.	12 March 1998 /Malaysia	Dormant.	250,000	100
AV Plastics Sdn. Bhd.	10 December 1993/Malaysia	Processing of plastic injected moulded products.	600,000	84
Richmond Technology Sdn. Bhd.	9 March 1998 /Malaysia	Manufacturing of packaging materials.	500,000	55
D'nonce Energy Sdn. Bhd.	20 November 2009/Malaysia	Dormant.	250,000	100
Logistic Solutions Holdings Co., Ltd.	19 April 2002 /Thailand	Investment holding.	THB100,000	99
ISCM Technology	9 August 2004 /Thailand	Contract manufacturing.	THB100,000,000	100



**APPENDIX II – INFORMATION ON DTB (Cont'd)****Subsidiary of Logistic Solutions Holdings Co., Ltd**

Integrated SCM Co., Ltd	2 May 2002 /Thailand	Sales and distribution of chemicals, packaging materials, spare parts and consumables.	THB10,000,000	* 99
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**Subsidiary of D'nonce (Johore) Sdn. Bhd.**

AVJB	14 September 1996/Malaysia	Design and conversion of advanced packaging materials and distribution of electronic products.	4,600,000	**82
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**Subsidiary of ISCM Technology**

ISCM Industries (Thailand) Co., Ltd. ("ISCM Industries")	1 December 2005/Thailand	Printing of packaging materials and contract manufacturing of consumable electronic products.	THB100,000,000	100
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**Notes:**

- \* The Company has a direct interest of 48% and an indirect interest of 51% via another subsidiary, Logistic Solutions Holdings Co., Ltd.
- \*\* The Company has a direct interest of 60% and an indirect interest of 22% via another subsidiary, D(J)SB.

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## APPENDIX II – INFORMATION ON DTB (Cont'd)

## 7. PROFIT AND DIVIDEND RECORD

The profit and dividend record based on DTB's audited consolidated financial statements for the past (3) financial years up to the FYE 31 August 2014 and the unaudited consolidated financial statements for the FYE 31 August 2015 are set out as follows:

	← Audited FYE 31 August →			Unaudited FYE 31 August 2015 RM'000
	2012 RM'000	2013 RM'000	2014 RM'000	
Revenue	167,779	177,807	178,764	223,772
Gross profit	25,739	24,638	26,718	28,282
Other income	24,954	1,419	14,267	12,058
Earnings before interest, taxation, depreciation and amortisation	10,709	(2,292)	11,484	12,907
Depreciation and amortisation	(4,299)	(5,426)	(5,353)	(6,496)
Interest income	318	317	419	1,856
Finance costs	(2,040)	(2,296)	(2,923)	(4,954)
PBT/(LBT)	4,688	(9,697)	3,627	3,313
Tax expense/(income)	(716)	(88)	(1,029)	(2,400)
Profit/(loss) for the financial year	3,972	(9,785)	2,598	913
Profit/(loss) attributable to:				
equity holders of DTB	2,766	(9,743)	2,304	389
non-controlling interests	1,206	(42)	294	524
EPS/(LPS) (sen)				
-Basic	6.13	(21.60)	5.11	0.86
-Diluted	6.13	(21.60)	5.11	0.86
Gross profit margin (%)	15.34	13.86	14.95	12.64
Net profit margin (%)	2.37	-	1.45	0.41
Dividend per Share (sen)	-	-	-	-

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**APPENDIX II – INFORMATION ON DTB (Cont'd)****Commentary on DTB Group's financial performance****FYE 31 August 2012**

Revenue for the Group had decreased by RM3.9 million or 2.3% from RM171.7 million in FYE 31 August 2011 to RM167.8 million in FYE 31 August 2012, mainly due to the Group's performance being affected by the floods that occurred in Bangkok, Thailand in October 2011. The floods had caused the affected subsidiary company, ISCM Technology to cease its operations temporarily due to severe damage to ISCM Technology's property, plant and equipment and inventories.

The PAT for the Group had decreased by RM1.3 million or 24.5% from RM5.3 million in FYE 31 August 2011 to RM4.0 million in FYE 31 August 2012 mainly due to ISCM Technology incurring operational losses, impairment losses and write off of property, plant and equipment and inventories damaged by the flood. However, these losses were offset by insurance compensation received by ISCM Technology of approximately RM23.9 million. Apart from this, the country-wide increase in the minimum wage in Thailand to Baht 300 (approximately RM30) per day which took effect in April 2012 had also impacted the subsidiaries in Thailand with an increase in their operating costs.

**FYE 31 August 2013**

Revenue for the Group had increased by RM10.0 million or 6.0% from RM167.8 million in FYE 31 August 2012 to RM177.8 million in FYE 31 August 2013. The increase was mainly due to the revenue contributed from the commencement of new contract manufacturing business by ISCM Industries in Southern Thailand and higher revenue generated by the contract manufacturing division of AVSB.

Despite the increase in revenue, the Group reported a LAT of RM9.8 million in FYE 31 August 2013 from a PAT of RM4.0 million in FYE 31 August 2012 mainly due to losses contributed by ISCM Technology and ISCM Industries. ISCM Technology incurred losses due to lower revenue generated as some of its customers had relocated subsequent to the floods. During the FYE 31 August 2013, the revenue of ISCM Technology was unable to cover its operating expenses. ISCM Industries incurred losses due to its initial start-up cost for the commencement of the contract manufacturing business in Southern Thailand.

**FYE 31 August 2014**

Revenue for the Group had increased by RM1.0 million or 0.5% from RM177.8 million in FYE 31 August 2013 to RM178.8 million in FYE 31 August 2014 mainly due to higher contribution of revenue from its supply of packaging materials business in FYE 31 August 2014.

