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13 OCT 2015

GUNN CHIT GEOK
COMPANY SECRETARY
MAICSA 0673097

D'NONCE TECHNOLOGY BHD.
(503292 K)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 August 2014

D'nonce Technology Bhd.
(Incorporated in Malaysia)

Contents	**Pages**

D'nonce Technology Bhd.
(Incorporated in Malaysia)

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2014.

Principal activities

The principal activities of the Company are the provision of management services and investment holding.

The principal activities of the subsidiaries are described in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Profit/(loss) net of tax	2,598,663	(773,797)
Attributable to:		
Owners of the parent	2,304,899	(773,797)
Non-controlling interests	293,764	-
	2,598,663	(773,797)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

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D'nonce Technology Bhd.
(Incorporated in Malaysia)

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Ahmad Ibnihajar
Dato' Oon Choo Eng @ Oon Choo Khye
Dato' Lee Kah Choon
Law Kim Choon
Wong Thai Sun
Lim Teik Hoe (retired on 25 February 2014)

Dato' Oon Choo Eng @ Oon Choo Khye who will retire in accordance with Section 129(6) of the Companies Act 1965, has notified the Company that he does not wish to seek for re-appointment and accordingly, he will retire at the conclusion of the Fifteenth Annual General Meeting of D'nonce Technology Bhd. which is tentatively to be convened on 27 February 2015.

Directors' benefits

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company and its related corporations as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than as disclosed in Note 27 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	← Number of ordinary shares of RM1 each →			
	1 September 2013	**Bought**	**Sold**	**31 August 2014**
The Company				
Direct interest				
Law Kim Choon	6,210,995	1,046,800	-	7,257,795
Dato' Lee Kah Choon	288,000	-	-	288,000

Law Kim Choon by virtue of his interest in shares of the Company is also deemed interested in shares of all the subsidiaries to the extent the Company has an interest.

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D'nonce Technology Bhd.
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Directors' interests (contd.)

The other directors in office at the end of the financial year did not have any interest in shares in the Company or shares in it related corporations during the financial year.

Other statutory information

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts in respect of the financial statements of the Group and of the Company; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

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D'nonce Technology Bhd.
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Other statutory information (contd.)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, other than as disclosed in the financial statements.

Significant events

Details of the significant events are as disclosed in Note 34 to the financial statements.

Subsequent events

Details of the subsequent events are as disclosed in Note 35 to the financial statements.

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D'nonce Technology Bhd.
(Incorporated in Malaysia)

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 DEC 2014

Wong Thai Sun

Law Kim Choon

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D'nonce Technology Bhd.
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 169(15) of the Companies Act 1965

We, Wong Thai Sun and Law Kim Choon, being two of the directors of D'nonce Technology Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 37 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 DEC 2014

Wong Thai Sun

Law Kim Choon

Statutory declaration
Pursuant to Section 169(16) of the Companies Act 1965

I, Law Kim Choon, being the director primarily responsible for the financial management of D'nonce Technology Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 117 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Law Kim Choon
at Georgetown in the State of Penang
on 31 DEC 2014

Law Kim Choon

Before me,

PESURUHJAYA SUMPAH
No: P147
Nama: HAJI MOHAMED YUSOFF BIN MOHD. IBRAHIM
MALAYSIA
NO. 97, LEBUH BISHOP
10200 PULAU PINANG

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Ernst & Young AF: 0039
Chartered Accountants
21st Floor MWE Plaza
No. 8, Lebuh Farquhar
10200 Penang, Malaysia

Tel: +604 264 1878
+604 263 0033
Fax: +604 262 1812
+604 263 0099
ey.com

Independent auditors' report to the members of D'nonce Technology Bhd. (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of D'nonce Technology Bhd., which comprise the statements of financial position as at 31 August 2014 of the Group and of the Company, income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 116.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

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Independent auditors' report to the members of
D'nonce Technology Bhd. (contd.)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

FOR IDENTIFICATION PURPOSES SECRETARY

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Independent auditors' report to the members of D'nonce Technology Bhd. (contd.)
(Incorporated in Malaysia)

Other reporting responsibilities

The supplementary information set out in Note 37 on page 117 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
Ernst & Young
AF: 0039
Chartered Accountants

Adeline Chan Su Lynn
No. 3082/07/15(J)
Chartered Accountant

Penang, Malaysia
Date: 31 December 2014

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D'nonce Technology Bhd.
(Incorporated in Malaysia)

Income statements
For the financial year ended 31 August 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Revenue	4	178,763,563	177,807,377	4,767,354	4,454,149
Other income	5	14,266,862	1,419,127	-	-
Changes in inventories of work-in-progress and finished goods		17,468,747	(648,980)	-	-
Raw materials and consumables used		(53,358,432)	(50,756,689)	-	-
Trading goods		(91,797,770)	(73,883,846)	-	-
Employee benefits expense	6	(29,956,253)	(34,100,576)	(3,402,413)	(2,996,673)
Depreciation		(5,353,424)	(5,426,253)	(22,223)	(14,737)
Operating leases - minimum lease payments for premises and equipment		(1,832,741)	(1,816,438)	(42,000)	(13,800)
Utilities		(4,081,450)	(4,190,387)	(51,546)	(46,454)
Other expenses	7	(17,568,748)	(15,804,589)	(1,418,170)	(6,757,248)
Operating profit/(loss)		6,550,354	(7,401,254)	(168,998)	(5,374,763)
Finance costs	9	(2,922,922)	(2,296,042)	(638,599)	(673,678)
Profit/(loss) before tax		3,627,432	(9,697,296)	(807,597)	(6,048,441)
Income tax expense	10	(1,028,769)	(87,809)	33,800	(100,000)
Profit/(loss) net of tax		2,598,663	(9,785,105)	(773,797)	(6,148,441)
Attributable to:					
Owners of the parent		2,304,899	(9,742,915)	(773,797)	(6,148,441)
Non-controlling interests		293,764	(42,190)	-	-
		2,598,663	(9,785,105)	(773,797)	(6,148,441)
Earnings/(loss) per share attributable to owners of the parent (sen):					
Basic/Diluted	11	5.11	(21.60)		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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D'nonce Technology Bhd.
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Statements of comprehensive income
For the financial year ended 31 August 2014

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit/(loss) net of tax	2,598,663	(9,785,105)	(773,797)	(6,148,441)
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax:				
Foreign currency translation	(623,644)	875,915	-	-
Total comprehensive income for the year	1,975,019	(8,909,190)	(773,797)	(6,148,441)
Total comprehensive income attributable to:				
Owners of the parent	1,681,425	(8,867,158)	(773,797)	(6,148,441)
Non-controlling interests	293,594	(42,032)	-	-
	1,975,019	(8,909,190)	(773,797)	(6,148,441)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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D'nonce Technology Bhd.
(Incorporated in Malaysia)

Statements of financial position
As at 31 August 2014

	Note	Group 2014 RM	2013 RM
Non-current assets			
Property, plant and equipment	12	40,912,839	42,101,045
Investment properties	14	12,413,622	12,428,718
Other investments	15	14,000	14,000
Intangible asset	16	289,128	289,128
Trade receivables	17	179,879	548,227
Deferred tax assets	18	780,516	704,497
Cash and bank balances	21	104,724	431,642
		54,694,708	56,517,257
Current assets			
Inventories	19	37,069,221	18,798,308
Trade and other receivables	17	66,617,248	35,031,720
Tax recoverable		174,985	609,086
Cash and bank balances	21	11,548,732	10,082,464
		115,410,186	64,521,578
Total assets		**170,104,894**	**121,038,835**
Equity and liabilities			
Current liabilities			
Derivatives	20	-	34,007
Loans and borrowings	22	39,264,201	29,599,968
Trade and other payables	23	35,836,661	28,044,087
Retirement benefit obligations	24	1,030,577	540,528
Tax payable		32,955	37,353
		76,164,394	58,255,943
Net current assets		**39,245,792**	**6,265,635**

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D'nonce Technology Bhd.
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Statements of financial position
As at 31 August 2014 (contd.)

	Note	Group 2014 RM	Group 2013 RM
Non-current liabilities			
Retirement benefit obligations	24	491,072	1,811,457
Loans and borrowings	22	43,502,983	13,069,420
Deferred tax liabilities	18	240,685	171,274
		44,234,740	15,052,151
Total liabilities		**120,399,134**	**73,308,094**
Net assets		**49,705,760**	**47,730,741**
Equity attributable to owners of the parent			
Share capital	25	45,101,000	45,101,000
Share premium	25	12,309,806	12,309,806
Other reserves	26	5,730,122	6,353,596
Accumulated losses		(17,352,122)	(19,657,021)
		45,788,806	44,107,381
Non-controlling interests		3,916,954	3,623,360
Total equity		**49,705,760**	**47,730,741**
Total equity and liabilities		**170,104,894**	**121,038,835**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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D'nonce Technology Bhd.
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Statements of financial position
As at 31 August 2014 (contd.)

	Note	Company 2014 RM	2013 RM
Non-current assets			
Property, plant and equipment	12	130,609	32,897
Investments in subsidiaries	13	42,111,988	42,133,688
		42,242,597	42,166,585
Current assets			
Trade and other receivables	17	4,987,172	6,729,829
Cash and bank balances	21	128,221	72,394
		5,115,393	6,802,223
Total assets		**47,357,990**	**48,968,808**
Equity and liabilities			
Current liabilities			
Trade and other payables	23	14,667,501	14,604,933
Retirement benefit obligations	24	1,030,577	540,528
		15,698,078	15,145,461
Net current liabilities		**(10,582,685)**	**(8,343,238)**
Non-current liabilities			
Retirement benefit obligations	24	-	1,389,638
Total liabilities		**15,698,078**	**16,535,099**
Net assets		**31,659,912**	**32,433,709**

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Statements of financial position
As at 31 August 2014 (contd.)

	Note	Company 2014 RM	2013 RM
Equity attributable to owners of the parent			
Share capital	25	45,101,000	45,101,000
Share premium	25	12,309,806	12,309,806
Accumulated losses		(25,750,894)	(24,977,097)
Total equity		**31,659,912**	**32,433,709**
Total equity and liabilities		**47,357,990**	**48,968,808**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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D'nonce Technology Bhd.
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Statements of changes in equity
For the financial year ended 31 August 2014

	← Attributable to owners of the parent			→		
		← Non-distributable →				
Group	**Share capital RM (Note 25)**	**Share premium RM (Note 25)**	**Other reserves RM (Note 26)**	**Accumulated losses RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 September 2013	45,101,000	12,309,806	6,353,596	(19,657,021)	3,623,360	47,730,741
Total comprehensive income	-	-	(623,474)	2,304,899	293,594	1,975,019
At 31 August 2014	45,101,000	12,309,806	5,730,122	(17,352,122)	3,916,954	49,705,760
At 1 September 2012	45,101,000	12,309,806	5,592,094	(10,028,361)	3,665,392	56,639,931
Total comprehensive income	-	-	875,757	(9,742,915)	(42,032)	(8,909,190)
Transactions with owners:						
Expiration of ESOS	-	-	(114,255)	114,255	-	-
At 31 August 2013	45,101,000	12,309,806	6,353,596	(19,657,021)	3,623,360	47,730,741

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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D'nonce Technology Bhd.
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Statements of changes in equity
For the financial year ended 31 August 2014 (contd.)

		← Non-distributable →			
Company	**Share capital RM (Note 25)**	**Share premium RM (Note 25)**	**Other reserves RM (Note 26)**	**Accumulated losses RM**	**Total equity RM**
At 1 September 2013	45,101,000	12,309,806	-	(24,977,097)	32,433,709
Total comprehensive income	-	-	-	(773,797)	(773,797)
At 31 August 2014	45,101,000	12,309,806	-	(25,750,894)	31,659,912
At 1 September 2012	45,101,000	12,309,806	114,255	(18,942,911)	38,582,150
Total comprehensive income	-	-	-	(6,148,441)	(6,148,441)
Transactions with owners:					
Expiration of ESOS	-	-	(114,255)	114,255	-
At 31 August 2013	45,101,000	12,309,806	-	(24,977,097)	32,433,709

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

D'nonce Technology Bhd.
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Statements of cash flows
For the financial year ended 31 August 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Operating activities					
Profit/(loss) before tax		3,627,432	(9,697,296)	(807,597)	(6,048,441)
Adjustments for:					
Allowance of impairment on trade and other receivables	7	141,087	1,668,923	926,171	3,939,199
Depreciation on:					
- property, plant and equipment	12	5,020,479	5,097,900	22,223	14,737
- investment properties	14	332,945	328,353	-	-
Fair value changes in derivatives	7	(34,007)	38,814	-	-
Gain on disposal of property, plant and equipment	7	(2,021,271)	(61,549)	-	-
Interest expense	9	2,922,922	2,296,042	638,599	673,678
Interest income	5	(419,291)	(316,554)	-	-
Inventories written down	7	81,032	87,463	-	-
Inventories written off	7	3,387,750	106,826	-	-
Pension costs – defined benefit plan	6	482,346	336,470	(60,792)	214,140
Provision for directors' leave passage	8	96,958	96,958	54,571	54,571
Short term accumulating compensated absences	8	242,432	91,008	67,750	53,763
Property, plant and equipment written off	7	322,309	11,078	1,511	-
(Reversal of)/provision for slow moving inventories	7	(226,977)	161,978	-	-
Impairment losses on:					
- property, plant and equipment	7	1,445,179	526,000	-	-
- investments in subsidiaries	7	-	-	21,700	2,310,000
Reversal of allowance of impairment on trade and other receivables	7	(898,658)	(208,677)	(173,351)	(632,744)
Unrealised loss/(gain) on foreign exchange	7	161,051	9,234	(508,217)	436,323
Total adjustments		11,036,286	10,270,267	990,165	7,063,667
Operating profit before working capital changes		14,663,718	572,971	182,568	1,015,226

FOR IDENTIFICATION PURPOSES
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D'nonce Technology Bhd.
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Statements of cash flows
For the financial year ended 31 August 2014 (contd.)

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Changes in working capital					
(Increase)/decrease in inventories		(21,512,718)	1,469,624	-	-
(Increase)/decrease in trade and other receivables		(30,459,609)	2,392,968	(5,206)	(30)
Increase/(decrease) in trade and other payables		7,292,316	(1,617,903)	378,492	499,844
Total changes in working capital		(44,680,011)	2,244,689	373,286	499,814
Cash (used in)/generated from operations		(30,016,293)	2,817,660	555,854	1,515,040
Contributions paid	24	(1,296,449)	(487,062)	(838,797)	(428,903)
Taxes (paid)/refunded		(605,674)	(10,187)	33,800	-
Interest paid	9	(2,922,922)	(2,296,042)	(638,599)	(673,678)
Net cash (used in)/generated from operating activities		(34,841,338)	24,369	(887,742)	412,459
Investing activities					
Interest received	5	419,291	316,554	-	-
Net changes in fixed deposits		(1,256,751)	(993,025)	-	-
Proceeds from disposal of property, plant and equipment		2,767,815	177,000	-	-
Purchase of property, plant and equipment	A	(3,857,361)	(2,911,345)	(121,446)	(3,665)
Subsequent expenditure incurred on investment properties		(31,900)	(6,500)	-	-
Net cash used in investing activities		(1,958,906)	(3,417,316)	(121,446)	(3,665)
Financing activities					
Drawdown of short term borrowings		4,533,694	937,784	-	-
Net change in subsidiaries' balances		-	-	1,065,015	(745,445)
Repayment of obligations under finance leases		(1,094,434)	(1,141,964)	-	-
Drawdown of term loans		36,253,000	6,794,241	-	-
Repayment of term loans		(6,320,234)	(5,355,974)	-	-
Net cash generated from/(used in) financing activities		33,372,026	1,234,087	1,065,015	(745,445)

FOR IDENTIFICATION PURPOSES SECRETARY

D'nonce Technology Bhd.
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 August 2014 (contd.)

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Net (decrease)/increase in cash and cash equivalents		(3,428,218)	(2,158,860)	55,827	(336,651)
Effects of foreign exchange rate changes		101,176	197,561	-	-
Cash and cash equivalents at beginning of financial year		(1,372,411)	588,888	72,394	409,045
Cash and cash equivalents at end of financial year	B	(4,699,453)	(1,372,411)	128,221	72,394

A. Purchase of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM7,373,490 (2013: RM4,618,034) and RM121,446 (2013: RM3,665) by way of the following:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash payment	3,857,361	2,911,345	121,446	3,665
Obligations under finance leases	3,516,129	1,706,689	-	-
	7,373,490	4,618,034	121,446	3,665

B. Cash and cash equivalents

Cash and cash equivalents comprise:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash and bank balances (Note 21)	11,653,456	10,514,106	128,221	72,394
Bank overdrafts (Note 22)	(11,439,903)	(8,230,262)	-	-
	213,553	2,283,844	128,221	72,394
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(4,913,006)	(3,656,255)	-	-
	(4,699,453)	(1,372,411)	128,221	72,394

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

FOR IDENTIFICATION PURPOSES SECRETARY

D'nonce Technology Bhd.
(Incorporated in Malaysia)

Notes to the financial statements
For the financial year ended 31 August 2014

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at 51-14-B & C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal activities of the Company are the provision of management services and investment holding.

The principal activities of the subsidiaries are described in Note 13.

There have been no significant changes in the nature of the principal activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised MFRSs which are mandatory for financial periods beginning on or after 1 September 2013 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia ("RM").

D'nonce Technology Bhd.
(Incorporated in Malaysia)

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 September 2013, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for financial periods beginning on or after 1 September 2013:

Description	*Effective for annual periods beginning on or after*
MFRS 3 Business Combinations (IFRS 3 *Business Combinations* issued by IASB in March 2004)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendment to IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013

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2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

MFRS 10 Consolidated Financial Statements

MFRS 10 replaces the portion of MFRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. MFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by MFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in MFRS 127. This standard has no material impact on the Group's financial position or performance.

MFRS 12 Disclosure of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's and the Company's financial position or performance.

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted. This standard has no material impact on the Group's and the Company's financial position or performance.

MFRS 127 Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements of the Company.

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment has no impact on the Group and the Company, since none of the entities in the group has netting arrangements.

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

MFRS 119: Employee Benefits (IAS 19 as amended by IASB in June 2011)

The Group and the Company applied MFRS 119 (revised) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard.

MFRS 119 (revised) changes, amongst other things, the accounting for defined benefit plans. Some of the key changes that impacted the Group and the Company include the following:

- Prior to adoption of the MFRS 119 (revised), the Group and the Company recognised actuarial gains and losses as income or expense when the net cumulative unrecognised gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognised unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the MFRS 119 (revised), the Group and the Company changed their accounting policy to recognise all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur.

- The interest cost and expected return on plan assets used in the previous version of MFRS 119 are replaced with a net-interest amount under MFRS 119 (revised), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

MFRS 119 (revised) also requires more extensive disclosures.

MFRS 119 (revised) has been applied retrospectively, with the following permitted exceptions:

- The carrying amounts of other assets have not been adjusted for changes in employee benefit costs that were included before 1 September 2012.

- Sensitivity disclosures for the defined benefit obligation for comparative period (year ended 31 August 2013) have not been provided.

The opening statement of financial positions of the earliest period presented (1 September 2012) and the comparative figures have not been restated as the application of MFRS 119 (revised) had no material impact on the financial statements of the Group and the Company.

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2. Summary of significant accounting policies (contd.)

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	*Effective for annual periods beginning on or after*
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11: Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 127- Equity Method in Separate Financial Statements	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7	1 January 2018

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2. Summary of significant accounting policies (contd.)

2.3 Standards and interpretations issued but not yet effective (contd.)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the periods of initial applicant except as discussed below:

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group and the Company.

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets

These amendments remove the unintended consequences of MFRS 13: Fair Value Measurement on the disclosures required under MFRS 136. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted.

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group and the Company have not novated their derivatives during the current period. However, these amendments would be considered for future novation.

IC Interpretation 21 Levies

IC Interpretation 21 address on when an entity should recognise a liability to pay a levy if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. The interpretation clarified that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of levy. The interpretation further clarified that the liability to pay a levy is recognised progressively if the obligating event occurs over a period of time.

2. Summary of significant accounting policies (contd.)

2.3 Standards and interpretations issued but not yet effective (contd.)

MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but will not have an impact on the classification and measurement of the Group's and the Company's financial liabilities. The Group and the Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in MFRS 116 and MFRS 138 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

2. Summary of significant accounting policies (contd.)

2.3 Standards and interpretations issued but not yet effective (contd.)

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

Annual improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group and the Company. They include:

MFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of MFRS 9 (or MFRS 139, as applicable).

MFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

The amendment is applied retrospectively and clarifies in MFRS 116 and MFRS 138 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

MFRS 124 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

2. Summary of significant accounting policies (contd.)

2.3 Standards and interpretations issued but not yet effective (contd.)

Annual improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group and the Company. They include:

MFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within MFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of MFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

MFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139, as applicable).

MFRS 140 Investment Property

The description of ancillary services in MFRS 140 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that MFRS 3, and not the description of ancillary services in MFRS 140, is used to determine if the transaction is the purchase of an asset or business combination.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

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2. Summary of significant accounting policies (contd.)

2.4 Basis of consolidation (contd.)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2. Summary of significant accounting policies (contd.)

2.4 Basis of consolidation (contd.)

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.9.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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2. Summary of significant accounting policies (contd.)

2.5 Transactions with non-controlling interests (contd.)

Total comprehensive income within a subsidiary is attributed to the non-controlling interests even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.6 Foreign currency

a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. Summary of significant accounting policies (contd.)

2.6 Foreign currency (contd.)

c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not yet available for use.

Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Leasehold land	60 - 99 years
- Buildings	2% - 2.5%
- Plant and machinery	10% - 20%
- Office furniture, fittings and computer equipment	10% - 33.33%
- Motor vehicles	20%
- Renovation	2% - 10%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

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2. Summary of significant accounting policies (contd.)

2.7 Property, plant and equipment and depreciation (contd.)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited life and therefore is not depreciated.

Depreciation of investment properties is provided on a straight-line basis to write-off the cost of each property to its residual value over the estimated useful life, at the following annual rate:

Leasehold land	50 - 60 years
Buildings	2%
Renovation	10%

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

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2. Summary of significant accounting policies (contd.)

2.9 Intangible asset

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

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2. Summary of significant accounting policies (contd.)

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.11 Subsidiaries

A subsidiary is an entity over which the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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2. Summary of significant accounting policies (contd.)

2.12 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable to transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company have not designated any financial assets as financial assets at fair value through profit or loss.

b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

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2. Summary of significant accounting policies (contd.)

2.12 Financial assets (contd.)

c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any accumulated impairment losses.

Available-for-sale financial assets are classified as non-current unless they are expected to be realised within 12 months after the reporting date.

The Group and the Company have not designated any financial assets as available-for-sale financial assets.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (contd.)

2.12 Financial assets (contd.)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

2.13 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (contd.)

2.13 Impairment of financial assets (contd.)

b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less, net of outstanding bank overdrafts and deposits pledged with licensed banks.

2. Summary of significant accounting policies (contd.)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in, first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.
- Trading goods: cost is determined on the first-in, first-out basis and includes cost of purchase and other incidental expenses in bringing the items into its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

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2. Summary of significant accounting policies (contd.)

2.17 Financial liabilities (contd.)

b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.19 Borrowings costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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2. Summary of significant accounting policies (contd.)

2.19 Borrowings costs (contd.)

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Employee benefits

a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

c) Defined benefit plans

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

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2. Summary of significant accounting policies (contd.)

2.20 Employee benefits (contd.)

c) Defined benefit plans (contd.)

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group and of the Company, nor can they be paid directly to the Group and the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after reporting date are discounted to present value.

2. Summary of significant accounting policies (contd.)

2.21 Leases

a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(e).

2. Summary of significant accounting policies (contd.)

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

b) Revenue from services

Revenue from services rendered is recognised net of discounts as and when the services are performed.

c) Interest income

Interest income is recognised using the effective interest method.

d) Management fees

Management fees are recognised when services are rendered.

e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2. Summary of significant accounting policies (contd.)

2.23 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies (contd.)

2.23 Income taxes (contd.)

b) Deferred tax (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on business segments which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

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2. Summary of significant accounting policies (contd.)

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.27 Fair value of financial instruments

The Group measures financial instruments, such as, derivatives at fair value at each statement of financial position date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 30.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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2. Summary of significant accounting policies (contd.)

2.27 Fair value of financial instruments (contd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and financial assets, and significant liabilities, such as contingent consideration and retirement benefit.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.28 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and

- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.29 Related parties

A related party is defined as follows:

a) a person or a close member of that person's family is related to the Group and the Company if that person:

   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

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2. Summary of significant accounting policies (contd.)

2.29 Related parties (contd.)

b) an entity is related to the Group and the Company if any of the following conditions applies:

(i) if the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a); or
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.30 Current and non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis, based on management's intention, to determine if a property qualifies as investment property.

b) Revenue recognition – CCTV installation project

On 2 May 2014, one of the Company's subsidiaries, Attractive Venture (JB) Sdn.Bhd. ("AVJB") has entered into an agreement with Kiwitech Sdn. Bhd ("Kiwitech") for the supply of equipment for the installation of 496 Closed-Circuit Television ("CCTV") systems and 50 Control Centres across 25 town councils in Malaysia ("CCTV installation project"). The total contract sum amounts to RM53 million and the CCTV installation project has yet to be completed as at 31 August 2014 and as at the date the financial statements were authorised for issue.

The Group has determined that since the supply of equipment requires installation and that it is a significant part of the contract, the revenue will only be recognised when the installation is completed and accepted by Kiwitech in accordance with MFRS118: Revenue. As such, no revenue in relation to the CCTV installation project has been recognised as at 31 August 2014.

3. Significant accounting estimates and judgements (contd.)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the reporting date is disclosed in Note 17.

b) Impairment of investments in subsidiaries

In the current and previous financial years, the Company has recognised impairment losses in respect of investments in subsidiaries. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost of disposal of the cash-generating units ("CGU") to which the investments in subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Note 13.

c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised reinvestment allowances and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. Significant accounting estimates and judgements (contd.)

3.2 Key sources of estimation uncertainty (contd.)

c) Deferred tax assets (contd.)

Assumption about generation of future taxable profits depends on management's estimates of future cash flows. These depend on estimates of future productions and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. These judgements and assumptions are subject to risks and uncertainty; hence, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of defined tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences. Further details are disclosed in Note 18.

d) Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its value in use and its fair value less cost of disposal.

During the current financial year, the Group has recognised impairment losses in respect of a subsidiary's property, plant and equipment. The Group has carried out impairment tests based on a variety of estimations including the value in use of the cash-generating units ("CGU") to which the property, plant and equipment are allocated or the fair value less cost of disposal.

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Fair value less cost of disposal is based on the available data from observable market price less incremental cost for disposing the asset or the cost approach. The cost approach reflects the amount that would be required currently to replace the service capacity of an assets (i.e. current replacement cost), and is based on what a market participant buyer would pay to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

The carrying amounts of property, plant and equipment of the Group as at 31 August 2014 were disclosed in Note 12. Further details of the impairment losses recognised for the property, plant and equipment are disclosed in Note 12(d).

4. Revenue

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales of goods	169,408,456	172,914,718	-	-
Revenue from services	8,047,107	3,584,659	-	-
Management fees	-	-	4,767,354	4,454,149
Rental income from investment properties	1,308,000	1,308,000	-	-
	178,763,563	177,807,377	4,767,354	4,454,149

5. Other income

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest income from loans and receivables	419,291	316,554	-	-
Rental income	130,000	126,200	-	-
Scrap sales	573,041	646,362	-	-
Insurance claims	12,366,000	-	-	-
Miscellaneous	778,530	330,011	-	-
	14,266,862	1,419,127	-	-

In the current financial year, the Group has recognised insurance claims amounting to RM12,366,000 (2013: Nil) in relation to the compensation received from an insurance company following the fire incident in Hatyai, Thailand which had temporarily disrupted the operations of a subsidiary as disclosed in Note 34(a).

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6. Employee benefits expense

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages and salaries	25,442,498	29,720,557	2,886,769	2,340,532
Social security contributions	476,492	398,052	11,399	11,455
Contributions to defined contribution plan	1,688,719	1,521,811	332,164	262,716
Defined benefit plan (Note 24)	482,346	336,470	(60,792)	214,140
Other benefits	1,866,198	2,123,686	232,873	167,830
	29,956,253	34,100,576	3,402,413	2,996,673

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM2,616,469 (2013: RM3,004,138) and RM902,251 (2013: RM1,098,028) respectively as further disclosed in Note 8.

In the current financial year, the Group has recognized termination benefits from a retrenchment exercise carried out by a subsidiary affected by the fire incident as disclosed in Note 34(a).

7. Other expenses

Included in the other expenses are:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration				
- statutory audits				
- current year	265,757	224,789	10,000	10,000
- (over)/underprovision in prior year	(1,426)	13,652	-	-
- other services	208,000	51,450	-	-
Allowance of impairment on trade and other receivables (Note 17)	141,087	1,668,923	926,171	3,939,199
Directors' other emoluments				
- present directors	883,909	1,868,807	883,909	1,123,082
- past director	566,715	-	48,882	-
Directors' fee for the Company's directors (Note 8)	179,720	179,720	179,720	179,720
Fair value changes in derivatives (Note 20)	(34,007)	38,814	-	-
Freight costs	2,520,858	3,148,462	-	-
Gain on disposal of property, plant and equipment	(2,021,271)	(61,549)	-	-
Inventories written down	81,032	87,463	-	-
Inventories written off	3,387,750	106,826	-	-
Realised loss/(gain) on foreign exchange	468,826	(375,118)	(4,866)	(18,664)

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7. Other expenses (contd.)

Included in the other expenses are:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Impairment losses on:				
- property, plant and equipment (Note 12)	1,445,179	526,000	-	-
- investments in subsidiaries (Note 13)	-	-	21,700	2,310,000
Professional fees	984,974	400,738	192,487	92,044
Property, plant and equipment written off	322,309	11,078	1,511	-
(Reversal of)/provision for slow moving inventories	(226,977)	161,978	-	-
Reversal of allowance of impairment on trade and other receivables (Note 17)	(898,658)	(208,677)	(173,351)	(632,744)
Sub-contractor charges	21,977	211,593	-	-
Upkeep expenses	941,523	1,000,029	69,204	36,716
Unrealised loss/(gain) on foreign exchange	161,051	9,234	(508,217)	436,323

8. Directors' remuneration

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	952,241	1,253,623	735,738	679,444
Fees	34,180	68,360	34,180	68,360
Defined contribution plan	189,245	188,024	104,984	96,110
Defined benefit plan	(60,792)	214,140	(60,792)	214,140
Provision for leave passage	96,958	96,958	54,571	54,571
Short term accumulating compensated absences	242,432	91,008	67,750	53,763
	1,454,264	1,912,113	936,431	1,166,388
Non-executive:				
Salaries and other emoluments	30,540	25,054	30,540	25,054
Fees	145,540	111,360	145,540	111,360
	176,080	136,414	176,080	136,414
	1,630,344	2,048,527	1,112,511	1,302,802

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8. Directors' remuneration (contd.)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	1,196,385	1,160,385	-	-
Fees	115,000	115,000	-	-
	1,311,385	1,275,385	-	-
Total	2,941,729	3,323,912	1,112,511	1,302,802

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is analysed below:

	Number of Directors 2014	Number of Directors 2013
Executive directors:		
RM800,001 – RM1,050,000	-	2
RM1,050,001 – RM1,300,000	1	-
Non-executive directors:		
RM60,000 and below	4	3

9. Finance costs

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Interest expense on:				
Bank borrowings	1,343,039	1,101,485	-	-
Amounts due to subsidiaries	-	-	638,599	673,678
Term loans	1,370,221	997,688	-	-
Obligations under finance leases	209,662	196,869	-	-
	2,922,922	2,296,042	638,599	673,678

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10. Income tax expense

Major components of income tax expense

The major components of income tax expense are:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Current income tax:				
Malaysian income tax	738,249	182,189	-	-
Under/(over)provision in prior year	239,412	5,450	(33,800)	-
Real Property Gains Tax	65,709	-	-	-
	1,043,370	187,639	(33,800)	-
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	(167,323)	(455,826)	-	-
Reversal of deferred tax assets recognised in prior year	-	342,299	-	100,000
Effect changes in tax rates	(3,459)	-	-	-
Underprovision in prior year	156,181	13,697	-	-
	(14,601)	(99,830)	-	100,000
Income tax expense recognised in profit or loss	1,028,769	87,809	(33,800)	100,000

Domestic current income tax is calculated at the Malaysian statutory tax rate at 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from current year rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 31 August 2014 has reflected these changes.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The below reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

Two overseas subsidiaries in Thailand have been granted certain promotional privileges, subject to certain terms and conditions being complied with, inter alia, the following:

(i) full tax exemption from corporate income tax on the net profit from the promoted business for a period of between 7 to 8 years; and

(ii) 50% deduction on normal corporate income tax for a period of 5 years following the end of the promotional period.

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10. Income tax expense (contd.)

Reconciliation between tax expense and accounting profit/(loss)

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 August 2014 and 2013 are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(loss) before tax	3,627,432	(9,697,296)	(807,597)	(6,048,441)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	906,858	(2,424,324)	(201,899)	(1,512,110)
Effect of different tax rates in another country	(33,578)	(224,480)	-	-
Effect of changes in Malaysian income tax rate	(150)	-	-	-
Income not subject to tax	(566,336)	(26,552)	-	-
Expenses allowable for double deduction	(111,876)	-	-	-
Expenses not deductible for tax purposes	597,927	1,296,314	482,674	1,648,980
Utilisation of current year reinvestment allowances	(12,150)	(222,854)	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(435,932)	(1,538,419)	-	(136,870)
Utilisation of previously unrecognised temporary differences	(509,886)	(11,357)	(327,231)	-
Utilisation of previously unutilised reinvestment allowances	-	(322,214)	-	-
Deferred tax assets not recognised during the financial year	732,590	3,574,219	46,456	-
Deferred tax assets not recognised in prior years, now recognised	-	(373,970)	-	-
Deferred tax assets recognised in prior years, now reversed	-	342,299	-	100,000
Under/(over)provision in prior year				
- tax expense	239,412	5,450	(33,800)	-
- deferred tax	156,181	13,697	-	-
Real Property Gains Tax	65,709	-	-	-
Income tax expense recognised in profit or loss	1,028,769	87,809	(33,800)	100,000

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10. Income tax expense (contd.)

Tax savings recognised during the financial year arising from:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Utilisation of previously unrecognised tax losses	417,422	560,008	-	136,870
Utilisation of previously unrecognised capital allowances	18,510	978,411	-	-
Utilisation of previously unutilised reinvestment allowances	-	322,214	-	-
Ultilisation of previously unrecognised temporary differences	509,886	11,357	327,231	-

11. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) net of tax for the year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial year.

	Group	
	2014	2013
Profit/(loss) attributable to ordinary equity holders of the Company (RM)	2,304,899	(9,742,915)
Number of ordinary shares in issue	45,101,000	45,101,000
Basic earnings/(loss) per share (sen)	5.11	(21.60)
Diluted earnings/(loss) per share (sen)	5.11	(21.60)

The Company does not have any outstanding convertible instruments as at the current reporting date as the ESOS has expired on 26 May 2013. Accordingly, the diluted earnings/(loss) per share is presented as equal to the basic earnings/(loss) per share.