The Group had recorded a PAT of RM2.6 million in the FYE 31 August 2014 compared to a LAT of RM9.8 million in the FYE 31 August 2013 mainly due to insurance claims of RM12.4 million recognised as other income in relation to the compensation received from an insurance company following the fire incident which occurred in October 2013 and had temporarily disrupted the operations of its subsidiary company, ISCM Industries in Southern Thailand. This was partially offset by impairment losses, write-off of property, plant and equipment and inventories due to the fire incident at ISCM Industries amounting to approximately RM4.1 million.

**APPENDIX II – INFORMATION ON DTB (Cont'd)****FYE 31 August 2015**

Revenue for the Group had increased by RM45.0 million or 25.2% from RM178.8 million in the FYE 31 August 2014 to RM223.8 million in the FYE 31 August 2015. The increase in revenue was mainly due to the additional revenue generated from the supplying of surveillance system equipment pursuant to a contract secured in May 2014 for the installation for 496 CCTV systems and 50 control centres across 25 town councils in Malaysia for a total contract sum of RM53.0 million ("**CCTV Project**").

The PAT for the Group had decreased by RM1.7 million or 65.4% from RM2.6 million in FYE 31 August 2014 to RM0.9 million in FYE 31 August 2015 mainly due to higher finance costs to fund the CCTV Project and higher tax expense incurred in the FYE 31 August 2015.

**8. HISTORICAL SHARE PRICES**

The monthly highest and lowest prices of DTB Shares traded on Bursa Securities for the past twelve (12) months up to 30 September 2015 are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b>2014</b>		
October	0.390	0.265
November	0.480	0.360
December	0.430	0.280
<b>2015</b>		
January	0.440	0.390
February	0.400	0.360
March	0.420	0.360
April	0.470	0.380
May	0.480	0.400
June	0.465	0.380
July	0.575	0.400
August	0.515	0.360
September	0.455	0.375
Last transacted market price of DTB Shares on 27 February 2015, being the last Market Day immediately prior to the date of announcement of the Corporate Exercises (RM)		0.375
The last transacted market price of DTB Shares on 30 September 2015, being the LPD prior to the issuance of this AP (RM)		0.44
The last transacted market price of DTB Shares on 26 October 2015, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)		0.43

*(Source: Bloomberg)*

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON**



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**REPORTING ACCOUNTANTS’ REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN AN ABRIDGED PROSPECTUS**

(Prepared for inclusion in the Abridged Prospectus to shareholders of D’nonce Technology Bhd. (“Abridged Prospectus”))

16 October 2015

The Board of Directors  
D’nonce Technology Bhd.  
Suite 12-02, 12<sup>th</sup> Floor Menara Zurich,  
170 Jalan Argyll,  
10050 Penang.

Dear Sirs

**D’NONCE TECHNOLOGY BHD. (THE “COMPANY” OR “DTB”)**

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2014 IN CONNECTION WITH THE FOLLOWING CORPORATE EXERCISES:**

- (i) Reduction of the issued and paid-up share capital of DTB pursuant to Section 64(1) of the Companies Act, 1965, involving the cancellation of RM0.75 of the par value of each ordinary share of RM1.00 each in DTB (“Par Value Reduction”);
- (ii) Renounceable rights issue of up to 90,202,000 new ordinary shares of RM0.25 each in DTB (“Rights Share(s)”) on the basis of two (2) Rights Shares for every one (1) ordinary share of RM0.25 each in DTB (“DTB Share(s)”) held by the entitled shareholders of DTB as at 5.00p.m. on 29 October 2015 (“Entitlement Date”) at an issue price of RM0.25 per Rights Share together with up to 90,202,000 free detachable warrants (“Warrant(s)”) on the basis of one (1) Warrant for every one (1) Rights Share subscribed (“Rights Issue with Warrants”);
- (iii) Bonus issue of up to 45,101,000 DTB Shares (“Bonus Share(s)”) on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed pursuant to the Rights Issue with Warrants (“Bonus Issue”);
- (iv) Private placement of up to 36,080,800 new ordinary shares of RM0.25 each in DTB (“Placement Share(s)”), representing approximately up to twenty percent (20%) of the enlarged issued and paid-up share capital of DTB after the Rights Issue with Warrants and Bonus Issue together with up to 18,040,400 Warrants on the basis of one (1) Warrant for every two (2) Placement Shares subscribed (“Private Placement with Warrants”);

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**



- (v) Amendments to the Memorandum and Articles of Association (“M&A”) of DTB (“M&A Amendments”);
  - (vi) Establishment of an employees’ share option scheme (“ESOS”) of up to fifteen percent (15%) of the enlarged issued and paid-up share capital of DTB for the eligible directors and employees of DTB and its subsidiaries (“DTB Group”) (“ESOS”);
  - (vii) Share buy-back of DTB shares of up to ten percent (10%) of its issued and paid-up share capital (“Share Buy-Back”); and
  - (viii) Increase in the authorised share capital of DTB from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 800,000,000 ordinary shares of RM0.25 each (“Increase in Authorised Share Capital”).
- (Collectively referred as the “Corporate Exercises”)

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of DTB and its subsidiaries (collectively referred to as the “Group”) as at 31 August 2014 prepared by the Directors. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in Appendix A.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors to illustrate the impact of the events or transactions set out in Appendix A on the Group’s financial position as at 31 August 2014 as if the events or transactions had taken place as at 31 August 2014. As part of this process, information about the financial position has been extracted by the Directors from the financial statements for the year ended 31 August 2014, on which audit reports have been published.

**The Directors’ Responsibility for the Pro Forma Consolidated Statements of Financial Position**

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**



**Building a better  
working world**

### **Our responsibilities**

Our responsibility is to express an opinion as required by the Prospectus Guidelines - Abridged Prospectus issued by the Securities Commission Malaysia, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



**Our responsibilities (cont'd)**

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

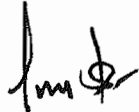
In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria.

**Other matters**

This letter is issued for the sole purpose of complying with the Prospectus Guidelines - Abridged Prospectus issued by the Securities Commission in connection with the Corporate Exercises. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Corporate Exercises described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Corporate Exercises.

Yours faithfully

  
Ernst & Young  
AF: 0039  
Chartered Accountants

  
Adeline Chan Su Lynn  
No. 3082/07/17(J)  
Chartered Accountant

Penang, Malaysia



**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NONGCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")  
Pro forma consolidated statements of financial position  
As at 31 August 2014

## Minimum scenario

The pro forma consolidated statements of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of DTB as at 31 August 2014 had the Corporate Exercises been effected on that date:

Audited as at 31 August 2014	Par Value Reduction	i After the Par Value Reduction	ii Rights Issue with Warrants	iii After ii and the Bonus Issue	iv Private Placement with Warrants	ESOS	v After iv and the ESOS	vi After v and Full exercise of Warrants	vii After vi and Full exercise of ESOS
<b>Non-current assets</b>									
Property, plant and equipment	-	40,913	40,913	-	40,913	-	40,913	-	40,913
Investment properties	-	12,413	12,413	-	12,413	-	12,413	-	12,413
Other investments	14	14	14	14	14	-	14	14	14
Intangible asset	289	289	289	289	289	-	289	289	289
Trade receivables	180	180	180	180	180	-	180	180	180
Deferred tax assets	780	780	780	780	780	-	780	780	780
Cash and bank balances	105	105	105	105	105	-	105	105	105
	54,694	54,694	54,694	54,694	54,694	-	54,694	-	54,694
<b>Current assets</b>									
Inventories	-	37,069	37,069	-	37,069	-	37,069	-	37,069
Trade and other receivables	-	66,617	66,617	-	66,617	-	66,617	-	66,617
Tax recoverable	175	175	175	175	175	-	175	175	175
Cash and bank balances	11,549	11,549	11,490	23,039	5,982	-	29,021	16,180	45,201
	115,410	115,410	11,490	126,900	5,982	-	132,882	16,180	149,062
<b>Total assets</b>									
	170,104	170,104	11,490	181,594	5,982	-	187,576	16,180	203,756
<b>Current liabilities</b>									
Loans and borrowings	-	39,264	-	39,264	-	-	39,264	-	39,264
Trade and other payables	35,836	35,836	35,836	35,836	35,836	-	35,836	-	35,836
Retirement benefit obligations	1,031	1,031	1,031	1,031	1,031	-	1,031	-	1,031
Tax payables	33	33	33	33	33	-	33	-	33
	76,164	76,164	76,164	76,164	76,164	-	76,164	-	76,164

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NONGE TECHNOLOGY BHD, ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position (contd.)  
As at 31 August 2014 (contd.)

Minimum scenario (contd.)

The pro forma consolidated statements of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of DTB as at 31 August 2014 had the Corporate Exercises been effected on that date: (contd.)

	i	ii	iii	iv	v	vi	vii						
	Par Value Reduction	After the Par Value Reduction	Rights Issue with Warrants	After i and the Rights Issue with Warrants	Bonus Issue After ii and the Bonus Issue	Private Placement with Warrants	After iii and the Private Placement with Warrants	ESOS	After iv and the ESOS	Full exercise of Warrants	After v and Full exercise of ESOS	After vi and Full exercise of ESOS	After vi and assuming full exercise of ESOS
Audited as at 31 August 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current liabilities													
Retirement benefit obligations	491	-	491	-	491	-	491	-	491	-	491	-	491
Loans and borrowings	43,503	-	43,503	-	43,503	-	43,503	-	43,503	-	43,503	-	43,503
Deferred tax liabilities	240	-	240	-	240	-	240	-	240	-	240	-	240
	44,234	-	44,234	-	44,234	-	44,234	-	44,234	-	44,234	-	44,234
<b>Total liabilities</b>	<b>120,398</b>	<b>-</b>	<b>120,398</b>	<b>-</b>	<b>120,398</b>	<b>-</b>	<b>120,398</b>	<b>-</b>	<b>120,398</b>	<b>-</b>	<b>120,398</b>	<b>-</b>	<b>120,398</b>
<b>Net assets</b>	<b>49,706</b>	<b>-</b>	<b>11,490</b>	<b>-</b>	<b>61,196</b>	<b>-</b>	<b>67,178</b>	<b>-</b>	<b>67,178</b>	<b>16,180</b>	<b>83,358</b>	<b>7,991</b>	<b>91,349</b>
Equity attributable to owners of the parent													
Share capital	45,101	(33,826)	11,275	13,090	24,365	6,545	30,910	6,182	37,092	16,180	53,272	7,991	61,263
Share premium	12,310	-	12,310	-	12,310	(6,545)	5,765	-	5,765	6,755	12,520	5,987	18,507
Other reserves	5,730	-	5,730	-	5,730	-	5,730	-	5,730	-	5,730	-	5,730
Warrants reserves	-	-	-	5,466	5,466	-	5,466	1,289	6,755	(6,755)	-	-	-
Share option reserves	-	-	-	-	-	-	-	-	5,987	-	5,987	(5,987)	-
(Accumulated losses) / retained earnings	(17,352)	33,826	16,474	(7,066)	9,408	-	9,408	(1,489)	7,919	-	1,932	-	1,932
	45,789	-	45,789	11,490	57,279	-	57,279	5,982	63,261	16,180	79,441	7,991	87,432
Non-controlling interests	3,917	-	3,917	-	3,917	-	3,917	-	3,917	-	3,917	-	3,917
<b>Total equity</b>	<b>49,706</b>	<b>-</b>	<b>49,706</b>	<b>11,490</b>	<b>61,196</b>	<b>-</b>	<b>67,178</b>	<b>5,982</b>	<b>67,178</b>	<b>16,180</b>	<b>83,358</b>	<b>7,991</b>	<b>91,349</b>

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NANCE TECHNOLOGY BHD, ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position (contd.)  
As at 31 August 2014 (contd.)