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12. Property, plant and equipment

Group	* Land and buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
At 31 August 2014							
Cost							
At 1 September 2013	24,729,155	31,193,064	9,734,684	4,244,877	10,100,252	899,797	80,901,829
Additions	-	2,421,889	508,568	230,666	167,285	4,045,082	7,373,490
Reclassification	-	100,334	4,099	-	89,648	(194,081)	-
Disposals	(945,572)	(1,745,310)	-	(20,700)	(340,294)	-	(3,051,876)
Transfer to investment properties	(372,068)	-	-	-	-	-	(372,068)
Write off	-	(257,383)	(38,037)	(18,000)	(47,681)	(257,265)	(618,366)
Exchange differences	(357,759	(488,273)	(53,729	(47,740)	(178,485)	(14,355)	(1,140,341)
At 31 August 2014	23,053,756	31,224,321	10,155,585	4,389,103	9,790,725	4,479,178	83,092,668
Accumulated depreciation and impairment losses							
At 1 September 2013	3,746,381	20,280,664	7,746,029	3,087,134	3,940,576	-	38,800,784
Depreciation charge for the year	387,863	2,596,980	669,568	406,174	959,894	-	5,020,479
Disposals	(404,923)	(1,678,334)	-	(20,700)	(201,375)	-	(2,305,332)
Transfer to investment properties	(86,119)	-	-	-	-	-	(86,119)
Write off	-	(198,285)	(42,606)	(17,999)	(37,167)	-	(296,057)
Impairment loss (Note 7)	-	1,443,128	-	-	2,051	-	1,445,179
Exchange differences	(52,283)	(242,943)	(36,019)	(37,682)	(30,178)	-	(399,105)
At 31 August 2014	3,590,919	22,201,210	8,336,972	3,416,927	4,633,801	-	42,179,829
Analysed as:							
Accumulated depreciation	3,590,919	19,479,791	8,086,612	3,416,927	4,025,864	-	38,600,113
Accumulated impairment losses	-	2,721,419	250,360	-	607,937	-	3,579,716
At 31 August 2014	3,590,919	22,201,210	8,336,972	3,416,927	4,633,801	-	42,179,829
Net carrying amount							
At 31 August 2014	19,462,837	9,023,111	1,818,613	972,176	5,156,924	4,479,178	40,912,839

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12. Property, plant and equipment (contd.)

Group	* Land and buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
At 31 August 2013							
Cost							
At 1 September 2012	24,192,355	29,686,985	9,031,621	3,764,435	8,774,421	1,147,799	76,597,616
Additions	275,944	746,491	716,682	682,963	22,477	2,173,477	4,618,034
Reclassification	-	1,255,906	-	-	1,176,497	(2,432,403)	-
Disposals	-	(845,321)	(32,266)	(107,231)	-	-	(984,818)
Write off	-	-	(14,645)	(125,286)	-	-	(139,931)
Exchange differences	260,856	349,003	33,292	29,996	126,857	10,924	810,928
At 31 August 2013	24,729,155	31,193,064	9,734,684	4,244,877	10,100,252	899,797	80,901,829
Accumulated depreciation and impairment losses							
At 1 September 2012	3,442,949	17,630,113	7,098,299	2,852,742	3,018,572	-	34,042,675
Depreciation charge for the year	270,137	2,865,526	645,012	398,905	918,320	-	5,097,900
Disposals	-	(784,507)	(18,126)	(66,734)	-	-	(869,367)
Write off	-	-	(3,567)	(125,286)	-	-	(128,853)
Impairment loss (Note 7)	-	526,000	-	-	-	-	526,000
Exchange differences	33,295	43,532	24,411	27,507	3,684	-	132,429
At 31 August 2013	3,746,381	20,280,664	7,746,029	3,087,134	3,940,576	-	38,800,784
Analysed as:							
Accumulated depreciation	3,746,381	19,002,373	7,495,669	3,087,134	3,334,690	-	36,666,247
Accumulated impairment losses	-	1,278,291	250,360	-	605,886	-	2,134,537
At 31 August 2013	3,746,381	20,280,664	7,746,029	3,087,134	3,940,576	-	38,800,784
Net carrying amount							
At 31 August 2013	20,982,774	10,912,400	1,988,655	1,157,743	6,159,676	899,797	42,101,045

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12. Property, plant and equipment (contd.)

* Land and buildings of the Group:

At 31 August 2014	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Cost				
At 1 September 2013	6,609,816	3,500,215	14,619,124	24,729,155
Transfer to investment properties	(128,334)	-	(243,734)	(372,068)
Disposals	-	(320,000)	(625,572)	(945,572)
Exchange differences	(174,325)	-	(183,434)	(357,759)
At 31 August 2014	6,307,157	3,180,215	13,566,384	23,053,756
Accumulated depreciation				
At 1 September 2013	-	523,689	3,222,692	3,746,381
Depreciation charge for the year	-	57,762	330,101	387,863
Transfer to investment properties	-	-	(86,119)	(86,119)
Disposals	-	(137,860)	(267,063)	(404,923)
Exchange differences	-	-	(52,283)	(52,283)
At 31 August 2014	-	443,591	3,147,328	3,590,919
Net carrying amount				
At 31 August 2014	6,307,157	2,736,624	10,419,056	19,462,837
At 31 August 2013				
Cost				
At 1 September 2012	6,269,682	3,436,972	14,485,701	24,192,355
Additions	212,701	63,243	-	275,944
Exchange differences	127,433	-	133,423	260,856
At 31 August 2013	6,609,816	3,500,215	14,619,124	24,729,155
Accumulated depreciation				
At 1 September 2012	-	458,860	2,984,089	3,442,949
Depreciation charge for the year	-	64,829	205,308	270,137
Exchange differences	-	-	33,295	33,295
At 31 August 2013	-	523,689	3,222,692	3,746,381
Net carrying amount				
At 31 August 2013	6,609,816	2,976,526	11,396,432	20,982,774

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12. Property, plant and equipment (contd.)

Company	Motor vehicle RM	Office furniture, fittings and computer equipment RM	Renovation RM	Total RM
At 31 August 2014				
Cost				
At 1 September 2013	139,306	794,808	-	934,114
Additions	4,550	70,145	46,751	121,446
Written off	-	(1,550)	-	(1,550)
At 31 August 2014	143,856	863,403	46,751	1,054,010
Accumulated depreciation				
At 1 September 2013	139,306	761,911	-	901,217
Depreciation charge for the year	607	17,991	3,625	22,223
Written off	-	(39)	-	(39)
At 31 August 2014	139,913	779,863	3,625	923,401
Net carrying amount				
At 31 August 2014	3,943	83,540	43,126	130,609

Company	Motor vehicle RM	Office furniture, fittings and computer equipment RM	Renovation RM	Total RM
At 31 August 2013				
Cost				
At 1 September 2012	139,306	796,627	-	935,933
Additions	-	3,665	-	3,665
Transfer out	-	(5,484)	-	(5,484)
At 31 August 2013	139,306	794,808	-	934,114
Accumulated depreciation				
At 1 September 2012	139,306	752,658	-	891,964
Depreciation charge for the year	-	14,737	-	14,737
Transfer out	-	(5,484)	-	(5,484)
At 31 August 2013	139,306	761,911	-	901,217
Net carrying amount				
At 31 August 2013	-	32,897	-	32,897

12. Property, plant and equipment (contd.)

(a) Assets held under finance leases

During the financial year, the Group acquired property, plant and equipment with aggregate cost of RM3,516,129 (2013: RM1,706,689) by means of obligations under finance leases arrangements. The cash outflows on acquisition of property, plant and equipment of the Group and Company amounted to RM3,857,361 (2013: RM2,911,345) and RM 121,446 (2013: RM3,665) respectively.

The net carrying amounts of property, plant and equipment held under finance leases arrangements at the reporting date are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Plant and machinery	2,680,387	2,492,897	-	-
Motor vehicles	994,370	958,355	-	-
	3,674,757	3,451,252	-	-

(b) Assets pledged as security

In addition to assets held under finance leases agreements, the Group's property, plant and equipment as below are pledged to secure the Group's bank borrowings as disclosed in Note 22.

	Group	
	2014 RM	2013 RM
Land and buildings	18,154,805	19,356,613
Plant and machinery	4,066,689	4,183,024
Renovation	1,297,804	1,750,845
	23,519,298	25,290,482

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12. Property, plant and equipment (contd.)

(c) Assets fully depreciated

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use costing RM18,576,802 (2013: RM19,677,986) and RM869,972 (2013: RM846,056) respectively.

(d) Impairment of property, plant and equipment

During the financial year, certain subsidiaries in Malaysia have carried out impairment reviews of their property, plant and equipment due to their continuing losses. An impairment loss of approximately RM201,033 (2013: RM526,000) has been recognised in the income statement. The recoverable amount as at 31 August 2014 was based on value in use and was determined at the level of the CGU. In determining the value in use for the CGU, the cash flows were discounted at a rate of 13% on a pre-tax basis of the subsidiary.

In the current financial year, the Group has also impaired RM1,244,146 and written off RM278,574 of property, plant and equipment, following the fire incident in Hatyai, Thailand which had affected the operations of a subsidiary as disclosed in Note 34(a).

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13. Investments in subsidiaries

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost	55,392,963	56,069,963
Accumulated impairment losses	(13,280,975)	(13,936,275)
	42,111,988	42,133,688

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group 2014	% of ownership interest held by the Group 2013	% of ownership interest held by non-controlling interests 2014	% of ownership interest held by non-controlling interests 2013
D'nonce (M) Sdn. Bhd.	Malaysia	Sales and distribution of advanced packaging materials, electronics products and consumables.	100	100	-	-
D'nonce (K.L) Sdn. Bhd.	Malaysia	Sales and distribution of advanced packaging materials, electronics products and consumables.	100	100	-	-
D'nonce (Kelantan) Sdn. Bhd.	Malaysia	Sales and distribution of advanced packaging materials, electronics products and consumables.	55	55	45	45
D'nonce (Johore) Sdn. Bhd.	Malaysia	Sales and distribution of advanced packaging materials and security products.	55	55	45	45

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13. Investments in subsidiaries (contd.)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group 2014	% of ownership interest held by the Group 2013	% of ownership interest held by non-controlling interests 2014	% of ownership interest held by non-controlling interests 2013
D'nonce Biofoods Sdn. Bhd.	Malaysia	Trading and manufacturing of food related products.	100	100	-	-
Attractive Venture Sdn. Bhd.	Malaysia	Design and conversion of advanced packaging materials and contract manufacturing of electronic components.	100	100	-	-
Attractive Venture (KL) Sdn. Bhd.	Malaysia	Design and conversion of advanced packaging materials.	100	100	-	-
Attractive Venture (JB) Sdn. Bhd.	Malaysia	Design and conversion of advanced packaging materials and distribution of electronic products.	* 82	* 82	18	18
AV Industries Sdn. Bhd.	Malaysia	Contract manufacturing of electronic components and renting of plant and machinery.	100	100	-	-
AV Biofoods Sdn. Bhd. (previously known as AV Innovations Sdn.Bhd.)	Malaysia	Dormant.	100	100	-	-
AV Plastics Sdn. Bhd.	Malaysia	Processing of plastic injected moulded products.	84	84	16	16

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13. Investments in subsidiaries (contd.)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests	
			2014	2013	2014	2013
D'nonce Labels (M) Sdn. Bhd.	Malaysia	The subsidiary has been struck off by the Companies Commission of Malaysia during the financial year.	-	100	-	-
Richmond Technology Sdn. Bhd.	Malaysia	Manufacturing of packaging materials.	55	55	45	45
Integrated SCM Co., Ltd. ^	Thailand	Sales and distribution of chemicals, packaging materials, spare parts and consumables	** 99.66	** 99.66	0.34	0.34
D'nonce Energy Sdn. Bhd.	Malaysia	Dormant.	100	100	-	-
Logistic Solutions Holdings Co., Ltd.^	Thailand	Investment holding.	99.66	99.66	0.34	0.34
ISCM Technology (Thailand) Co., Ltd.^	Thailand	Contract manufacturing of electronic components.	100	100	-	-
ISCM Industries (Thailand) Co., Ltd. ^ ***	Thailand	Printing of packaging materials and contract manufacturing of consumable electronic products.	100	100	-	-

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13. Investments in subsidiaries (contd.)

- * The Company has a direct interest of 60% and an indirect interest of 22% via another subsidiary, D'nonce (Johore) Sdn. Bhd.
- ** The Company has a direct interest of 49% and an indirect interest of 50.66% via another subsidiary, Logistic Solutions Holdings Co., Ltd.
- *** The subsidiary is held through ISCM Technology (Thailand) Co., Ltd.
- ^ Audited by member firm of Ernst & Young Global in Thailand.

Impairment loss recognised

The management of the Company has carried out a review of the recoverable amounts of its investments in subsidiaries when there is an indication of impairment. The review has led to the recognition of impairment loss of RM21,700 in the current financial year. The recoverable amount was based on the value in use and was determined at the identifiable cash generating unit ("CGU"). In determining the value in use of the CGU, the discount rate applied to cash flow projections is the weighted average cost of capital of the Company.

Application to strike off of a subsidiary

An application was made to strike off a wholly owned subsidiary, D'nonce Labels (M) Sdn. Bhd. ("DL") which had ceased operations since October 2006. On 3 October 2013, the Company received a notice from the Companies Commission of Malaysia ("CCM") to the effect that the CCM shall publish the notice thereon in the Gazette, and on publication in the Gazette of this notice, DL shall be dissolved.

Change of name of a subsidiary

The Company has made an application to change the name of a wholly owned subsidiary, AV Innovations Sdn. Bhd. to AV Biofoods Sdn. Bhd. The application to change the name has been approved by the Companies Commission of Malaysia on 17 October 2013.

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13. Investments in subsidiaries (contd.)

(b) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarized financial information presented below is the amount before inter-company elimination. The non-controlling interests in respect of Integrated SCM Co., Ltd. and Logistic Solutions Holdings Co., Ltd are not material to the Group.

(i) Summarised statements of financial position

31 August 2014	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM	Total RM
Non-current assets	177,507	737,619	3,618,688	507,996	508,426	5,550,236
Current assets	3,993,972	4,711,634	46,093,167	3,458,837	2,680,761	60,938,371
Total assets	4,171,479	5,449,253	49,711,855	3,966,833	3,189,187	66,488,607
Current liabilities	2,516,375	1,336,722	12,982,182	5,710,417	1,613,027	24,158,723
Non-current liabilities	112,546	355,497	30,054,872	185,691	65,278	30,773,884
Total liabilities	2,628,921	1,692,219	43,037,054	5,896,108	1,678,305	54,932,607
Net assets	1,542,558	3,757,034	6,674,801	(1,929,275)	1,510,882	11,556,000
Equity attributable to owners of the Company	848,407	2,066,369	5,473,337	(1,620,591)	830,985	7,598,507
Non-controlling interests	694,151	1,690,665	1,201,464	(308,684)	679,897	3,957,493

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13. Investments in subsidiaries (contd.)

(i) Summarised statements of financial position (contd.)

31 August 2013	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM	Total RM
Non-current assets	13,813	1,118,707	4,390,357	454,047	520,437	6,497,361
Current assets	3,012,506	4,484,156	8,136,255	4,598,964	2,298,784	22,530,665
Total assets	3,026,319	5,602,863	12,526,612	5,053,011	2,819,221	29,028,026
Current liabilities	1,724,745	1,613,142	5,336,771	5,615,975	1,351,563	15,642,196
Non-current liabilities	4,112	962,448	456,820	182,036	128,024	1,733,440
Total liabilities	1,728,857	2,575,590	5,793,591	5,798,011	1,479,587	17,375,636
Net assets	1,297,462	3,027,273	6,733,021	(745,000)	1,339,634	11,652,390
Equity attributable to owners of the Company	713,604	1,665,000	5,521,077	(625,800)	736,799	8,010,680
Non-controlling interests	583,858	1,362,273	1,211,944	(119,200)	602,835	3,641,710

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13. Investments in subsidiaries (contd.)

(ii) Summarised statements of comprehensive income

31 August 2014	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM	Total RM
Revenue	14,032,964	2,971,128	19,116,128	4,756,636	7,777,700	48,654,556
Profit/(loss) for the year	245,096	729,761	(58,220)	(1,184,275)	171,248	(96,390)
Profit (loss) attributable to owners of the Company	134,803	401,369	(47,740)	(994,791)	94,186	(412,173)
Profit/(loss) attributable to the non-controlling interests	110,293	328,392	(10,480)	(189,484)	77,062	315,783
	245,096	729,761	(58,220)	(1,184,275)	171,248	(96,390)
Total comprehensive income	245,096	729,761	(58,220)	(1,184,275)	171,248	(96,390)
Total comprehensive income attributable to owners of the Company	134,803	401,369	(47,740)	(994,791)	94,186	(412,173)
Total comprehensive income attributable to the non-controlling interests	110,293	328,392	(10,480)	(189,484)	77,062	315,783
	245,096	729,761	(58,220)	(1,184,275)	171,248	(96,390)

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13. Investments in subsidiaries (contd.)

(ii) Summarised statements of comprehensive income (contd.)

31 August 2013	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM	Total RM
Revenue	12,672,807	4,699,333	19,737,413	5,739,993	7,051,959	49,901,505
Profit/(loss) for the year	163,186	(382,035)	1,523,542	(1,605,785)	84,777	(216,315)
Profit/(loss) attributable to owners of the Company	89,752	(210,119)	1,249,304	(1,348,859)	46,627	(173,295)
Profit/(loss) attributable to the non-controlling interests	73,434	(171,916)	274,238	(256,926)	38,150	(43,020)
	163,186	(382,035)	1,523,542	(1,605,785)	84,777	(216,315)
Total comprehensive income	163,186	(382,035)	1,523,542	(1,605,785)	84,777	(216,315)
Total comprehensive income attributable to owners of the Company	89,752	(210,119)	1,249,304	(1,348,859)	46,627	(173,295)
Total comprehensive income attributable to the non-controlling interests	73,434	(171,916)	274,238	(256,926)	38,150	(43,020)
	163,186	(382,035)	1,523,542	(1,605,785)	84,777	(216,315)

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13. Investments in subsidiaries (contd.)

(iii) Summarised statements of cash flows

31 August 2014	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM	Total RM
Net cash generated from/(used in) operating activities	493,891	357,392	(35,334,613)	(349,146)	(48,564)	(34,881,040)
Net cash (used in)/generated from investing activities	(540,181)	87,756	(514,528)	1,130	(107,604)	(1,073,427)
Net cash (used in)/generated from financing activities	(420,274)	(1,085,223)	34,722,218	440,400	(19,895)	33,637,226
Net (decrease)/increase in cash and cash equivalents	(466,564)	(640,075)	(1,126,923)	92,384	(176,063)	(2,317,241)
Cash and cash equivalents at beginning of the year	499,097	883,573	345,063	(146,133)	216,802	1,798,402
Effect of changes in foreign exchange	-	(926)	(2,150)	-	-	(3,076)
Cash and cash equivalents at end of the year	32,533	242,572	(784,010)	(53,749)	40,739	(521,915)

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13. Investments in subsidiaries (contd.)

(iii) Summarised statements of cash flows (contd.)