Maximum scenario

The pro forma consolidated statements of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of DTB as at 31 August 2014 had the Corporate Exercises been effected on that date:

Audited as at 31 August 2014	Par Value Reduction	RM'000	i		RM'000	ii		RM'000	iii		RM'000	iv		RM'000	v		RM'000	vi		RM'000	vii		RM'000	
			After the Value Reduction	Rights Issue with Warrants		After Rights Issue with Warrants	Bonus Issue with Warrants		After ii and the Bonus Issue with Warrants	Private Placement with Warrants		After iii and the Private Placement with Warrants	ESOS exercise of		After iv and the ESOS exercise of	Full exercise of Warrants		After v and Full exercise of ESOS Warrants	After vi and Full exercise of ESOS Warrants		After vi and Full exercise of ESOS Warrants			
<b>Non-current assets</b>																								
Property, plant and equipment	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913	-	40,913
Investment properties	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413	-	12,413
Other investments	-	14	-	14	-	14	-	14	-	14	-	14	-	14	-	14	-	14	-	14	-	14	-	14
Intangible asset	-	289	-	289	-	289	-	289	-	289	-	289	-	289	-	289	-	289	-	289	-	289	-	289
Trade receivables	-	180	-	180	-	180	-	180	-	180	-	180	-	180	-	180	-	180	-	180	-	180	-	180
Deferred tax assets	-	780	-	780	-	780	-	780	-	780	-	780	-	780	-	780	-	780	-	780	-	780	-	780
Cash and bank balances	-	105	-	105	-	105	-	105	-	105	-	105	-	105	-	105	-	105	-	105	-	105	-	105
		54,694		54,694		54,694		54,694		54,694		54,694		54,694		54,694		54,694		54,694		54,694		54,694
<b>Current assets</b>																								
Inventories	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069	-	37,069
Trade and other receivables	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617	-	66,617
Tax recoverable	-	175	-	175	-	175	-	175	-	175	-	175	-	175	-	175	-	175	-	175	-	175	-	175
Cash and bank balances	-	11,549	20,951	32,500	-	32,500	8,820	41,320	-	41,320	8,820	50,140	-	50,140	27,061	77,201	-	77,201	12,177	89,378	-	89,378	12,177	101,555
		115,410	20,951	136,361		136,361	8,820	145,181		145,181	8,820	154,001		154,001	27,061	181,062		181,062	12,177	193,239		193,239	12,177	205,416
		170,104	20,951	191,055		191,055	8,820	199,875		199,875	8,820	208,695		208,695	27,061	235,756		235,756	12,177	247,933		247,933	12,177	260,110
<b>Total assets</b>																								
<b>Current liabilities</b>																								
Loans and borrowings	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264	-	39,264
Trade and other payables	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836	-	35,836
Retirement benefit obligations	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031	-	1,031
Tax payables	-	33	-	33	-	33	-	33	-	33	-	33	-	33	-	33	-	33	-	33	-	33	-	33
		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164
		170,104		170,104		170,104		170,104		170,104		170,104		170,104		170,104		170,104		170,104		170,104		170,104
		39,264		39,264		39,264		39,264		39,264		39,264		39,264		39,264		39,264		39,264		39,264		39,264
		35,836		35,836		35,836		35,836		35,836		35,836		35,836		35,836		35,836		35,836		35,836		35,836
		1,031		1,031		1,031		1,031		1,031		1,031		1,031		1,031		1,031		1,031		1,031		1,031
		33		33		33		33		33		33		33		33		33		33		33		33
		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164		76,164
		191,055		191,055		191,055		191,055		191,055		191,055		191,055		191,055		191,055		191,055		191,055		191,055
		199,875		199,875		199,875		199,875		199,875		199,875		199,875		199,875		199,875		199,875		199,875		199,875
		208,695		208,695		208,695		208,695		208,695		208,695		208,695		208,695		208,695		208,695		208,695		208,695
		235,756		235,756		235,756		235,756		235,756		235,756		235,756		235,756		235,756		235,756		235,756		235,756
		247,933		247,933		247,933		247,933		247,933		247,933		247,933		247,933		247,933		247,933		247,933		247,933
		260,110		260,110		260,110		260,110		260,110		260,110		260,110		260,110		260,110		260,110		260,110		260,110

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NONGE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position (contd.)

As at 31 August 2014 (contd.)

Maximum scenario (contd.)

The pro forma consolidated statements of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statement of financial position of DTB as at 31 August 2014 had the Corporate Exercises been effected on that date: (contd.)

	i	ii	iii	iv	v	vi	vii
	After the Par Value Reduction	After i and the Rights Issue with Warrants	Bonus Issue After ii and the Bonus Issue	Private Placement with Warrants	After iv and Full exercise of the ESOS	After v and Full exercise of Warrants	After vi and Full exercise of ESOS
Audited as at 31 August 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current liabilities							
Retirement benefit obligations	491	491	491	491	491	491	491
Loans and borrowings	43,503	43,503	43,503	43,503	43,503	43,503	43,503
Deferred tax liabilities	240	240	240	240	240	240	240
	44,234	44,234	44,234	44,234	44,234	44,234	44,234
<b>Total liabilities</b>	<b>120,398</b>	<b>120,398</b>	<b>120,398</b>	<b>120,398</b>	<b>120,398</b>	<b>120,398</b>	<b>120,398</b>
<b>Net assets</b>	<b>49,706</b>	<b>20,951</b>	<b>70,657</b>	<b>8,820</b>	<b>79,477</b>	<b>106,538</b>	<b>118,715</b>
Equity attributable to owners of the parent							
Share capital	45,101	33,826	11,275	9,020	54,121	81,182	93,359
Share premium	12,310	12,310	(11,275)	1,035	1,035	12,164	20,216
Other reserves	5,730	5,730	5,730	5,730	5,730	5,730	5,730
Warrants reserves	-	9,273	9,273	1,856	11,129	(11,129)	-
Share option reserves	-	-	-	-	8,052	8,052	-
(Accumulated losses) / retained earnings	(17,352)	16,474	(10,873)	(2,056)	(4,507)	(4,507)	(4,507)
	45,789	45,789	66,740	8,820	75,560	102,621	114,798
Non-controlling interests	3,917	3,917	3,917	3,917	3,917	3,917	3,917
<b>Total equity</b>	<b>49,706</b>	<b>20,951</b>	<b>70,657</b>	<b>8,820</b>	<b>79,477</b>	<b>106,538</b>	<b>118,715</b>

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

**APPENDIX A**

**D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")**

Pro forma consolidated statements of financial position (contd.)  
As at 31 August 2014 (contd.)

A summary of the net assets per share after incorporating the pro forma adjustments for the Minimum and Maximum scenarios is as follows:

	Audited as at 31 August 2014	i After the Par Value Reduction	ii After i and the Rights Issue with Warrants	iii After ii and the Bonus Issue	iv After iii and the Private Placement with Warrants	v After iv and the ESOS	vi After v and assuming full exercise of Warrants	vii After vi and assuming full exercise of ESOS
<b>Minimum scenario</b>								
Net assets attributable to equity holders of the Company (RM'000)	45,789	45,789	57,279	57,279	63,261	63,261	79,441	87,432
Number of shares in issue ('000)	45,101	45,101	97,459	123,638	148,366	148,366	213,088	245,051
Net assets per share attributable to equity holders of the Company (RM)	1.02	1.02	0.59	0.46	0.43	0.43	0.37	0.36
<b>Maximum scenario</b>								
Net assets attributable to equity holders of the Company (RM'000)	45,789	45,789	66,740	66,740	75,560	75,560	102,621	114,798
Number of shares in issue ('000)	45,101	45,101	135,303	180,404	216,485	216,485	324,728	373,437
Net assets per share attributable to equity holders of the Company (RM)	1.02	1.02	0.49	0.37	0.35	0.35	0.32	0.31

**Notes**

Net assets attributable to equity holders of the Company: Total equity less non-controlling interests

Net assets per share attributable to equity holders of the Company: Net assets attributable to equity holders of the Company / Number of shares in issue

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

APPENDIX A

D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

1. Basis of preparation

The pro forma consolidated statements of financial position as at 31 August 2014 of D'nonce Technology Bhd. ("DTB" or the "Company") and its subsidiaries (the "Group") have been prepared by the directors of DTB, for illustrative purpose, in connection with the following Corporate Exercises:-

- (i) Reduction of the issued and paid-up share capital of DTB pursuant to Section 64(1) of the Companies Act, 1965 ("Act"), involving the cancellation of RM0.75 of the par value of each ordinary share of RM1.00 each in DTB ("Par Value Reduction");
- (ii) Renounceable rights issue of up to 90,202,000 new ordinary shares of RM0.25 each in DTB ("Rights Share(s)") on the basis of two (2) Rights Shares for every one (1) ordinary share of RM0.25 each in DTB ("DTB Share(s)") held by the entitled shareholders of DTB as at 5.00 p.m. on 29 October 2015 ("Entitlement Date") at an issue price of RM0.25 per Rights Share together with up to 90,202,000 free detachable warrants ("Warrant(s)") on the basis of one (1) Warrant for every one (1) Rights Share subscribed ("Rights Issue with Warrants");
- (iii) Bonus issue of up to 45,101,000 DTB Shares ("Bonus Share(s)") on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed pursuant to the Rights Issue with Warrants ("Bonus Issue");
- (iv) Private placement of up to 36,080,800 new ordinary shares of RM0.25 each in DTB ("Placement Share(s)"), representing approximately up to twenty percent (20%) of the enlarged issued and paid-up share capital of DTB after the Rights Issue with Warrants and Bonus Issue together with up to 18,040,400 Warrants on the basis of one (1) Warrant for every two (2) Placement Shares subscribed ("Private Placement with Warrants");
- (v) Amendments to the Memorandum and Articles of Association ("M&A") of DTB ("M&A Amendments");
- (vi) Establishment of an employees' share option scheme ("ESOS") of up to fifteen percent (15%) of the enlarged issued and paid-up share capital of DTB for the eligible directors and employees of DTB and its subsidiaries ("DTB Group") ("ESOS");
- (vii) Share buy-back of DTB Shares of up to ten percent (10%) of its issued and paid-up share capital ("Share Buy-Back"); and
- (viii) Increase in the authorised share capital of DTB from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 800,000,000 ordinary shares of RM0.25 each ("Increase in Authorised Share Capital").

(collectively referred to as "the Corporate Exercises")

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

**APPENDIX A**

**D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")**

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

**1. Basis of preparation (contd.)**

The pro forma consolidated statements of financial position as at 31 August 2014 of DTB have been prepared based on the audited consolidated statements of financial position as at 31 August 2014 of DTB and on a basis consistent with both the format of the audited financial statements and the accounting policies adopted by DTB in preparation of the audited consolidated financial statements of DTB for the financial year ended 31 August 2014, which is in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, to show the effects had the Corporate Exercises been completed on that date. The directors of the Company are responsible for the preparation of the pro forma consolidated statements of financial position for inclusion in the Abridged Prospectus to shareholders of the Company.

The pro forma consolidated statements of financial position do not purport to predict the future financial position of the Group.

The pro forma consolidated statements of financial position are set out incorporating the following:

**Minimum scenario**

Representing a scenario where it is assumed that the Rights Issue with Warrants is subscribed based on a minimum subscription level basis via the issuance of 52,358,000 Rights Shares together with 52,358,000 Warrants.

**Maximum scenario**

Representing a scenario where it is assumed that all the Rights Issue with Warrants is subscribed via the issuance of 90,202,000 Rights Shares together with 90,202,000 Warrants.