31 August 2013	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM	Total RM
Net cash generated from /(used in) operating activities	601,215	(418,448)	3,221,364	(1,357,102)	112,581	2,159,610
Net cash (used in)/generated from investing activities	(4,484)	138,115	(1,038,525)	(485,697)	(88,023)	(1,478,614)
Net cash (used in)/generated from financing activities	(217,611)	701,156	(3,391,138)	1,940,887	(41,691)	(1,008,397)
Net increase / (decrease) in cash and cash equivalents	379,120	420,823	(1,208,299)	98,088	(17,133)	(327,401)
Cash and cash equivalents at beginning of the year	119,977	462,658	1,354,482	(244,221)	233,935	1,926,831
Effect of changes in foreign exchange	-	92	198,880	-	-	198,972
Cash and cash equivalents at end of the year	499,097	883,573	345,063	(146,133)	216,802	1,798,402

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14. Investment properties

	Group	
	2014	**2013**
	RM	**RM**
Land, buildings and renovation, at cost		
At 1 September 2013/2012	14,561,475	14,554,975
Additions from subsequent expenditure	31,900	6,500
Transfer from property, plant and equipment (Note 12)	372,068	-
At 31 August 2014/2013	14,965,443	14,561,475
Accumulated depreciation		
At 1 September 2013/2012	2,132,757	1,804,404
Depreciation charge for the year	332,945	328,353
Transfer from property, plant and equipment (Note 12)	86,119	-
At 31 August 2014/2013	2,551,821	2,132,757
Net carrying amount		
At 31 August	12,413,622	12,428,718

(a) Valuation of investment properties

The investment properties have an open market value of approximately RM21,760,000 (2013: RM19,698,000). The valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on comparison method. Investment properties comprise a number of commercial and residential properties leased to third parties as disclosed in Note 28(c).

(b) Properties pledged as security

Investment properties with an aggregate carrying value of RM12,312,056 (2013: RM11,828,261) are pledged to secure the Group's bank borrowings as disclosed in Note 22.

(c) Investment properties held under finance leases

The cash outflows on subsequent expenditure on investment properties of the Group amounted to RM31,900 (2013: RM6,500).

The net carrying amounts of investment properties held under finance leases arrangements at the reporting date are as follows:

	Group	
	2014	**2013**
	RM	**RM**
Renovation	56,250	63,696

14. Investment properties (contd.)

The leasehold properties have unexpired lease periods of between 39 to 77 (2013: 40 to 78) years.

The Group's direct operating expenses of revenue generating investment properties amounted to RM537,984 (2013: RM486,895).

A quantitative sensitivity analysis of the change in the rate as at 31 August 2014 is shown below:

Description	Fair value RM	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to fair value
Lands, buildings and renovation	21,760,000	Market comparable approach	Difference in location, size, improvements and time elements and other relevant factors	Every 1% increase /(decrease) in the adjustments would result in increase /(decrease) in fair value disclosure by RM 338,000

15. Other investments

	Group 2014 RM	Group 2013 RM
Golf club memberships, at cost		
At 1 September 2013/2012	168,205	168,205
Accumulated impairment losses	(154,205)	(154,205)
At 31 August 2014/2013	14,000	14,000

The management has carried out a review of the recoverable amount of its investments in golf club memberships. The review has led to the retention of the impairment loss recognised in prior financial years' income statements.

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16. Intangible asset

Goodwill	Group 2014 RM	Group 2013 RM
At 1 September 2013/2012	413,371	413,371
Accumulated impairment losses	(124,243)	(124,243)
At 31 August 2014/2013	289,128	289,128

Impairments test for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's cash generating units ("CGU") identified according to business segment as follows:

	2014 RM	2013 RM
Contract manufacturing - Thailand	289,128	289,128

During the financial year, the Group has carried out a review of the recoverable amount of its goodwill. The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial forecasts approved by management covering a five year period.

Key assumptions used in value-in-use calculations

Key assumptions and managements' approach to determine the values assigned to each key assumption are as follows:

(i) Selling price

The selling price used to calculate the cash inflows from operations was determined after taking into consideration price trends of the industry which the CGUs are exposed to. Values assigned are consistent with the external sources of information.

(ii) Exchange rate

The exchange rate used to translate foreign currencies into the CGUs' functional currency is based on the average exchange rates obtained immediately before the forecast year. Values assigned are consistent with external sources of information.

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16. Intangible asset (contd.)

(iii) Discount rate

The discount rate applied to the cash flow projections is 11% p.a. (2013: 9.8% p.a.) and is based on the weighted average cost of capital of the Company.

(iv) Terminal value

The terminal value of the CGUs is calculated by using perpetuity approach, applying a constant growth rate beyond 5 years.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of CGU, management believes that no reasonable change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amounts.

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17. Trade and other receivables

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade receivables				
Current				
Third parties - interest bearing at 3.71% to 5.00% p.a. (2013: 3.58% to 5.00% p.a.)	467,680	2,222,835	-	-
Third parties - non-interest bearing	28,615,953	28,663,696	-	-
	29,083,633	30,886,531	-	-
Less: Allowance for impairment	(1,170,386)	(1,968,071)	-	-
Trade receivables, net	27,913,247	28,918,460	-	-
Non-current				
Third parties - interest bearing at 5.00% p.a. (2013: 3.58% to 5.00% p.a.)	179,879	548,227	-	-
Total trade receivables (current and non-current)	28,093,126	29,466,687	-	-
Other receivables				
Current				
Due from subsidiaries	-	-	13,063,540	14,058,583
Less: Allowance for impairment	-	-	(8,085,674)	(7,332,854)
	-	-	4,977,866	6,725,729
Deposits	1,976,742	1,059,313	9,306	4,100
Insurance receivables	5,428,500	-	-	-
Prepayments	30,163,089	3,047,165	-	-
Sundry receivables	1,135,670	2,006,782	-	-
Other receivables, net	38,704,001	6,113,260	4,987,172	6,729,829
Total trade and other receivables (current)	66,617,248	35,031,720	4,987,172	6,729,829
Total trade and other receivables (non-current and current)	66,797,127	35,579,947	4,987,172	6,729,829
Add: Cash and bank balances (Note 21)	11,653,456	10,514,106	128,221	72,394
Less: Prepayments	(30,163,089)	(3,047,165)	-	-
Total loans and receivables	48,287,494	43,046,888	5,115,393	6,802,223

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17. Trade and other receivables (contd.)

(a) Trade receivables

The normal credit terms range from 15 to 90 days (2013: 15 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposure to a single customer or groups of customers, other than as disclosed in Note 31(a).

The Group has entered into an arrangement with a customer whereby a certain portion of the receipt from its end customer will be used to pay off the Group's revolving credit.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	19,802,360	20,728,796
1 to 30 days past due not impaired	3,909,929	3,628,097
31 to 60 days past due not impaired	1,548,008	1,454,569
61 to 90 days past due not impaired	944,125	483,811
More than 91 days past due not impaired	1,713,383	1,173,786
	8,115,445	6,740,263
Impaired	1,345,707	3,965,699
	29,263,512	31,434,758

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. The majority of the Group's trade receivables arose from customers with more than four years of experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM8,115,445 (2013: RM6,740,263) that are past due at the reporting date but not impaired. These receivables are not secured by any collateral or credit enhancement.

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17. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Group 2014 RM	Group 2013 RM
Individually impaired		
Trade receivables - nominal amounts	1,345,707	3,965,699
Less: Allowance for impairment	(1,170,386)	(1,968,071)
	175,321	1,997,628

Movement in allowance accounts:

	Group 2014 RM	Group 2013 RM
At 1 September 2013/2012	1,968,071	507,665
Impairment during the year (Note 7)	141,087	1,668,923
Written off	(39,057)	-
Reversal of impairment losses (Note 7)	(898,658)	(208,677)
Exchange differences	(1,057)	160
At 31 August 2014/2013	1,170,386	1,968,071

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

(i) Due from subsidiaries

Amounts due from subsidiaries included under other receivables comprise management fees which are unsecured and interest free and are repayable upon demand.

Included herein are also advances to subsidiaries which are unsecured, non-interest bearing and repayable upon demand.

Further details on related party transactions are disclosed in Note 27(a).

17. Trade and other receivables (contd.)

(b) Other receivables (contd.)

(i) Due from subsidiaries (contd.)

Other receivables that are impaired

The Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts to record the impairment are as follows:

	Company 2014 RM	Company 2013 RM
Individually impaired		
Other receivables - nominal amounts	9,053,922	8,857,554
Less: Allowance for impairment	(8,085,674)	(7,332,854)
	968,248	1,524,700

Movement in allowance accounts:

	Company 2014 RM	Company 2013 RM
At 1 September 2013/2012	7,332,854	4,026,399
Impairment during the year (Note 7)	926,171	3,939,199
Reversal during the year (Note 7)	(173,351)	(632,744)
At 31 August 2014/2013	8,085,674	7,332,854

Other receivables that are individually determined to be impaired at the reporting date relate to subsidiaries that are in significant financial difficulties. These receivables are not secured by any collateral or credit enhancements.

(ii) Prepayments

Included in prepayments are RM23,186,631 (2013: RM nil) relating to advance payments given to equipment suppliers, sub-contractors and other vendors for the purchase and installation of equipment in relation to the CCTV installation project as disclosed in Note 34 (b).

Other information on financial risks of trade and other receivables are disclosed in Note 31.

18. Deferred tax (assets)/liabilities

	Group 2014 RM	Group 2013 RM
At 1 September 2013/2012	(533,223)	(422,610)
Recognised in profit or loss (Note 10)	(14,601)	(99,830)
Exchange differences	7,993	(10,783)
At 31 August 2014/2013	(539,831)	(533,223)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(780,516)	(704,497)
Deferred tax liabilities	240,685	171,274
	(539,831)	(533,223)

	Company 2014 RM	Company 2013 RM
At 1 September 2013/2012	-	(100,000)
Recognised in profit or loss (Note 10)	-	100,000
At 31 August 2014/2013	-	-

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unused tax losses RM	Others RM	Total RM
At 1 September 2013	(560,419)	(139,795)	(700,214)
Recognised in profit or loss	(279,420)	(403,905)	(683,325)
Exchange differences	-	7,993	7,993
At 31 August 2014	(839,839)	(535,707)	(1,375,546)
At 1 September 2012	(100,000)	(367,450)	(467,450)
Recognised in profit or loss	(460,419)	238,438	(221,981)
Exchange differences	-	(10,783)	(10,783)
At 31 August 2013	(560,419)	(139,795)	(700,214)

18. Deferred tax (assets)/liabilities (contd.)

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM	Others RM	Total RM
At 1 September 2013	243,927	(76,936)	166,991
Recognised in profit and loss	604,868	63,856	668,724
At 31 August 2014	848,795	(13,080)	835,715
At 1 September 2012	214,247	(169,407)	44,840
Recognised in profit and loss	29,680	92,471	122,151
At 31 August 2013	243,927	(76,936)	166,991

Deferred tax assets of the Company:

	Unused tax losses RM
At 1 September 2013	-
Recognised in profit and loss	-
At 31 August 2014	-
At 1 September 2012	(100,000)
Recognised in profit and loss	100,000
At 31 August 2013	-

Deferred tax assets have not been recognised in respect of the following items:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Unused tax losses	31,155,000	31,906,000	1,278,000	1,092,000
Unabsorbed capital allowances	12,276,000	12,058,000	-	-
Unutilised reinvestment allowances	9,224,000	9,224,000	-	-
Other deductible temporary differences	3,824,000	4,143,000	1,603,000	2,912,000
	56,479,000	57,331,000	2,881,000	4,004,000

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18. Deferred tax (assets)/liabilities (contd.)

No deferred tax assets were recognised in respect of the above as it is not probable that future taxable profits will be available against which unused tax losses, unabsorbed capital allowances and unutilised reinvestment allowance can be utilised.

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Company and the respective Malaysian subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Unrecognised temporary differences relating to investments in subsidiaries
At the reporting date, no deferred tax liability (2013: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to RM19,000,000 (2013: RM19,470,000). The deferred tax liability is estimated to be RM1,900,000 (2013: RM1,947,000).

19. Inventories

	Group	
	2014 RM	2013 RM
At cost:		
Raw materials	3,146,246	2,446,888
Work-in-progress	1,019,540	928,395
Finished goods	18,037,215	1,829,666
Trading goods	11,378,956	10,046,542
Other inventories	1,378,327	-
	34,960,284	15,251,491
At net realisable value:		
Raw materials	1,999,262	2,405,962
Finished goods	109,675	1,140,855
	2,108,937	3,546,817
	37,069,221	18,798,308

During the current financial year, the Group has written off inventories amounting to RM2,611,351 (2013: Nil) which were damaged during the fire incident in Hatyai, Thailand as disclosed in Note 34(a).

Other inventories comprise sub-contractor and other installation costs incurred by a subsidiary in relation to the CCTV installation project as disclosed in Note 34(b).

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20. Derivatives

	Group			
	2014 RM		2013 RM	
	Contract/ Notional amount	Assets/ (liabilities)	Contract/ Notional amount	Assets/ (liabilities)
Non-hedging derivatives:				
Forward currency contracts:				
- Sales contracts	-	-	-	(34,007)

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts in the prior financial year were used to hedge the Group's receivables and payables denominated in US Dollar ("USD") for which firm commitments existed as at 31 August 2013, extending to January 2014 as disclosed in Note 31(d).

During the year, the Group recognised a gain of RM34,007 (2013: loss of RM38,814) arising from fair value changes of its forward currency contracts. The fair value changes are attributable to changes in foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 30.

21. Cash and bank balances

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-current:				
Deposits with a licensed bank	104,724	431,642	-	-
Current:				
Cash on hand and at banks	6,301,247	6,528,429	128,221	72,394
Deposits with licensed banks	5,247,485	3,554,035	-	-
	11,548,732	10,082,464	128,221	72,394
Total	11,653,456	10,514,106	128,221	72,394

Non-current

The deposits with a licensed bank are made for varying period of between 3 years to 5 years (2013: 3 - 5 years) and the effective interest rate as at 31 August 2014 was 3.30% p.a. (2013: 3.30% p.a.). The deposits are pledged as security for the Group's borrowings and banking facilities as disclosed in Note 22.

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21. Cash and bank balances (contd.)

Current

Deposits with licensed banks are made for varying periods of between 1 month and 12 months depending on the immediate cash requirement of the Group, and earn interest at the respective short term deposit rates. The effective interest rates as at 31 August 2014 for the Group ranged within 2.30% - 3.30% p.a. (2013: 2.50% - 3.70% p.a.).

Included in deposits with licensed banks of the Group is an amount of RM5,247,485 (2013: RM3,441,440) which are pledged as securities for the Group's borrowings and banking facilities as disclosed in Note 22.

Certain deposits with a licensed bank of the Group amounting to RM130,986 (2013: RM127,327) are also registered in the name of a director of a subsidiary who holds such deposits in trust for the subsidiary.

22. Loans and borrowings

	Maturity		Group 2014 RM	Group 2013 RM
Current:	**2014**	**2013**		
Secured:				
Bank overdrafts	On demand	On demand	11,439,903	8,230,262
Bankers' acceptances	2015	2014	12,063,669	6,769,000
Promissory notes	2015	2014	6,909,000	3,282,398
Revolving credits	2015	2014	158,216	3,130,226
Trust receipts	2015	2014	991,001	1,516,568
Term loans	2015	2014	6,181,489	4,869,722
Obligations under finance leases (Note 28(d))	2015	2014	1,520,923	911,792
			39,264,201	28,709,968
Unsecured:				
Bankers' acceptances	-	2014	-	890,000
			39,264,201	29,599,968
Non-current:				
Secured:				
Term loans	2016 - 2026	2015 – 2026	39,762,490	11,141,491
Obligations under finance leases (Note 28(d))	2016 - 2018	2015 – 2018	3,740,493	1,927,929
			43,502,983	13,069,420

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22. Loans and borrowings (contd.)

	Group 2014 RM	Group 2013 RM
Total borrowings		
Bank overdrafts	11,439,903	8,230,262
Bankers' acceptances	12,063,669	7,659,000
Promissory notes	6,909,000	3,282,398
Revolving credits	158,216	3,130,226
Trust receipts	991,001	1,516,568
Term loans	45,943,979	16,011,213
Obligations under finance leases (Note 28(d))	5,261,416	2,839,721
	82,767,184	42,669,388

The remaining maturities of the loans and borrowings as at 31 August 2014 and 2013 are as follows:

	Group 2014 RM	Group 2013 RM
On demand or within one year	39,264,201	29,599,968
More than 1 year and less than 2 years	12,872,676	3,552,810
More than 2 year and less than 5 years	25,911,329	4,601,713
5 years or more	4,718,978	4,914,897
	82,767,184	42,669,388

(i) Bank overdrafts

Bank overdrafts are denominated in the respective functional currencies of the relevant entities in the Group. The bank overdrafts bear interest rates ranging from 6.10% - 8.85%% p.a.(2013: 7.60% - 8.60% p.a.) and 7.00% - 10.00% p.a. (2013: 7.00% - 9.25% p.a.) for bank overdrafts denominated in RM and Thai Baht ("THB") respectively.

(ii) Bankers' acceptances

Bankers' acceptances are denominated in RM and THB, and bear interest rates ranging from 2.91% - 5.95% p.a. (2013: 3.34% - 5.95% p.a.).

(iii) Promissory notes

Promissory notes are denominated in THB and bear interest rate ranging from 6.38% - 7.00% p.a. (2013: 6.63% - 7.00% p.a.) and are secured by legal charges over the property, plant and equipment of the subsidiary and corporate guarantees by the Company and a subsidiary.

(iv) Revolving credits

Revolving credits are denominated in RM and bear interest rates ranging from 5.53% - 5.69% p.a. (2013: 5.00% p.a.) and are secured by legally assigned third party contracts' proceeds and corporate guarantees by the Company.

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22. Loans and borrowings (contd.)

(v) Trust receipts

Trust receipts are denominated in THB and bear interest rates ranging from 2.50% - 6.63% p.a. (2013: 6.63% - 8.50%p.a.).

(vi) Term loans

Term loans are denominated in the respective functional currencies of the relevant entities in the Group. The term loans bear interest rates ranging from 3.83% - 8.60% p.a. (2013: 3.83% - 8.35% p.a.) and 3.00% - 6.63% p.a. (2013: 3.00% - 6.63% p.a.) for term loans denominated in RM and THB respectively.