The M&A Amendments, Share Buy-Back and Increase in Authorised Share Capital do not have any financial effect on the pro forma consolidated statements of financial position.

**2. Pro forma adjustments**

**(i) Pro forma i**

Pro forma i incorporates the effect of the reduction of the issued and paid-up share capital of DTB pursuant to Section 64(1) of the Companies Act, 1965, involving the cancellation of RM0.75 of the par value of each ordinary share of RM1.00 each in DTB;

The effects for pro forma i is as summarised below:

	Par value of ordinary shares RM	Number of ordinary shares '000	Issued and paid-up share capital RM'000
Share capital as at 31 August 2014	1.00	45,101	45,101
Arising from Par Value Reduction	(0.75)	-	(33,826)
As per Pro forma i	0.25	45,101	11,275

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (i) Pro forma i (contd.)

	RM'000
Accumulated losses as at 31 August 2014	(17,352)
Arising from Par Value Reduction	33,826
As per Pro forma i	16,474

## (ii) Pro forma ii

Pro forma ii incorporates the effects of Pro forma i and the effects of the issuance of rights shares with warrants under the following two scenarios, together with the estimated expenses to be incurred for the Corporate Exercises of approximately RM1.6 million.

For the purposes of this pro forma, the theoretical ex-all share price (includes rights shares and bonus shares prior to private placement) of DTB shares under the minimum and maximum scenario are computed as per the table below:

	Price per share	Minimum scenario		Maximum scenario	
		No of shares	Value	No of shares	Value
	RM	'000	RM'000	'000	RM'000
Existing shares	0.4334 <sup>(1)</sup>	45,101	19,547	45,101	19,547
Issuance of rights shares with warrants	0.25 <sup>(2)</sup>	52,358	13,090	90,202	22,551
Bonus issue	0.00	26,179	-	45,101	-
<b>Total</b>		<b>123,638</b> (m)	<b>32,637</b> (n)	<b>180,404</b> (m)	<b>42,098</b> (n)
Underlying share price [computed as (n) / (m)]			RM0.2640		RM0.2334

**Note:**

(1) - Based on the 5-day weighted average market price of DTB shares up to 30 Sep 2015

(2) - For the purposes of this pro forma, the subscription price for the Rights Shares is RM0.25 per Rights Share.

The table below shows:

- (i) the assumed ex-rights share price and fair value of warrants on issuance date; and  
(ii) the computation of the relative fair value of rights shares and warrants:

		Minimum scenario	Maximum scenario
		RM	RM
Assumed fair value of warrants	(a)	0.1893	0.1630
Assumed ex-all share price (includes rights shares and bonus shares prior to Private Placement with Warrants)	(b)	0.2640	0.2334
Subscription price	(c)	0.25	0.25
Relative fair value of warrants from rights share	(a) / [(a) + (b)] * (c)	0.1044	0.1028



**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (ii) Pro forma ii (contd.)

**Fair value of Warrants**

The fair value of warrants is estimated using the "Black Scholes" pricing model based on the following key assumptions:

Risk free interest rate	3.862%
Expected volatility of DTB's share price	88.686%
Expected dividend yield	0.00%
Exercise price	RM0.25

**Minimum Scenario**

Assuming the Rights Issue with Warrants is subscribed based on a minimum subscription level basis via the issuance 52,358,000 Rights Shares together with 52,358,000 Warrants.

**Maximum Scenario**

Assuming all the entitled shareholders fully subscribe for their entitlements of the Rights Shares with Warrants.

The effect of the Rights Issue With Warrants are summarised below:

Number of shares in issue	Minimum scenario	Maximum scenario
	'000	'000
Per Pro forma i	45,101	45,101
Arising from Rights Issue with Warrants	52,358	90,202
Per Pro forma ii	97,459	135,303

Share capital	Minimum scenario	Maximum scenario
Number of Rights Shares ('000)	52,358	90,202
Par value per DTB share (RM)	0.25	0.25
Total arising from Rights Issue with Warrants (RM'000)	13,090	22,551
As per Pro forma i (RM'000)	11,275	11,275
As per Pro forma ii (RM'000)	24,365	33,826

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**

## APPENDIX A

D'NONCE TECHNOLOGY BHD. (“DTB” or “THE COMPANY”)

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (ii) Pro forma ii (contd.)

Warrant reserves	Minimum scenario	Maximum scenario
	RM'000	RM'000
At 31 August 2014/ As per Pro forma i	-	-
Arising from Rights Issue with Warrants based on relative fair value of warrants of RM0.1044/RM0.1028 each	5,466	9,273
As per Pro forma ii	5,466	9,273

Retained earnings	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma i	16,474	16,474
Estimated expenses	(1,600)	(1,600)
Arising from Rights Issue with Warrants based on relative fair value of warrants of RM0.1044/RM0.1028 each	(5,466)	(9,273)
As per Pro forma ii	9,408	5,601

Cash and bank balance (current assets)	Minimum scenario	Maximum scenario
Number of Rights Shares ('000)	52,358	90,202
Indicative issue price per Rights Share (RM)	0.25	0.25
Total proceeds from Rights Issue with Warrants (RM'000)	13,090	22,551
Less: estimated expenses (RM'000)	(1,600)	(1,600)
Net proceeds (RM'000)	11,490	20,951
Cash and bank balances as at 31 August 2014 /As per Pro forma i (RM'000)	11,549	11,549
As per Pro forma ii (RM'000)	23,039	32,500

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**

## APPENDIX A

## D'NONCE TECHNOLOGY BHD. (“DTB” or “THE COMPANY”)

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (iii) Pro forma iii

Pro forma iii incorporates the effects of Pro forma ii and the effects of Bonus issue of 26,179,000 bonus shares and 45,101,000 bonus shares under the Minimum Scenario and Maximum Scenario respectively. The Bonus Issue shall be wholly capitalised from the share premium account of the Company.

The effects of the Bonus Issue are summarised as below:

Number of shares in issue	Minimum scenario	Maximum scenario
	'000	'000
Per Pro forma ii	97,459	135,303
Arising from Bonus Issue	26,179	45,101
Per Pro forma iii	123,638	180,404

Share capital	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma ii	24,365	33,826
Arising from Bonus Issue	6,545	11,275
As per Pro forma iii	30,910	45,101

Share Premium	Minimum scenario	Maximum scenario
	RM'000	RM'000
As at 31 August 2014/As per Pro forma i and ii	12,310	12,310
Arising from Bonus Issue	(6,545)	(11,275)
As per Pro forma iii	5,765	1,035

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

## D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (iv) Pro forma iv

Pro forma iv incorporates the effects of Pro forma iii and the effects of Private Placement with Warrants of 24,727,600 Placement Shares and of 36,080,800 Placement Shares under the Minimum Scenario and Maximum Scenario respectively, together with the estimated expenses to be incurred for the Private Placement with Warrants of approximately RM0.2 million.

**Minimum Scenario**

Assuming the Private Placement with Warrants is subscribed based on a minimum subscription level basis via the issuance of 24,727,600 Placement Shares together with 12,363,800 Warrants, which is equivalent to 20% of the enlarged issued and paid up share capital after Pro forma iii.

**Maximum Scenario**

Assuming all Private Placement with Warrants is subscribed via the issuance of 36,080,800 Placement Shares together with 18,040,400 Warrants, which is equivalent to 20% of the enlarged issued and paid up share capital after Pro forma iii.

For the purposes of this pro forma, the subscription price for the Private Placement with Warrants is assumed to be RM0.25 per share. The underlying share price is computed as per the table below:

	Price per share	Minimum scenario		Maximum scenario	
		No of shares	Value	No of shares	Value
	RM	'000	RM'000	'000	RM'000
Existing shares	0.4334 <sup>(3)</sup>	45,101	19,547	45,101	19,547
Issuance of Rights Shares with Warrants	0.25 <sup>(4)</sup>	52,358	13,090	90,202	22,551
Bonus issue	0.00	26,179	-	45,101	-
Private Placement with Warrants	0.25 <sup>(5)</sup>	24,728	6,182	36,081	9,020
<b>Total</b>		<b>148,366</b> (x)	<b>38,819</b> (y)	<b>216,485</b> (x)	<b>51,118</b> (y)
Underlying share price [computed as (y) / (x)]			RM0.2616		RM0.2361

Note:

- (3) - Based on the 5-day weighted average market price of DTB shares up to 30 Sep 2015  
(4) - For the purposes of this pro forma, the subscription price for the Rights Shares is RM0.25 per Rights Share  
(5) - For the purposes of this pro forma, the subscription price for the Private Placement with Warrants is assumed to be RM0.25

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**

## APPENDIX A

## D'NONCE TECHNOLOGY BHD. (“DTB” or “THE COMPANY”)

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (iv) Pro forma iv (contd.)

The table below shows:

- (i) the assumed share price and fair value of warrants on the date of private placement; and  
(ii) the computation of the relative fair value of shares and warrants:

		Minimum scenario	Maximum scenario
		RM	RM
Assumed fair value of warrants from Private Placement with Warrants	(a)	0.1873	0.1653
Assumed share price (post adjustment for Rights Issue with Warrants, Bonus Issue and Private Placement with Warrants)	(b)	0.2616	0.2361
Subscription price	(c)	0.25	0.25
Relative fair value of warrants	(a) / [(a) + (b)] * (c)	0.1043	0.1029

## Fair value of Warrants

The fair value of warrants is estimated using the “Black Scholes” pricing model based on the following key assumptions:

Risk free interest rate	3.862%
Expected volatility of DTB’s share price	88.686%
Expected dividend yield	0.00%
Exercise price	RM0.25

The effects of the Private Placement with Warrants are summarised as below:

Number of shares in issue	Minimum scenario	Maximum scenario
	'000	'000
Per Pro forma iii	123,638	180,404
Arising from Private Placement with Warrants	24,728	36,081
Per Pro forma iv	148,366	216,485

Share capital	Minimum scenario	Maximum scenario
Number of Placement Shares ('000)	24,728	36,081
Par value per DTB share (RM)	0.25	0.25
Total (RM'000)	6,182	9,020
As per Pro forma iii (RM'000)	30,910	45,101
As per Pro forma iv (RM'000)	37,092	54,121

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (iv) Pro forma iv (contd.)

Warrant reserves	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma ii and iii	5,466	9,273
Arising from Private Placement with Warrants based on relative fair value of warrants of RM0.1043/RM0.1029 each	1,289	1,856
As per Pro forma iv	6,755	11,129

Retained earnings	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma ii and iii	9,408	5,601
Estimated expenses	(200)	(200)
Arising from Private Placement with Warrants based on relative fair value of warrants of RM0.1043/RM0.1029 each	(1,289)	(1,856)
As per Pro forma iv	7,919	3,545

Cash and bank balance (current assets)	Minimum scenario	Maximum scenario
Number of Placement Shares ('000)	24,728	36,081
Assumed issue price per Placement Share (RM)	0.25	0.25
Total proceeds from Placement Shares (RM'000)	6,182	9,020
Less: estimated expenses (RM'000)	(200)	(200)
Net proceeds (RM'000)	5,982	8,820
As per Pro forma ii and iii (RM'000)	23,039	32,500
As per Pro forma iv (RM'000)	29,021	41,320

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**

## APPENDIX A

## D'NONCE TECHNOLOGY BHD. (“DTB” or “THE COMPANY”)

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (v) Pro forma v

Pro forma v incorporates the effects of Pro forma iv and the effects of ESOS of 31,963,110 ESOS options and 48,709,080 ESOS options under the Minimum Scenario and Maximum Scenario respectively or approximately 15% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after the implementation of the Par Value Reduction, Rights Issue with Warrants, Bonus Issue, Private Placement with Warrants and assuming that all of the Warrants have been exercised by the Warrant holders.