In the prior year financial year, a subsidiary was unable to maintain certain financial ratios as required by the bank in relation to its term loans. This had resulted in the breach of the provisions of the long term loan agreements where the bank had the right to recall the loans on demand. As such, the subsidiary had reclassified the entire non-current portion of the term loan amounting to RM1,137,167 to current portion. However, in this financial year, the subsidiary has regularise its financial ratios relating to its term loan.

(vii) Obligations under finance leases

These obligations are secured by a charge over the leased assets as disclosed in Note 12(a). These obligations are denominated in the respective functional currencies of the relevant entities in the Group. The average discount rates implicit in the leases ranged from 2.35% – 7.10% p.a. (2013: 2.45% - 7.10% p.a.) and 2.65% - 5.52% p.a. (2013: 2.45% - 7.55% p.a.) for obligations under finance leases denominated in RM and THB respectively.

Certain obligations under finance leases of RM4,753,555 (2013: RM1,970,665) of the Group are secured by way of corporate guarantees from the Company.

Except for certain obligations under finance leases and revolving credits, the above banking facilities of the Group are secured by the following:

(a) legal charges over certain subsidiaries' property, plant and equipment, and investment properties as disclosed in Notes 12 and 14 respectively;

(b) current and non-current deposits with licensed banks amounting to RM5,352,209 (2013: RM3,873,082) of the Group as disclosed in Note 21;

(c) a guarantee by a director of a subsidiary;

(d) Credit Guarantee Corporation ("CGC") guarantee under the Flexi Guarantee Scheme ("FGS") granted to a subsidiary;

(e) corporate guarantee by the Company; and

(f) deed of assignment of Contract Proceed in relation to the CCTV installation project as disclosed in Note 34(b).

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23. Trade and other payables

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade payables				
Third parties	17,235,947	18,337,293	-	-
Other payables				
Due to subsidiaries	-	-	13,494,276	13,025,974
Accruals	2,927,833	4,644,057	233,630	305,730
Accrual for directors' remuneration	1,330,716	1,639,812	939,192	1,257,826
Due to director of a subsidiary	216,860	221,775	-	-
Sundry payables	14,125,305	3,201,150	403	15,403
	18,600,714	9,706,794	14,667,501	14,604,933
Total trade and other payables	35,836,661	28,044,087	14,667,501	14,604,933
Add: Loans and borrowings (Note 22)	82,767,184	42,669,388	-	-
Total financial liabilities carried at amortised cost	118,603,845	70,713,475	14,667,501	14,604,933

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

(b) Other payables

(i) Due to subsidiaries

Amounts due to subsidiaries are repayable on demand. These amounts are secured and are to be settled in cash. Certain amounts due to a subsidiary amounting to RM11,242,946 (2013: RM12,793,546) bear interest rates ranging from 5.00% - 8.00% p.a.(2013: 5.37% - 6.25% p.a.).

Further details on related party transactions are disclosed in Note 27(a).

(ii) Due to a director of a subsidiary

Amount due to a director represents advances from a director of a subsidiary. The amount due is unsecured, interest free and repayable upon demand.

(iii) Sundry payables

Included in sundry payables are RM8,833,469 (2013: Nil) relating to advances received from a customer in relation to the CCTV installation project as disclosed in Note 34(b).

24. Employee benefits

Retirement benefit obligations

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees in Malaysia and Thailand. Under the Scheme, eligible employees are entitled to retirement benefits upon attaining their retirement age.

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Present value of unfunded defined benefit obligations being net liability	1,521,649	2,351,985	1,030,577	1,930,166
Analysed as:				
Current	1,030,577	540,528	1,030,577	540,528
Non-current	491,072	1,811,457	-	1,389,638

The amounts recognised in the profit or loss are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current service cost	157,485	174,253	70,116	110,517
Interest cost	19,607	111,650	4,464	103,623
Past service cost – curtailment	440,626	-	-	-
Actuarial gain	-	50,567	-	-
Overprovision in prior year	(135,372)	-	(135,372)	-
Total, included in employee benefits expense (Note 6)	482,346	336,470	(60,792)	214,140

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24. Employee benefits (contd.)

Retirement benefit obligations (contd.)

Movements in the net liability are as follows:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
At 1 September 2013/2012	2,351,985	2,502,564	1,930,166	2,144,929
Recognised in the profit or loss (Note 6)	482,346	336,470	(60,792)	214,140
Contributions paid	(1,296,449)	(487,062)	(838,797)	(428,903)
Exchange differences	(16,233)	13	-	-
At 31 August 2014/2013	1,521,649	2,351,985	1,030,577	1,930,166

The principal actuarial assumptions used are as follows:

	Group 2014 %	Group 2013 %	Company 2014 %	Company 2013 %
Discount rate	3.8 - 4.4	3.7 - 4.7	4.4	4.7
Expected rate of salary increases	5.0	5.0 - 6.0	5.0	6.0

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Group 2014 Increase/ (decrease) %	2014 RM
Discount rate	1	(38,549)
Discount rate	(1)	38,549
Expected rate of salary increase	1	47,669
Expected rate of salary increase	(1)	(47,669)

As the retirement benefit obligations of the Company is due within the next 12 months, any impact of changes in the discount rate and/or expected rate of salary increase is not expected to be material.

25. Share capital and share premium

	Group and Company			
	Number of ordinary shares of RM1 each	Amount		
		Share capital RM	Share premium RM	Total share capital and share premium RM
Authorised share capital				
At 1 September 2013 and 31 August 2014	100,000,000	100,000,000	-	100,000,000
Issued and fully paid				
At 1 September 2013 and 31 August 2014	45,101,000	45,101,000	12,309,806	57,410,806

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

26. Other reserves

	Non-distributable			
Group	Foreign currency translation reserve RM (a)	Other capital reserve RM (b)	Legal reserve RM (c)	Total RM
At 1 September 2013	1,201,086	5,120,000	32,510	6,353,596
Other comprehensive income:				
Foreign currency translation	(623,474)	-	-	(623,474)
At 31 August 2014	577,612	5,120,000	32,510	5,730,122

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26. Other reserves (contd.)

Group	Foreign currency translation reserve RM (a)	Other capital reserve RM (b)	Legal reserve RM (c)	ESOS reserve RM (d)	Total RM
	← Non-distributable			→	
At 1 September 2012	325,329	5,120,000	32,510	114,255	5,592,094
Other comprehensive income:					
Foreign currency translation	875,757	-	-	-	875,757
Transactions with owners:					
Realisation of ESOS reserves	-	-	-	(114,255)	(114,255)
At 31 August 2013	1,201,086	5,120,000	32,510	-	6,353,596

Company	ESOS reserve RM (d)
At 1 September 2013	-
Expiration of ESOS	-
At 31 August 2014	-
At 1 September 2012	114,255
Expiration of ESOS	(114,255)
At 31 August 2013	-

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Other capital reserve

The other capital reserve arose as a result of the capitalisation of retained earnings for bonus shares issues made by subsidiaries.

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26. Other reserves (contd.)

(c) Legal reserve

The legal reserve was set up in prior years upon the payment of dividends of RM650,210 by a subsidiary in Thailand. The amount transferred from retained earnings to the legal reserve is fixed at 5% of the subsidiary's retained earnings at each dividend payment date. This transfer is mandatory until the reserve reaches 10% of the subsidiary's issued and fully paid capital.

(d) ESOS reserve

Employee share option scheme ("ESOS") reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative values of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. All exercisable ESOS have since expired on 26 May 2013.

27. Related party disclosures

(a) Sales and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the following significant transactions between the Group and the Company and the related parties took place at terms agreed between the parties during the financial year:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Purchases from Master-Pack Sdn. Bhd, a corporate shareholder of a subsidiary	3,043,495	2,792,341	-	-
Interest charged by subsidiaries				
ISCM Technology (Thailand) Co., Ltd.	-	-	617,512	673,678
Attractive Venture (JB) Sdn. Bhd.	-	-	19,101	-
D'nonce (Kelantan) Sdn. Bhd.	-	-	1,986	-
Advances to subsidiaries				
D'nonce Biofoods Sdn. Bhd.	-	-	198,000	248,500
AV Plastics Sdn. Bhd.	-	-	400,000	949,920
Advances from subsidiaries				
D'nonce (M) Sdn. Bhd.	-	-	2,000,000	200,000
D'nonce (Kelantan) Sdn. Bhd.	-	-	400,000	-
Attractive Venture Sdn. Bhd.	-	-	1,408,000	670,000
Management and advisory fees charged to subsidiaries *	-	-	(4,767,354)	(4,454,149)

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27. Related party disclosures (contd.)

(a) Sales and purchase of goods and services (contd.)

* Management fees were arrived at in accordance with prices mutually agreed between the respective parties.

Information regarding outstanding balances arising from related party transactions as at 31 August 2014 and 2013 are as disclosed in Notes 17 and 23.

(b) Compensation of key management personnel

The key management personnel are the executive directors of the Company and of its subsidiaries and their benefits are as disclosed in Note 8.

Executive directors of the Group and of the Company have been granted the following number of options under the Employees' Share Option Scheme:

	Number of share options			
	Group		Company	
	2014	2013	2014	2013
At 1 September 2013/2012	-	400,000	-	185,000
Expired	-	(400,000)	-	(185,000)
At 31 August 2014/2013	-	-	-	-

28. Commitments

(a) Capital commitments

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Capital expenditure:				
Approved and contracted for:				
Plant and machinery	4,276,039	433,780	-	-
Office furniture, fittings and computer equipment	63,826	-	-	-
	4,339,865	433,780	-	-
Approved and not contracted for:				
Building	4,400,000	4,462,000	-	-
Plant and machinery	245,525	-	-	-
	4,645,525	4,462,000	-	-

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28. Commitments (contd.)

(b) Operating lease commitments – as lessee

The Group has entered into non-cancellable operating lease agreements for the use of certain factory/office buildings and warehouses. These leases have an average life of between 1 to 5 years with no renewal or purchase option included in the contracts. There were no restrictions placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities at the reporting date are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Not later than 1 year	1,600,405	1,382,936	36,000	34,200
Later than 1 year and not later than 5 years	1,120,289	773,640	57,600	-
	2,720,694	2,156,576	93,600	34,200

(c) Operating lease commitments - lessor

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio. These leases have remaining non-cancellable lease terms of between one to three years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date are as follows:

	Group	
	2014 RM	2013 RM
Not later than 1 year	768,500	1,384,000
Later than 1 year and not later than 5 years	4,000	990,000
	772,500	2,374,000

Investment properties rental income recognised in profit or loss during the financial year is as disclosed in Note 4.

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28. Commitments (contd.)

(d) Finance lease commitments

The Group has entered finance leases for certain items of plant and equipment and investment properties as disclosed in Note 12(a) and Note 14(c). The leases do not have term of renewal, but have purchase options at nominal value at end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group 2014 RM	2013 RM
Minimum lease payments:		
Not later than 1 year	1,808,879	994,729
Later than 1 year and not later than 2 years	1,518,617	958,192
Later than 2 years and not later than 5 years	2,575,761	1,224,486
Later than 5 years	42,299	-
Total minimum lease payments	5,945,556	3,177,407
Less: Amounts representing finance charges	(684,140)	(337,686)
Present value of minimum lease payments (Note 22)	5,261,416	2,839,721
Present value of payments:		
Not later than 1 year	1,520,923	911,792
Later than 1 year and not later than 2 years	1,316,000	855,012
Later than 2 years and not later than 5 years	2,383,365	1,072,917
Later than 5 years	41,128	-
Present value of minimum lease payments	5,261,416	2,839,721
Less: Amount due within 12 months (Note 22)	(1,520,923)	(911,792)
Amount due after 12 months (Note 22)	3,740,493	1,927,929

29. Contingent liability (unsecured)

The following is the contingent liability involving the Group and the Company:

A former Director of the Company ("the Plaintiff") had filed an industrial claim through the Industrial Court of Malaysia ("Industrial Court") seeking monetary compensation due to wrongful termination in 2006. The Plaintiff's position in the Company had ceased as he was not re-elected to the Board of Directors of the Company at the members' Annual General Meeting held on 23 February 2006. The Plaintiff filed a representation for dismissal without just cause or excuse which was heard by the Industrial Court on 26 October 2010. The Industrial Court has on 3 April 2013 dismissed the claim on the premise that the Plaintiff was not a "workman" as defined under the Industrial Relations Act 1967.

Prior to the Industrial Court delivering its award, the Plaintiff began a claim in the High Court on 21 February 2012 and the Company succeeded in striking out the Plaintiff's claim. The Plaintiff then appealed to the Court of Appeal, which after hearing submission from both parties allowed the Plaintiff's appeal and directed the matter to be litigated at the High Court. Following this, the Plaintiff's claim for damages for breach of contract will proceed to trial in the High Court ("the civil suit").

The civil suit filed by the Plaintiff is fixed for case management before the Senior Assistant Registrar on 23 January 2015 for the Court to fix trial dates for the civil suit.

The Board, having obtained advice from its solicitors, is of the opinion that there is a reasonable and arguable defence against the Plaintiff's claims. Thus, no provision has been made in respect of the claim.

30. Fair value measurement

A. Fair value of financial instruments that are carried at fair value

The fair value measurement hierarchies used to measure financial instruments carried at fair value in the statements of financial position as at 31 August 2014 and 2013 or where fair values are disclosed are as follows:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

(c) Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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30. Fair value measurement (contd.)

A. Fair value of financial instruments that are carried at fair value (contd.)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
Financial liabilities measured at fair value				
At 31 August 2014				
Non-hedging derivatives				
Forward currency contracts (Note 20)	-	-	-	-
At 31 August 2013				
Non-hedging derivatives				
Forward currency contracts (Note 20)	-	34,007	-	34,007
Assets for which fair values are disclosed				
At 31 August 2014				
Investment properties (Note 14)	-	-	21,760,000	21,760,000
At 31 August 2013				
Investment properties (Note 14)	-	-	19,698,000	19,698,000

There have been no transfers between Level 1 and Level 2 fair value measurements during the year ended 31 August 2014 and 31 August 2013.

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group			
	2014		2013	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities:				
Loans and borrowings				
Obligations under finance leases	5,261,416	5,674,459	2,839,721	3,089,623
Term loans	45,943,979	48,038,034	16,011,213	16,945,300

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30. Fair value measurement (contd.)

C. Determination of fair values

Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values:

	Note
Trade and other receivables (current and non-current)	17
Loans and borrowings (current and non-current) – except those disclosed in Note 30B	22
Trade and other payables (current)	23

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to insignificant impact of discounting.

The fair value of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or lease arrangements at the reporting date.

Amounts due from/to related companies and subsidiaries

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

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31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Chief Executive Officer and Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific approval. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets (including cash and bank balances and derivatives), arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

(i) The carrying amount of each class of financial assets recognised in the statements of financial position; and

(ii) a nominal amount of RM82,363,854 (2013: RM39,347,755) relating to corporate guarantees provided by the Company as securities to licensed banks in respect of bank loans and banking facilities granted to its subsidiaries.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 17.

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31. Financial risk management objectives and policies (contd.)

a) Credit risk (contd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2014		2013	
	RM	%	RM	%
By country:				
Malaysia	18,663,960	66.4	17,027,357	57.8
Thailand	7,118,305	25.4	9,155,370	31.0
Singapore	583,837	2.1	1,880,662	6.4
Others	1,727,024	6.1	1,403,298	4.8
	28,093,126	100.0	29,466,687	100.0
By industry sectors:				
Electronics and electrical	12,800,401	45.7	12,259,669	41.6
Security and surveillance system	1,745,171	6.2	3,493,581	11.9
Medical, specialty products and gloves	5,496,110	19.6	7,027,682	23.8
Packaging	1,305,238	4.7	927,014	3.1
Foods	1,834,169	6.5	1,547,186	5.3
Others	4,912,037	17.3	4,211,555	14.3
	28,093,126	100.0	29,466,687	100.0

At the reporting date, approximately 35.92% (2013: 51.90%) of the Group's trade receivables were due from 6 (2013: 6) major customers.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with no history of default.

Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 17.

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31. Financial risk management objectives and policies (contd.)

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and balance its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, approximately 47% (2013: 69%) of the Group's loans and borrowings as disclosed in Note 22 will mature in less than one year.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 August 2014				
Group				
Financial assets:				
Trade and other receivables	36,454,159	179,879	-	36,634,038
Cash and bank balances	11,548,732	104,724	-	11,653,456
Total undiscounted financial assets	48,002,891	284,603	-	48,287,494
Financial liabilities:				
Trade and other payables	35,836,661	-	-	35,836,661
Loans and borrowings	43,343,683	44,031,302	5,648,474	93,023,459
Total undiscounted financial liabilities	79,180,344	44,031,302	5,648,474	128,860,120

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31. Financial risk management objectives and policies (contd.)

b) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 August 2013				
Group				
Financial assets:				
Trade and other receivables	31,984,555	548,227	-	32,532,782
Cash and bank balances	10,082,464	431,642	-	10,514,106
Total undiscounted financial assets	42,067,019	979,869	-	43,046,888
Financial liabilities:				
Trade and other payables	28,044,087	-	-	28,044,087
Derivatives	34,007	-	-	34,007
Loans and borrowings	29,507,777	12,666,054	4,527,843	46,701,674
Total undiscounted financial liabilities	57,585,871	12,666,054	4,527,843	74,779,768
31 August 2014				
Company				
Financial assets:				
Trade and other receivables	4,987,172	-	-	4,987,172
Cash and bank balances	128,221	-	-	128,221
Total undiscounted financial assets	5,115,393	-	-	5,115,393
Financial liabilities:				
Trade and other payables, representing total undiscounted financial liabilities	14,667,501	-	-	14,667,501

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31. Financial risk management objectives and policies (contd.)

b) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 August 2013				
Company				
Financial assets:				
Trade and other receivables	6,729,829	-	-	6,729,829
Cash and bank balances	72,394	-	-	72,394
Total undiscounted financial assets	6,802,223	-	-	6,802,223
Financial liabilities:				
Trade and other payables, representing total undiscounted financial liabilities	14,604,933	-	-	14,604,933

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from loans and borrowings. Loans and borrowings at floating rates expose the Group and the Company to cash flow interest rate risk.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 20 basis point lower/higher, with all other variables held constant, the Group's profit (2013: loss) net of tax would have been RM93,728 (2013: RM41,057) higher/lower (2013: lower/higher), arising mainly as a result of lower/higher interest expense from floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit/(loss) net of tax (through the impact on interest expense from floating rate loans and borrowings).