For the purposes of this pro forma, the exercise price of ESOS is assumed to be RM0.25. The fair values of ESOS option under the Minimum scenario and Maximum scenario are assumed to be RM0.1873 and RM0.1653 per ESOS option respectively. The fair value of the ESOS options are computed based on the same assumptions as described in Pro forma iv.

**Fair value of ESOS option**

The fair value of ESOS option is estimated using the “Black Scholes” pricing model based on the following key assumptions:

Risk free interest rate	3.862%
Expected volatility of DTB's share price	88.686%
Expected dividend yield	0.00%
Exercise price	RM0.25

The effects of the ESOS are summarised as below:

Share option reserves	Minimum scenario	Maximum scenario
	RM'000	RM'000
At 31 August 2014/As per Pro forma i, ii, iii and iv	-	-
Arising from ESOS based on indicative fair value of ESOS option of RM0.1873/RM0.1653 each	5,987	8,052
As per Pro forma v	5,987	8,052

Retained earnings	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma iv	7,919	3,545
Arising from ESOS based on indicative fair value of ESOS option of RM0.1873/RM0.1653 each	(5,987)	(8,052)
As per Pro forma v	1,932	(4,507)

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

## APPENDIX A

D'NONCE TECHNOLOGY BHD. ("DTB" or "THE COMPANY")

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (vi) Pro forma vi

Pro forma vi incorporates the effects of Pro forma v and the effects arising from the full exercise of Warrants under Pro forma ii and Pro forma iv.

The effects of the full exercise of Warrants are summarised as below:

Number of shares in issue	Minimum scenario	Maximum scenario
	'000	'000
Per Pro forma iv and v	148,366	216,485
Arising from full exercise of Warrants from Rights Issue with Warrants	52,358	90,202
Arising from full exercise of Warrants from Private Placement with Warrants	12,364	18,041
Total Warrants exercised	64,722	108,243
Per Pro forma vi	213,088	324,728

Share capital	Minimum scenario	Maximum scenario
Upon full exercise of Warrants ('000)	64,722	108,243
Par value per DTB share (RM)	0.25	0.25
Total arising from full exercise of Warrants (RM'000)	16,180	27,061
As per Pro forma iv and v (RM'000)	37,092	54,121
As per Pro forma vi (RM'000)	53,272	81,182

Share premium	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma iii, iv and v	5,765	1,035
Transfer from Warrant reserves	6,755	11,129
As per Pro forma vi	12,520	12,164

Warrant reserves	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma iv and v	6,755	11,129
Transfer to share premium	(6,755)	(11,129)
As per Pro forma vi	-	-



**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**

## APPENDIX A

D'NONCE TECHNOLOGY BHD. (“DTB” or “THE COMPANY”)

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

## (vi) Pro forma vi (contd.)

Cash and bank balance (current assets)	Minimum scenario	Maximum scenario
Upon full exercise of Warrants ('000)	64,722	108,243
Assumed exercise price per Warrant (RM)	0.25	0.25
Total proceeds upon the full exercise of Warrants (RM'000)	16,180	27,061
As per Pro forma iv and v (RM'000)	29,021	41,320
As per Pro forma vi (RM'000)	45,201	68,381

## (vii) Pro forma vii

Pro forma vii incorporates the effects of Pro forma vi and the effects arising from the full exercise of ESOS options.

The effects of the full exercise of ESOS options are summarised as below:

Number of shares in issue	Minimum scenario	Maximum scenario
	'000	'000
Per Pro forma vi ('000)	213,088	324,728
Arising from full exercise of ESOS options	31,963	48,709
Per Pro forma vii	245,051	373,437

Share capital	Minimum scenario	Maximum scenario
Upon full exercise of ESOS options ('000)	31,963	48,709
Par value per DTB share (RM)	0.25	0.25
Total arising from full exercise of ESOS options (RM'000)	7,991	12,177
As per Pro forma vi (RM'000)	53,272	81,182
As per Pro forma vii (RM'000)	61,263	93,359

Share premium	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma vi	12,520	12,164
Transfer from share option reserves	5,987	8,052
As per Pro forma vii	18,507	20,216

**APPENDIX III – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF DTB AS AT 31 AUGUST 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (Cont’d)**

## APPENDIX A

D'NONCE TECHNOLOGY BHD. (“DTB” or “THE COMPANY”)

Pro forma consolidated statements of financial position as at 31 August 2014 (contd.)

Notes to the pro forma consolidated statements of financial position

## 2. Pro forma adjustments (contd.)

(vii) Pro forma vii (contd.)

Share option reserves	Minimum scenario	Maximum scenario
	RM'000	RM'000
As per Pro forma v and vi	5,987	8,052
Transfer to share premium	(5,987)	(8,052)
As per Pro forma vii	-	-

Cash and bank balance (current)	Minimum scenario	Maximum scenario
Upon full exercise of ESOS ('000)	31,963	48,709
Exercise price per ESOS Option (RM)	0.25	0.25
Total proceeds upon the full exercise of ESOS (RM'000)	7,991	12,177
As per Pro forma vi (RM'000)	45,201	68,381
As per Pro forma vii (RM'000)	53,192	80,558

## 3. Accounting Policy for Warrants

The fair value of warrants arising from the Rights Issue with Warrants and Private Placement with Warrants are credited to the warrant reserve which is non-distributable. The warrant reserve is transferred to the share premium account upon the exercise of the warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

## 4. Accounting Policy for ESOS

The cost of ESOS arising from the ESOS is recognised in profit or loss with a corresponding increase in share option reserve. The share option reserve is transferred to the share premium account upon the exercise of the ESOS and the share option reserve in relation to the unexercised ESOS at the expiry of the ESOS will be transferred to retained earnings.