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31. Financial risk management objectives and policies (contd.)

c) Interest rate risk (contd.)

Group	2014 Increase/ (decrease) in basis point	2014 Increase/ (decrease) on profit net of tax RM	2013 Increase/ (decrease) in basis point	2013 (Increase)/ decrease on loss net of tax RM
- Ringgit Malaysia	20	(74,517)	20	(23,291)
- Ringgit Malaysia	(20)	74,517	(20)	23,291
- Thai Baht	20	(19,211)	20	(17,766)
- Thai Baht	(20)	19,211	(20)	17,766

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company have transactional currency exposures arising from sales that are denominated in currency other than the respective functional currencies of the Group entities i.e. RM and Thai Baht ("THB"), comprising United States Dollars ("USD") and Singapore Dollars ("SGD"). The foreign currencies in which these transactions are denominated are mainly USD.

Approximately 13.0% (2013: 24.2%) of the Group's receivables is denominated in foreign currencies whilst almost 22.0% (2013: 40.9%) of the Group's payables are denominated in foreign currencies.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (in USD and SGD) amounted to RM1,367,617 (2013: RM11,729,553).

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Certain companies within the Group uses forward currency contracts to eliminate the currency exposure. The forward currency contracts were in the same currency as the hedged item.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group, with all other variables held constant.

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31. Financial risk management objectives and policies (contd.)

d) Foreign exchange risk (contd.)

	Group	
	2014 Increase/ (decrease) on profit net of tax RM	2013 Decrease/ (increase) on loss net of tax RM
USD/MYR - strengthened 5%	148,960	276,891
- weakened 5%	(148,960)	(276,891)
SGD/MYR- strengthened 10%	18,730	3,206
- weakened 10%	(18,730)	(3,206)
USD/THB - strengthened 10%	(143,803)	(557,741)
- weakened 10%	143,803	557,741

32. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group monitors capital using net gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the Group's net gearing ratio at a level deemed appropriate considering business, economic and investment condition.

There were no changes in the Group's approach to capital management during the financial year.

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Loans and borrowings	22	82,767,184	42,669,388	-	-
Trade and other payables	23	35,836,661	28,044,087	14,667,501	14,604,933
Less: Cash and bank balances	21	(11,653,456)	(10,514,106)	(128,221)	(72,394)
Net debt		106,950,389	60,199,369	14,539,280	14,532,539
Equity attributable to owners of the parent		45,788,806	44,107,381	31,659,912	32,433,709
Capital and net debt		152,739,195	104,306,750	46,199,192	46,966,248
Gearing ratio		70%	58%	31%	31%

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33. Segment information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group is organised into three major business segments:

(i) Integrated supply chain products and services - sales and distribution of advanced packing materials, electronics products, chemicals, spare parts and consumables.

(ii) Contract manufacturing - contract manufacturer of electronic components.

(iii) Supply of packing materials - manufacture, sales and distribution of advanced packing material, electronics products, food related products and consumables.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three major business segments operate in two main geographical areas:

(i) Malaysia - the operations in this area are principally engaged in supply of packaging materials and contract manufacturing.

(ii) Thailand - the operations in this area are mainly engaged in integrated supply chain products and services and contract manufacturing.

(d) Allocation basis and transfer pricing

Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are in accordance with prices mutually agreed between the respective companies. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

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33. Segment information (contd.)

Business Segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	Integrated supply chain products and services RM	Contract manufacturing RM	Supply of packaging materials RM	Eliminations RM	Consolidation RM
2014					
Revenue					
Sales to external customer	52,043,672	19,454,575	107,265,316	-	178,763,563
Inter-segments sales	1,012,430	718,822	22,102,134	(23,833,386)	-
Total revenue	53,056,102	20,173,397	129,367,450	(23,833,386)	178,763,563
Results					
Segment results	(228,763)	1,658,789	9,204,362	-	10,634,388
Unallocated expenses					(4,084,034)
Operating profit					6,550,354
Finance costs					(2,922,922)
Profit before tax					3,627,432
Income tax expense					(1,028,769)
Profit for the year					2,598,663
Assets					
Segment assets	10,830,641	23,536,124	134,221,989	-	168,588,754
Unallocated assets					560,639
Tax assets					955,501
Total assets					170,104,894
Liabilities					
Segment liabilities	4,957,097	2,625,826	27,559,343	-	35,142,266
Unallocated liabilities					2,216,044
Borrowings					82,767,184
Tax liabilities					273,640
Total liabilities					120,399,134
Other information					
Capital expenditure for property, plant and equipment	6,896	1,669,847	5,696,747	-	7,373,490
Capital expenditure for investment properties	-	-	31,900	-	31,900
Depreciation	58,280	2,338,983	2,956,161	-	5,353,424
Impairment losses on property, plant and equipment	-	-	1,445,179	-	1,445,179
Other significant non-cash expenses	21,473	694,829	1,017,750	-	1,734,052

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33. Segment information (contd.)

Business segments (contd.)

2013	Integrated supply chain products and services RM	Contract manufacturing RM	Supply of packaging materials RM	Eliminations RM	Consolidation RM
Revenue					
Sales to external customer	54,447,803	26,614,940	96,744,634	-	177,807,377
Inter-segments sales	1,062,103	360,140	21,504,308	(22,926,551)	-
Total revenue	55,509,906	26,975,080	118,248,942	(22,926,551)	177,807,377
Results					
Segment results	1,560,400	(2,647,337)	(2,007,278)	-	(3,094,215)
Unallocated expenses					(4,307,039)
Operating loss					(7,401,254)
Finance costs					(2,296,042)
Loss before tax					(9,697,296)
Income tax expense					(87,809)
Loss for the year					(9,785,105)
Assets					
Segment assets	8,675,478	24,795,032	85,843,437	-	119,313,947
Unallocated assets					411,305
Tax assets					1,313,583
Total assets					121,038,835
Liabilities					
Segment liabilities	5,478,491	7,434,324	13,993,470	-	26,906,285
Unallocated liabilities					3,523,794
Borrowings					42,669,388
Tax liabilities					208,627
Total liabilities					73,308,094
Other information					
Capital expenditure for property, plant and equipment	8,700	1,566,746	3,042,588	-	4,618,034
Capital expenditure for investment properties	-	-	6,500	-	6,500
Depreciation	58,231	2,270,406	3,097,616	-	5,426,253
Impairment losses on property, plant and equipment	-	-	526,000	-	526,000
Other significant non-cash expenses	54,620	93,096	2,028,832	-	2,176,548

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33. Segment information (contd.)

Geographical segments:

The following table provides an analysis of the Group's revenue, assets and capital expenditure by geographical segments:

	Total revenue from external customers		Segment assets		Capital expenditure	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Malaysia	120,931,116	104,720,452	121,505,857	80,489,760	2,973,073	2,270,392
Thailand	57,832,447	73,086,925	47,082,897	38,824,187	4,432,317	2,354,142
Consolidated	178,763,563	177,807,377	168,588,754	119,313,947	7,405,390	4,624,534

Information about major customers

Revenue from 3 (2013: 2) major customers amounting to RM88,538,371 (2013: RM69,800,197) arose from sales made from the supply of packing material segment and a major customer amounting to RM7,218,171 (2013: RM16,440,690) from sales made by the contract manufacturing segment.

34. Significant events

a) Fire incident at factory building of a subsidiary of the Company

On 29 October 2013, one of the manufacturing facilities of ISCM Industries (Thailand) Co., Ltd. ("ISCMI") in Thailand had caught fire. The fire had damaged certain property, plant and equipment of ISCMI and also certain inventories of ISCMI and of another subsidiary placed in the premise i.e., Integrated SCM Co., Ltd. ("ISCM").

ISCMI is principally involved in the printing of packaging materials and contract manufacturing of consumable electronic products and ISCM is involved in the sales and distribution of chemicals, packaging materials, spare parts and consumables.

The fire had caused extensive damages to ISCMI especially in the printing of packaging materials segment and as a result it has temporarily ceased operations to the date of this report.

ISCMI has performed an impairment assessment and have recognised impairment losses and also written off property, plant and equipment and inventories damaged by the fire incidents. The subsidiary had also carried out a retrenchment exercise for its employees as a result of the temporary ceasation of operation. The effects of the above are as disclosed in Notes 6, 12(d) and 19. The property, plant and equipment and inventories of the subsidiary are covered by insurance policies and the Group has recognised insurance compensation received as disclosed in Note 5. At the date of this report, ISCMI has yet to resume its operations.

Currently the Group is still in negotiations with the insurance company on the final amount to be claimed. As at the date the financial statements were authorised for issue, RM15,966,945 has been approved by the insurance company of which RM12,366,000 has been recognised as other income as at 31 August 2014.

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34. Significant events (contd.)

b) CCTV Installation project

On 2 May 2014, one of the Company's subsidiaries, Attractive Venture (JB) Sdn.Bhd. ("AVJB") has entered into an agreement with Kiwitech Sdn. Bhd ("Kiwitech") for the supply of equipment for the installation of 496 Closed-Circuit Television ("CCTV") systems and 50 Control Centres across 25 town councils in Malaysia ("CCTV installation project"). The total contract sum amounts to RM53 million and the CCTV installation project has yet to be completed as at 31 August 2014 and as at the date the financial statements were authorised for issue.

35. Subsequent events

(a) Subsequent to the year end, one of the Company's subsidiaries, Attractive Venture Sdn.Bhd. has entered into Sales and Purchase agreement with Fuh Kai Advance Ceramics Sdn. Bhd to acquire a piece of leasehold industrial land and building for a total consideration of RM4,500,000. The Sales and Purchase agreement is pending completion as at the date the financial statements were authorised for issue.

(b) One of the Company's subsidiaries, ISCM Industries (Thailand) Co., Ltd. has early settled its term loan amounting to Thai Baht 25 million.

36. Authorisation of financial statements for issue

The financial statements for the year ended 31 August 2014 were authorised for issue in accordance with a resolution of the directors on 31 December 2014.

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37. Supplementary information – breakdown of accumulated losses into realised and unrealised

The breakdown of the accumulated losses of the Group and of the Company as at 31 August 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated losses as at reporting date may be analysed as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Total accumulated losses of the Company and its subsidiaries				
- Realised	(13,926,728)	(5,837,973)	(25,867,309)	(24,585,286)
- Unrealised	760,266	329,267	116,415	(391,811)
Less: Consolidation adjustments	(4,185,660)	(14,148,315)	-	-
	(17,352,122)	(19,657,021)	(25,750,894)	(24,977,097)

D'NONCE TECHNOLOGY BHD
503292-K

D'NONCE GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FOURTH QUARTER ENDED 31 AUGUST 2015

CERTIFIED TRUE COPY

KOAY SU LING (BC/K/1005)
Advocate & Solicitor
Penang
Senior Associate,
Zaid Ibrahim & Co.

D'NONCE TECHNOLOGY BHD.
503292-K

The Board wishes to announce the following unaudited results of the Group for the fourth financial quarter ended 31 Aug 2015.

Unaudited Condensed Consolidated Statement of Financial Position As At 31 Aug 2015

	Note	As At 31/08/2015 RM'000	As At 31/08/2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	*10*	54,306	40,913
Investment properties		12,011	12,414
Other investments		14	14
Intangible assets		289	289
Trade receivable		36,621	180
Deferred tax assets		76	781
Cash and bank balances		105	105
		103,422	54,696
Currents assets			
Inventories		17,529	37,069
Trade receivables		48,480	27,913
Other receivables, deposit and prepayment		9,768	38,704
Tax recoverable		413	175
Cash and bank balances		9,977	11,549
		86,167	115,410
TOTAL ASSETS		189,589	170,106
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		45,101	45,101
Share premium		12,310	12,310
Other capital reserve		5,120	5,120
Foreign currency translation reserve		5,224	578
Legal reserve		32	32
Accumulated loss		(16,963)	(17,352)
		50,824	45,789
Non-controlling interest		4,441	3,917
Total equity		55,265	49,706
Non-current liabilities			
Retirement benefit obligations		683	491
Borrowings	*21*	39,118	43,503
Deferred income		3,525	-
Deferred tax liabilities		625	241
		43,951	44,235

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Penang
Senior Associate,
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Unaudited Condensed Consolidated Statement of Financial Position As At 31 Aug 2015 (cont'd)

	Note	**As At 31/08/2015 RM'000**	**As At 31/08/2014 RM'000**
Current liabilities			
Retirement benefit obligations		717	1,031
Borrowings	*21*	45,151	39,264
Trade payables		25,583	17,236
Other payables		16,320	18,601
Current tax payable		81	33
Deferred income		2,333	-
Derivatives		188	-
		90,373	76,165
Total liabilities		134,324	120,400
TOTAL EQUITY AND LIABILITIES		189,589	170,106
Net tangible assets per share (RM)		1.12	1.01

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2014.)

The accompanying notes are an integral part of this statement.

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Advocate & Solicitor
Penang
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The Board wishes to announce the following unaudited results of the Group for the fourth financial quarter ended 31 Aug 2015.

Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 Aug 2015

		CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		12 months ended	
		31/08/2015	31/08/2014	31/08/2015	31/08/2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		39,784	55,141	223,772	178,764
Operating expenses		(42,482)	(55,684)	(223,151)	(178,952)
Other income including investment income		4,770	6,018	10,202	13,847
Profit from operations		2,072	5,475	10,823	13,659
Depreciation		(2,075)	(1,418)	(6,496)	(5,353)
Fair value changes in derivatives		(179)	(29)	(188)	34
Foreign exchange gain/(loss)		353	(688)	1,690	565
Gain/(loss) on disposal of property, plant and equipment		93	2,019	110	2,021
Impairment of assets		799	(150)	798	(1,496)
Interest expense		(1,596)	(1,091)	(4,954)	(2,922)
Interest income		712	261	1,856	419
Property, plant and equipment written off		-	(17)	(34)	(322)
Provision for and written off of inventories		(1,025)	(168)	(1,078)	(3,242)
Provision for and written off of receivables		880	58	825	731
Staff retrenchment benefits		6	-	(39)	(467)
Profit/(Loss) before taxation		40	4,252	3,313	3,627
Taxation	*19*	(1,472)	(150)	(2,400)	(1,029)
Profit/(Loss) for the period		(1,432)	4,102	913	2,598
Profit/(Loss) attributable to :					
Owner of the parent		(1,588)	4,267	389	2,305
Non-controlling interest		156	(165)	524	293
		(1,432)	4,102	913	2,598
Earnings/(Loss) per share :-	*26*				
(a) Basic (sen)		(3.52)	9.46	0.86	5.11
(b) Fully Diluted (sen)		*(3.52)*	*9.46*	*0.86*	*5.11*

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2014.)

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The Board wishes to announce the following unaudited results of the Group for the fourth financial quarter ended 31 Aug 2015.

Unaudited Condensed Consolidated Statement of Comprehensive Income For The Quarter Ended 31 Aug 2015

	CURRENT QUARTER 3 months ended		CUMULATIVE QUARTER 12 months ended	
	31/08/2015 RM'000	31/08/2014 RM'000	31/08/2015 RM'000	31/08/2014 RM'000
Profit/(Loss) for the period	(1,432)	4,102	913	2,598
Foreign currency transaction differences for foreign operations	2,143	158	4,646	(623)
Actuarial gains and losses in defined benefit plans	-	-	-	-
Total comprehensive income for the period	711	4,260	5,559	1,975
Total comprehensive income attributable to:				
Owner of the parent	555	4,425	5,035	1,682
Non-controlling interest	156	(165)	524	293
	711	4,260	5,559	1,975

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with

The accompanying notes are an integral part of this statement.

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The Board wishes to announce the following unaudited results of the Group for the fourth financial quarter ended 31 Aug 2015.

Unaudited Condensed Consolidated Statements of Changes in Equity For The Quarter Ended 31 Aug 2015

	← Attributable to owners of the parent →								
	← Non-distributable →								
	Share Capital RM'000	Share Premium RM'000	Other Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Legal Reserve RM'000	Accumulated Loss RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 September 2014	45,101	12,310	5,120	578	32	(17,352)	45,789	3,917	49,706
Total comprehensive income for the period	-	-	-	4,646	-	389	5,035	524	5,559
At 31 Aug 2015	45,101	12,310	5,120	5,224	32	(16,963)	50,824	4,441	55,265
At 1 September 2013	45,101	12,310	5,120	1,201	32	(19,657)	44,107	3,624	47,731
Total comprehensive income for the period	-	-	-	(623)	-	2,305	1,682	293	1,975
At 31 Aug 2014	45,101	12,310	5,120	578	32	(17,352)	45,789	3,917	49,706

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2014.)

The accompanying notes are an integral part of this statement.

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The Board wishes to announce the following unaudited results of the Group for the fourth financial quarter ended 31 Aug 2015.

Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 Aug 2015

	12 months ended	
	31/08/2015	**31/08/2014**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
Profit before taxation	3,313	3,627
Adjustments for non-cash flows:-		
Depreciation	6,496	5,353
Gain on disposal of property, plant and equipment	(110)	(2,021)
Interest expense	4,954	2,922
Interest income	(1,856)	(419)
Provision for and written off of inventories	1,078	3,242
Net fair value changes in derivatives	188	(34)
Property, plant and equipment written off	34	322
Provision for and written off of receivables	(825)	(731)
(Reversal)/Impairment of assets	(798)	1,496
Non-operating items	(197)	906
Operating profit before working capital changes	12,277	14,663
Increase in receivables	(27,722)	(30,460)
Decrease/(Increase) in inventories	18,462	(21,513)
Increase/(Decrease) in payables	12,317	7,292
Cash generated from/(used in) operations	15,334	(30,018)
Tax paid	(1,023)	(606)
Interest paid	(4,954)	(2,922)
Retirement benefit obligations paid	(322)	(1,296)
Net cash generated from/(used in) operating activities	9,035	(34,842)
Cash Flows From Investing Activities		
Interest income	1,856	419
Purchases of property, plant and equipment	(11,601)	(3,889)
Proceed from disposal of property, plant and equipment	137	2,768
Net changes to fixed deposit	(663)	(1,257)
Net cash used in investing activities	(10,271)	(1,959)
Cash Flows From Financing Activities		
(Repayment)/Drawdown of short term borrowings	(2,645)	4,533
Repayment of hire purchase and lease financing	(1,348)	(1,094)
(Repayment)/Drawdown of term loans	(580)	29,933
Net cash (used in)/generated from financing activities	(4,573)	33,372
Net decrease in cash and cash equivalents	(5,809)	(3,429)
Effect of exchange rate changes	(100)	101
Cash and cash equivalents at beginning of the period	(4,699)	(1,372)
Cash and cash equivalents at end of the period	(10,608)	(4,700)
Cash and cash equivalents comprise:		
Cash and bank balances	10,082	11,654
Bank overdraft - secured	(15,114)	(11,439)
	(5,032)	215
Less: Deposits with licensed banks for more than 3 months and pledged with licensed banks	(5,576)	(4,914)
	(10,608)	(4,699)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2014.)
The accompanying notes are an integral part of this statement.

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Penang

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Notes to the condensed consolidated interim financial statements of the Group for the fourth quarter ended 31 Aug 2015.

1 Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") No 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing requirement of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Boards.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2014. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2014.

2 Changes in Accounting Policies and Effects Arising from Adoption of new and revised MFRSs

The significant accounting policies adopted in preparing this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 August 2014, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRSs and IC Interpretations by the Group with effect from 1 September 2014:

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136: Recoverable Amount Disclosure for Non-Financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21: Levies
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle
Annual Improvements to MFRSs 2011-2013 Cycle

Effective for financial periods beginning on or after 1 January 2016

MFRS 14: Regulatory Deferral Accounts
Amendments to MFRS 101: Disclosure Initiative
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Join Venture
Amendments to MFRS 10, MFRS 12 and MFRS 128 – Investment Entities: Applying the
Amendments to MFRS 11: Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116 and MFRS 138 – Clarification of Acceptable Methods of Depreciation
Amendments to MFRS 116 and MFRS 141 – Agriculture: Bearer Plants
Amendments to MFRS 127: Consolidated Financial Statements - Equity Method in Separate
Annual Improvements to MFRSs 2012-2014 Cycle

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2 Changes in Accounting Policies and Effects Arising from Adoption of new and revised MFRSs (cont'd)

Effective for financial periods beginning on or after 1 January 2017

MFRS 15: Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2018

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)
Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7

The initial application of the above MFRSs, amendments to MFRSs and IC Interpretations is not expected to have any significant impact on the Group.

3 Audit Report of the Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 31 August 2014 was not subjected to any qualification.

4 Seasonality and Cyclical Operations

The Group is subjected to the volatility of demand of its products in the electronic industry.

5 Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow that are Unusual Because of Their Nature, Size or Incidence.

There were no items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or incidence for the current quarter other than the recognition of a long term trade receivable of RM36.6 million arising from the recognition of the revenue from the agreement to supply equipment for the installation of surveillance system.

6 Material Changes in Accounting Estimates

There were no changes in accounting estimates of amounts reported in prior interim periods or the current financial period or changes in estimates of amounts reported in prior financial years.

7 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares or resale of treasury shares for the current financial period.

8 Dividend Paid

No dividend was paid during the financial year to date.

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9 Segmental Reporting

The Group's segmental analysis is as follows:

12 months period ended 31-Aug-15	Integrated Supply Chain Products And Services	Contract Manufacturing Services	Supply of Packaging and Other Materials	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	44,261	21,850	157,661	-	223,772
Inter-segment revenue	1,118	328	18,107	(19,553)	-
Total segment revenue	**45,379**	**22,178**	**175,768**	**(19,553)**	**223,772**
RESULTS					
Segment results	**2,387**	**(3,836)**	**15,680**	**-**	**14,231**
Unallocated expenses					(5,964)
Operating profit					8,267
Finance costs, net					(4,954)
Profit before taxation					3,313
Taxation					(2,400)
Profit after taxation					913
Interest revenue	-	5	1,851	-	1,856
Interest expense	138	686	4,130	-	4,954
Depreciation and amortisation	37	2,489	3,970	-	6,496
Other significant non-cash items	107	41	(66)	-	82
Segment assets	10,308	17,005	158,732	-	186,045
Unallocated assets					3,544
Total assets					189,589
Segment liabilities	9,256	10,289	109,819	-	129,364
Unallocated liabilities					4,960
Total liabilities					134,324

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9 Segmental Reporting (cont'd)

12 months period ended 31-Aug-14	Integrated Supply Chain Products And Services	Contract Manufacturing Services	Supply of Packaging and Other Materials	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	52,044	19,455	107,265	-	178,764
Inter-segment revenue	1,012	719	22,102	(23,833)	-
Total segment revenue	**53,056**	**20,174**	**129,367**	**(23,833)**	**178,764**
RESULTS					
Segment results	**1,659**	**(229)**	**9,204**	**-**	**10,634**
Unallocated expenses					(4,085)
Operating loss					6,549
Finance costs, net					(2,922)
Loss before taxation					3,627
Taxation					(1,029)
Loss after taxation					2,598
Interest revenue	-	-	419	-	419
Interest expense	172	443	2,307	-	2,922
Depreciation and amortisation	58	2,339	2,956	-	5,353
Other significant non-cash items	21	695	1,018	-	1,734
Segment assets	10,831	23,536	134,222	-	168,589
Unallocated assets					1,517
Total assets					170,106
Segment liabilities	4,957	2,626	27,559	-	35,142
Unallocated liabilities					85,258
Total liabilities					120,400

Segment profit and loss does not include taxation as this expense is managed on a group basis.

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10 Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment brought forward from the previous annual financial statements. The property, plant and equipment are stated at their historical cost less accumulated depreciation.

11 Subsequent Material Event

There were no material events that have taken place subsequent to the reporting date other than as disclosed in Note 20 and 24.

12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

13 Changes in Contingent Liabilities and Assets

The Company has provided corporate guarantees amounting to RM82,343,000 for the banking facilities granted by financial institutions to certain subsidiary companies.

14 Capital Commitments

Save as disclosed below, the Group has no capital commitments as at the end of the current financial quarter.

	RM'000
Approved and not contracted for:	
- Construction cost of a factory	4,400

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15 Analysis of performance for current quarter and financial period-to-date

Performance financial period-to-date

The Group's revenue for the year ended 31 August 2015 was RM223.7 million as compared with RM178.7 million for the year ended 31 August 2014, an increase of 25%. The increase is primarily due to the additional revenue generated from the supply 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 for a total contract sum of RM53.0 million ("CCTV project").

The profit after taxation for the Group had decreased by RM1.7 million or 65.4% from RM2.6 million in financial year ended 2014 to RM0.9 million in financial year ended 2015 mainly due to additional finance costs incurred pursuant to borrowings taken to fund the CCTV project and higher tax expense in financial year ended 31 August 2015.

The performance by business segments are further analysed as below:

Integrated Supply Chain Products and Services

The revenue from the segment for the year ended 31 August 2015 was RM44.4 million as compared with RM52.0 million for the financial year ended 31 August 2014, a reduction of 14.6%. The lower revenue was the result of lower orders received from customers.

The segment results was RM2.4 million, an increase of 14.8% over RM1.7 million registered in the previous financial year. The better segment results was due to better cost control.

Contract manufacturing services

The revenue from this segment for the year ended 31 August 2015 was RM21.8 million as compared with RM19.4 million for the financial year ended 31 August 2014, an increase of 12.4%.

This increase in revenue was the result of increased orders from customers in this segment.

The segment results was a loss of RM3.8 million as compared to the loss of RM0.2 million in the previous financial year. The higher loss was the result of stock written off.

Supply of packaging and other materials

Revenue from the segment for the year ended 31 August 2015 was RM157.6 million as compared with RM107.3 million for the financial year ended 31 August 2014, an increase of 46.9%.

This was mainly due to the CCTV project revenue recognised during the year.

The segment results for the year was RM15.6 million, an increase of 69.6% over RM9.2 million registered in the previous financial year. The increase was mainly due to the higher revenue generated in the year.

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15 Analysis of performance for current quarter and financial period-to-date (cont'd)

Performance for current quarter

Compared to the same quarter of last year, the Group's revenue for the current quarter have decreased by RM15.3 million to RM39.7 million.

The performance by business segments are further analysed as below:

Integrated Supply Chain Products and Services

The current quarter's revenue of RM11.8 million is a reduction of RM1.5 million compared to the same quarter last year due to lower sales from customers.

With this slight drop in revenue, it affected the segmental results to drop by RM0.3 million compared to corresponding quarter of last year.

Contract Manufacturing Services

The current quarter's revenue of RM3.9 million is lower than the same quarter of last year. This is mainly due to lower sales from customer.

The current quarter reported a higher loss compared to same quarter of last year is because of lower revenue from new and existing customers and additional stocks written off for the quarter.

Supply of Packaging and Other Materials

The current quarter's revenue is RM24.1 million with a segmental profit of RM8.1 million. The decrease of RM13.6 million in revenue is mainly due to the higher sales of surveillance system recorded in the same quarter of last year.

This higher segmental profit in this quarter compared to same quarter in previous' year is due to reversal of provision of receivables.

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16 Material Changes in Profit Before Taxation Against Immediate Preceding Quarter

The Group's current quarter revenue is RM39.7 million compared to previous quarter revenue of RM43.9 million. The reduction in revenue in this quarter against the immediate preceding quarter is lower sales from certain customers in this quarter. Segment results for both period are the same at RM1.6 million.

The performance by business segments are further analysed as below:

Integrated Supply Chain Products and Services

The revenue for this business segment is consistent compared to the revenue in previous quarter.

The segmental profit for this quarter is RM0.6 million. This is higher by RM0.25 million in the previous quarter because of margin of certain products is higher in this quarter.

Contract Manufacturing Services

The revenue in this business segment has decreased by RM1.8 million to RM3.9 million as compared to the immediate preceding quarter. This is because the sales for our contract manufacturing services in Southern Thailand has scaled down after the fire incident.

The segmental results for this business segment registered a loss of RM6.1 million compared to a profit recorded in previous quarter. The losses are mainly due to the stocks provision and reduction in customer's order in Southern Thailand for the contract manufacturing services.

Supply of Packaging and Other Materials

The revenue in this current quarter is RM4.1 million lower than immediate preceding quarter is because in the previous quarter, there were higher sales of surveillance system recorded.

This segment registered a profit of RM8.1 million in this current quarter and it is higher compared to the previous quarter mainly due to the reversal of provision for receivables.

17 Prospects

We have re-commence our operations for the printing of packaging materials in Southern Thailand in the first quarter of this year. This segment is gradually recovering and has started to contribute to the Group's turnover in this quarter.

The global business sentiment also remains challenging due to the prevailing global economic conditions. The Group is trying to penetrate into other market segments as well as expanding its existing business to offset the impact. The management is continuously monitoring the Group's operational cost and efficiency to improve the overall profitability.

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18 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

19 Taxation

	Current Quarter		Cumulative Quarter	
	31 Aug 2015 RM'000	31 Aug 2014 RM'000	31 Aug 2015 RM'000	31 Aug 2014 RM'000
Income tax:				
Current period	379	277	1,249	804
Prior period	(67)	239	(12)	239
Deferred tax:				
Current period	388	(326)	385	(170)
Prior period	772	(40)	778	156
Total tax expenses	**1,472**	**150**	**2,400**	**1,029**

The effective tax rate for the current financial period was higher than the statutory tax rate principally due to the losses from certain subsidiaries which cannot be offset against taxable profits made by other subsidiaries.

20 Status of Corporate Proposal

There were no corporate proposals announced as at the date of this report other than as disclosed below:

On 11 June 2015, the Company had issued a Circular to Shareholders and Notice of Extraordinary General Meeting ("EGM") in relation to the:

(i) Proposed reduction of the issued and paid-up share capital of D'nonce Technology Bhd. ("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");

(ii) 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");

(iii) Proposed bonus issue of up to 45,101,000 new ordinary shares of RM0.25 each in DTB ("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");

(iv) Proposed 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 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");

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KOAY SU LING (BC/K/1005)
Advocate & Solicitor
Penang
Senior Associate,
Zaid Ibrahim & Co.

D'NONCE TECHNOLOGY BHD.
503292-K

20 Status of Corporate Proposal (cont'd)

(v) Proposed amendments to the Memorandum And Articles of Association ("M&A") of DTB ("proposed M&A amendments");

(vi) 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 after the proposals (i) to (iv) above for the eligible directors and employees of DTB and its subsidiaries ("DTB group" or "group") ("proposed ESOS");

(vii) 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"); and

(viii) 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").

(Collectively referred to as the Proposals.)

On 3 July 2015, the shareholders of the Company had approved all resolutions set-out in the Notice of EGM on 11 June 2015 in relation to the above Proposals.

On 8 September 2015, the High Court of Malaysa had on 8 September 2015 granted an order confirming the Company's Proposed Par Value Reduction ("Order").

On 23 September 2015, an office copy of the sealed Order has been lodged with the Companies Commission of Malaysia, upon which the reduction of the par value of each existing ordinary share of DTB from RM1.00 to RM0.25 and amendments of the M&A had taken effect and hence deemed completed.

On 9 October 2015, the Board of Directors of DTB has resolved to fix the issue price for the Rights Shares at RM0.25 per Rights Share and the exercise price for the Warrants at RM0.25 per Warrant.

On 12 October 2015, DTB had entered into an underwriting agreement with IPS for the underwriting of 37,842,410 Rights Shares at an issue price of RM0.25 per Rights Share. Taking into consideration of the above and the undertaking by the undertaking shareholder for 14,515,590 Rights Shares, the Proposed Rights Issue with Warrants is to be undertaken based on the minimum subscription level of 52,358,000 Rights Shares together with 52,358,000 Warrants which will raise a gross proceed of RM13.09 million. In connection with the issuance of the Warrants, the Company had also on even date, executed the deed poll constituting the Warrants.

The Abridged Prospectus has been approved by the Securities Commission of Malaysia ("SC") and issued to the Company's shareholders on 29 October 2015.

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21 Group Borrowings and Debt Securities

The Group's borrowings as at the end of the reporting period comprised secured term loan, bank overdrafts, bills payable and hire purchases. The Group's borrowings are denominated in Ringgit Malaysia and Thai Baht. The breakdown of the borrowings are disclosed as follow:

31 Aug 2015	Denominated in Ringgit Malaysia RM'000	Denominated in Thai Baht RM'000	Total RM'000
Secured:			
Short Term	32,454	12,697	45,151
Long Term	28,032	11,086	39,118
Total	**60,486**	**23,783**	**84,269**

31 Aug 2014	Denominated in Ringgit Malaysia RM'000	Denominated in Thai Baht RM'000	Total RM'000
Secured:			
Short Term	26,222	13,042	39,264
Long Term	39,800	3,703	43,503
Total	**66,022**	**16,745**	**82,767**

22 Derivative Financial Instrument

As at 31 Aug 2015, the foreign currency contracts which have been entered into by the Group to hedge its foreign receivable are as follow:

Forward Foreign Currency Contracts	Contract Value RM'000	Fair Value RM'000	Liabilities RM'000
Less than 1 year	1,456	1,268	188

The net fair value changes of derivative financial liability had resulted in a loss of RM179,000 for the current quarter.

23 Realised and unrealised profit disclosure

	As At 31 Aug 2015 RM'000	As At 31 Aug 2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	(14,368)	(13,927)
- Unrealised	(245)	760
	(14,613)	(13,167)
Add : Consolidated adjustments	(2,350)	(4,185)
Total Group accumulated losses as per consolidated income statements	**(16,963)**	**(17,352)**

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Senior Associate,
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24 Material Litigation

As announced in our previous quarterly report, a former Director of the Company ("the Respondent") had filed an industrial claim in 2006 through the Industrial Court of Malaysia ("Industrial Court") seeking monetary compensation due to wrongful termination.

Following this, the Respondent's claim for damages for breach of contract went for full trial in the High Court on 11 and 12 May 2015. On 30 June 2015, the High Court delivered its judgement that all claims by the Respondent were dismissed with cost of RM55,000, which the Respondent did not appeal to the judgement.

Following this development, the Board is of the opinion that there is no further material litigation for the Group.

25 Dividend

The Directors will not be recommending any dividend for the current financial period.

26 Earnings/(Loss) Per Share

	Current Quarter		Cumulative Quarter	
Basic/ Diluted	**31 Aug 2015**	**31 Aug 2014**	**31 Aug 2015**	**31 Aug 2014**
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	(1,588)	4,267	389	2,305
Weighted average number of ordinary shares in issue ('000)	45,101	45,101	45,101	45,101
Basic earnings/(loss) per share (sen)	**(3.52)**	**9.46**	**0.86**	**5.11**

27 Authorisation For Issue

The Board of Directors authorised the issue of this unaudited interim financial statements on 29 October 2015.

By Order of the Board
Gunn Chit Geok
Chew Siew Cheng
Company Secretaries
29 October 2015
Pulau Pinang

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KOAY SU LING (BC/K/1005)
Advocate & Solicitor
Penang
Senior Associate,
Zaid Ibrahim & Co.

D'nonce
TECHNOLOGY BHD
503292-K

1 9 OCT 2015

Registered office:

Suite 12-02
12th Floor Menara Zurich
170 Jalan Argyll
10050 Penang

To: The Shareholders of D'nonce Technology Bhd. ("DTB")

Dear Sirs/Madam,

On behalf of the Board of Directors of DTB ("**Board**"), I wish to report that, after making due enquiries in relation to DTB and its subsidiaries ("**DTB Group**" or the "**Group**") during the period between 31 August 2014, being the date to which the last audited financial statements of DTB Group has been made up, and to the date hereof, being a date not earlier than fourteen (14) days before the date of issue of this Abridged Prospectus:

(a) the business of DTB Group has, in the opinion of the Board, been satisfactorily maintained;

(b) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of DTB Group, which have adversely affected the trading or the value of the assets of DTB Group;

(c) the current assets of the DTB Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) saved as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by DTB Group;

(e) since the last audited financial statements of DTB Group, the Board is not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of DTB Group; and

(f) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of DTB Group since the last audited financial statements of DTB Group.

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

Law Kim Choon
Chief Executive Officer/Group Managing Director

D'NONCE TECHNOLOGY BHD (503292-K)
51-14-B & C, Menara BHL,
Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia.
Tel No: 604-2281198 Fax No: 604-2283016

1. SHARE CAPITAL

(i) No securities will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP;

(ii) As at LPD, there is only one (1) class shares in DTB, namely ordinary shares of RM0.25 each in the Company, all of which rank *pari passu* with one another;

(iii) No securities of DTB have been issued or are proposed or intended to be issued as fully paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this AP; and

(iv) Save as disclosed below and in this AP, no person has been or is entitled to be granted an option to subscribe for any securities of the Company and no capital of the Company is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this AP:

(a) The Rights Shares, Warrants and Bonus Shares to be issued pursuant to the Rights Issue with Warrants and Bonus Issue; and

(b) The ESOS. The maximum number of new DTB Shares which may be made available thereunder shall not exceed fifteen (15%) of the total issued and paid-up share capital of the Company (excluding treasury shares) at any point of time during the duration of the ESOS. The ESOS shall be for a period of five (5) years, commencing from the date on which the last of the approvals and/or conditions stipulated in the By-Law 18.1 have been obtained and/or complied with ("**Effective Date**"). However, the ESOS may, at the ESOS Committee's absolute discretion be extended for a further period of five (5) years immediately from the expiry of the first five (5) years, provided that any extension of the ESOS shall not in aggregate exceed ten (10) years from the Effective Date or such longer period as may be allowed by the relevant authorities. As at the date of this AP, the ESOS has yet to be implemented and/or effected.

2. REMUNERATION OF DIRECTORS

The provisions in the Articles of Association in relation to the remuneration of the Directors are as follows:

Article 103

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that:

(a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or a percentage of profits or turnover;

(b) salaries payable to executive Directors may not include a commission on or percentage of turnover;

(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

(d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 104

(1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

(2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Article 138

The remuneration of the Managing Director and the Deputy Managing Director may subject to the terms of any agreement entered into any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

3. MATERIAL CONTRACTS

As at the LPD, save as disclosed below, the DTB Group has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this AP:

(i) A sale and purchase agreement between AVSB and Entire Entity Sdn. Bhd. ("**EESB**") dated 27 December 2013 in respect of the sale by AVSB and purchase by EESB of all that piece of leasehold land and hereditaments known as Lot No. 6519 (formerly known as No. P.T. 1470), Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under No. PN 7372 [formerly held under No. H.S.(D) 2737-MK.1] (measuring 2011 square metres) with a factory bearing assessment address Lot 1, Puncak Perusahaan 1, Kawasan MIEL, 13600 Prai, Penang erected thereon together with the fixtures and fittings to the Property at the purchase price of RM2,700,000 and upon the terms and conditions therein contained;

(ii) An agreement dated 2 May 2014 between AVJB and Kiwitech Sdn. Bhd. ("**Kiwitech**"), who has agreed with the Ministry of Urban Wellbeing, Housing and Local Government to undertake the supply, install, test and commission of 496 CCTV and 50 control centres for 25 town councils in Malaysia ("**Sites**") for a period of 60 months ("**Project**")) in respect of Kiwitech's appointment of AVJB to source and supply CCTV and its accessories, source and supply equipment for control centres and its accessories and supply poles and accessories for the installation of CCTV as well as to provide and arrange for transportation for the effective installation of the CCTV at the Sites in relation to the Project, at a contract sum of RM53,000,000;

(iii) A conditional sale and purchase agreement dated 28 November 2014 between AVSB and Fu Kai Advance Ceramics Sdn. Bhd. ("**FKACSB**") in respect of FKACSB's sale and AVSB's purchase of the leasehold land known as No. P.T 2969 held under No. H.S.(D) 4289, Mukim 1, Daerah Seberang Perai Tengah, Negeri Pulau Pinang together with the factory building constructed thereon with assessment address No. 2733, Tingkat Perusahaan 6A, 13600 Prai, Penang at the purchase price of RM4,500,000 and upon the terms and conditions contained therein;

(iv) The Underwriting Agreement; and

(v) The Deed Poll.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither, DTB nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant or otherwise, including those pending or, threatened against DTB or any of its subsidiaries, and the Board is not aware of any facts likely to give rise to any proceedings, which may materially affect the business/financial position of DTB or any of its subsidiaries.

5. GENERAL

(i) Saved and except for the service contract entered into on 22 February 2015 between DTB and Law Kim Choon, there are no service contracts or proposed service contracts between the Directors and the Group, excluding contracts expiring or determinable by the Group without payment or compensation (other than statutory compensation) within one (1) year from the date of this AP.

(ii) Save as disclosed in this AP and to the best knowledge of the Board, the financial conditions and operations of the Group are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of the Group;

(b) any material commitment for capital expenditure of the Group;

(c) unusual, infrequent events or transactions or any significant economic changes which materially affect the amount of reported income from the Group's operations; and

(d) known trends or uncertainties that have had, or will have, a material favourable or unfavourable impact on revenues or operating income of the Group.

(iii) Save as disclosed in this AP, the Board is not aware of any material information including specific trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.

6. CONSENTS

(i) The Adviser and Underwriter, Company Secretaries, Principal Bankers, Share Registrar, Bloomberg (Malaysia) Sdn. Bhd. and Solicitors for the Rights Issue with Warrants have given their consents to the inclusion of their names and all references thereto in the form and context in which they appear in this AP before the issuance of this AP and their consents have not been subsequently withdrawn.

(ii) The Auditors and Reporting Accountants for the Corporate Exercises have given their consents for the inclusion of their names, the Auditors' Report relating to the audited consolidated financial statements of DTB for the FYE 31 August 2014 and the Reporting Accountants' Report on the compilation of proforma consolidated statements of financial position of DTB as at 31 August 2014, and all references thereto, in the form and context in which they appear before the issuance of this AP and their consents have not been subsequently withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from Mondays to Fridays at the Company's registered office at Suite 12-02, 12th Floor Menara Zurich, 170 Jalan Argyll, 10050 Penang for a period of twelve (12) months from the date of this AP:

(i) the Company's M&A;

(ii) the Deed Poll governing the Warrants;

(iii) the proforma consolidated statement of financial position of the Company as at 31 August 2014 together with the Reporting Accountants' report thereon;

(iv) the audited consolidated financial statements of the Company for the past two (2) FYE 31 August 2013 and 31 August 2014 and the latest unaudited consolidated financial statements of DTB for the FYE 31 August 2015;

(v) Directors' report referred to in Appendix VI of this AP;

(vi) the material contracts referred to in Section 3 above;

(vii) the service contract referred to in Section 5 above;

(viii) the letters of consent referred to in Section 6 above; and

(ix) the irrevocable undertaking letter from the Undertaking Shareholder referred to in Section 2.1.5 of this AP.

8. RESPONSIBILITY STATEMENT

The Documents have been seen and approved by the Directors of DTB and they collectively and individually accept full responsibility for the accuracy of the information given in these Documents and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any information or statement in the Documents false or 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.

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

The provisional allotment of Rights Shares (as defined herein) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, as amended from time to time ("**SICDA**") and therefore, the SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd (165570-W) ("**Bursa Depository**") shall apply in respect of dealings in the provisional allotment of Rights Shares. Terms defined in the Abridged Prospectus of D'nonce Technology Bhd. ("**DTB**" or the "**Company**") dated 29 October 2015 shall have the same meanings where used in this document, unless otherwise defined here or the context otherwise requires.

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.
(12738-U)
A Participating Organisation of Bursa Malaysia Securities Berhad
A Trading Participant of Bursa Malaysia Derivatives Berhad

To: Entitled Shareholders of DTB

Dear Sir/Madam,

The Board of Directors of DTB ("**Board**") has provisionally allotted to you, in accordance with the resolutions passed at the extraordinary general meeting convened on 3 July 2015 and the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 22 May 2015, the number of Rights Shares, Warrants and Bonus Shares as indicated below ("**Provisional Allotment(s)**").

We wish to advise that the number of Provisional Allotment in respect of the Rights Issue with Warrants and the Bonus Issue have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and condition stated in the Abridged Prospectus dated 29 October 2015 and the Rights Subscription Form ("**RSF**") dated 29 October 2015 issued by DTB.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 29 October 2015 issued by DTB. Bursa Securities has already prescribed the securities of DTB listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, all dealings in the Provisional Allotments will be by way of book entry through CDS account(s) and will be governed by the SICDA and the Rules of Bursa Depository.

ALL THE RIGHTS SHARES WITH WARRANTS AND BONUS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS AND BONUS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES WITH WARRANTS AND BONUS SHARES INTO THE CDS ACCOUNT(S) OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES AND WARRANT CERTIFICATES WILL BE ISSUED.

The Board reserves the right to allocate any Rights Shares with Warrants and Bonus Shares which are not taken up or validly taken up by the Entitled Shareholders ("**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 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, the Board reserves the right to allot any 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 the Company subject always to such allocation being made on 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 any of the Excess Rights Shares application, in full or in part, without assigning any reason thereof.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE ENTITLED SHAREHOLDER

NUMBER OF DTB SHARES HELD AT 5.00 P.M. ON 29 OCTOBER 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF BONUS SHARES ATTACHED TO RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.25 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIMES:-

Entitlement Date	:	Thursday, 29 October 2015 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Thursday, 5 November 2015 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Wednesday, 11 November 2015 at 4.00 p.m.
Last date and time for acceptance and payment	:	Monday, 16 November 2015 at 5.00 p.m.*
Last date and time for excess application and payment	:	Monday, 16 November 2015 at 5.00 p.m.*

* *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.*

BY ORDER OF THE BOARD
Gunn Chit Geok (MAICSA 0673097)
Chew Siew Cheng (MAICSA 7019191)
Company Secretaries

Share Registrar
Tricor Investor Services Sdn Bhd (118401-V)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi, 59200 Kuala Lumpur
Tel: 603-2783 9299
Fax: 603-2783 9222

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 29 OCTOBER 2015

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 29 OCTOBER 2015 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANING WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") UNLESS STATED OTHERWISE. THIS RSF IS FOR THE PURPOSE OF ACCEPTING THE PROVISIONAL ALLOTMENTS AND APPLYING FOR EXCESS RIGHTS SHARES PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS AND BONUS ISSUE (AS DEFINED HEREIN) OF D'NONCE TECHNOLOGY BHD. ("DTB" OR THE "COMPANY"). ENTITLED SHAREHOLDERS AND/OR RENOUNCEE(S) (IF APPLICABLE) SHOULD READ AND UNDERSTAND THE NOTES AND INSTRUCTIONS AS SET OUT IN THIS RSF AND THE CONTENTS OF THE ABRIDGED PROSPECTUS BEFORE COMPLETING THIS RSF. THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS WELL AS EXCESS APPLICATION AND PAYMENT IS 5.00 P.M. ON 16 NOVEMBER 2015 OR SUCH LATER DATE AND TIME AS OUR BOARD OF DIRECTORS MAY DECIDE IN ITS ABSOLUTE DISCRETION AND ANNOUNCE NOT LESS THAN TWO (2) MARKET DAYS BEFORE THE STIPULATED DATE AND TIME. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS AND BONUS SHARES STANDING TO THE CREDIT OF HIS/HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

D'NONCE TECHNOLOGY BHD
503292-K

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")

NAME AND ADDRESS OF APPLICANT (in block letters as per the record of Bursa Depository)

NRIC NO./ PASSPORT NO./ COMPANY NO.

CDS ACCOUNT NO. _ _ _ - _ _ _ - _ _ _ _ _ _ _ _ _

NUMBER OF DTB SHARES HELD AT 5.00 P.M. ON 29 OCTOBER 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF BONUS SHARES ATTACHED TO RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.25 PER RIGHTS SHARE (RM)

***Note:** If you have subsequently purchased additional Provisional Allotments from the open market, you should indicate your acceptance of the total Provisional Allotments that you have standing to the credit of your CDS account under Part I (A) below.*

To: The Board of Directors of DTB

PART I - ACCEPTANCE OF THE RIGHTS SHARES AND EXCESS RIGHTS SHARES APPLICATION

In accordance with the terms of this RSF and the Abridged Prospectus dated 29 October 2015, I/we# hereby irrevocably:-

(a) accept the number of Provisional Allotments as stated below which were provisionally allotted/renounced to me/us#;

(b) apply the number of Excess Rights Shares as stated below in addition to my/our# acceptance of (a) above;

in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We# enclose herewith the appropriate remittances(s)/reference for payment as stated below being the full amount payable for the Rights Shares accepted/applied for and/or Excess Rights Shares applied for, and hereby request for the said Rights Shares with Warrants and Bonus Shares , to be credited into my/our# valid and subsisting CDS account as stated above:-

NUMBER OF RIGHTS SHARES ACCEPTED/EXCESS RIGHTS SHARES APPLIED		AMOUNT PAYABLE AT RM0.25 PER RIGHTS SHARE (RM)	BANKER'S DRAFT/CASHIER'S ORDER/MONEY ORDER/POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE				**DTB RIGHTS ISSUE ACCOUNT**
(B) EXCESS				**DTB EXCESS RIGHTS ISSUE ACCOUNT**

PART II – DECLARATION

I/We# hereby confirm and declare that:

(i) All information provided by me/us# is true and correct;

(ii) All information is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our# rights may be rejected; and

- I am 18 years of age or over.
- I am/We are# resident(s) of Malaysia.
- I am/we are# resident(s) of ………………….. (country) and having …………………….. citizenship.
- I am/We are# nominee(s) of a person who is a Bumiputera/Non-Bumiputera/Non-Citizen# resident in ……………….. (country) and having ………………… citizenship.

I/ We* consent to the Company and the Share Registrar collecting the information and personal data (collectively, "**Data**") required herein, to process and disclose such Data to any person for the purpose of implementing the Rights Issue with Warrants and Bonus Issue and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulation.

I/We# have read and understood and hereby accept all the terms and conditions as set out in this RSF and the Abridged Prospectus dated 29 October 2015 and further confirm compliance with all the requirements for acceptance as set out therein.

AFFIX MALAYSIAN REVENUE STAMP RM10.00 HERE

Date

Signature/Authorised Signatory(ies)
(Corporate Body must affix their Common Seal)

Contact telephone number during office hours

IMPORTANT RELEVANT DATES - LAST DATE AND TIME FOR:-

Acceptance and payment	:	Monday, 16 November 2015 at 5.00 p.m.*
Excess application and payment	:	Monday, 16 November 2015 at 5.00 p.m.*

* *or such later date and time as the Directors may decide and announce not less than two (2) Market Days before the stipulated date and time.*

Please delete whichever is not applicable.

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE CAPITAL MARKETS & SERVICES ACT, 2007 ("CMSA"), THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 29 OCTOBER 2015.

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. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE WITH WARRANTS AND BONUS ISSUE SHOULD BE ADDRESSED TO THE SHARE REGISTRAR AT TRICOR INVESTOR SERVICES SDN. BHD (COMPANY NO. 118401-V) AT UNIT 32-01, LEVEL 32, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, MALAYSIA. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.

The documents relating to the Rights Issue with Warrants and Bonus Issue are only despatched to the entitled shareholders of DTB who have a registered address in Malaysia and whose names appear in our Record of Depositors at 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. No action has been or will be taken to ensure that the Rights Issue with Warrants and Bonus Issue and the Abridged Prospectus, NPA and RSF ("**Documents**") comply with the laws of countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and other professional adviser as to whether the acceptance, renunciation, sale or transfer of the Provisional Allotments (as the case may be), would result in the contravention of any laws of such countries or jurisdictions

Neither the Company nor Inter-Pacific Securities Sdn. Bhd. shall accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation, sale or transfer of the Provisional Allotments (as the case may be) made by the Entitled Shareholders and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) (if applicable) is a resident.

A copy of the Abridged Prospectus has been registered with the SC. The registration of the Abridged Prospectus 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 the Abridged Prospectus. 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 their contents. Approval for the Rights Issue with Warrants and Bonus Issue has been obtained from the shareholders of DTB at the EGM held on 3 July 2015. Approval has been obtained from Bursa Securities on 22 May 2015 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Bonus Shares and Warrants and the new DTB Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities.

The admission of the Warrants to the Official List of Bursa Securities and listing of and quotation for the Right Shares, Bonus Shares, Warrants and the new DTB Shares to be issued upon exercise of the Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncees (if applicable) have been duly credited and notices of allotment have been despatched to them. The admission of the Warrants to the Official List of Bursa Securities and listing of and quotation for the Rights Shares, Bonus Shares and Warrants and the new DTB Shares to be issued upon 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 Documents 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 or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

The provisionally allotted Rights Shares, Bonus Shares and Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, as amended from time to time ("**SICDA**") and therefore, the SICDA and the Rules of the Bursa Depository shall apply in respect of dealings in the Provisional Allotments.

Unless otherwise stated, the unit of currency used in this RSF is RM and sen. Terms defined in the Abridged Prospectus dated 29 October 2015 shall have the same meaning when used in this RSF, unless stated otherwise or the context otherwise requires.

INSTRUCTIONS:-

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on 16 November 2015 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.

If acceptance and payment for the Provisional Allotment is not received by the Share Registrar by 5.00 p.m. on 16 November 2015 being the last time and date for acceptance and payment (or such extended date and time as the Board may decide and announce at their absolute discretion), such Provisional Allotment will be deemed to have been declined and will be canceled.

(II) FULL OR PART ACCEPTANCE OF THE RIGHTS SHARES, BONUS SHARES AND WARRANTS

The Provisional Allotments are renounceable in full or in part. If you wish to accept all or part of your entitlement to the Provisional Allotments, you may do so by completing Parts I (A) and II of this RSF and forwarding this RSF, together with the appropriate remittance(s) in RM 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 made payable to "**DTB RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" **and endorsed on the reverse side with your name and your CDS Account number** for the full amount payable for the Provisional Allotments accepted, to be received by the Share Registrar at the address above not later than 5.00 p.m. on 16 November 2015 (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). Any excess or insufficient payment and other than in the manner stated in this RSF may be rejected at the absolute discretion of your Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

No acknowledgement will be issued by the Company or the Share Registrar for the receipt of this RSF or the application monies in respect of the Rights Issue with Warrants. 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, Bonus Shares and Warrants shall be credited into your CDS Account and a 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 of and payment for the Provisional Allotments or such other period as may be prescribed by Bursa Securities.

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 by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within fifteen (15) Market Days from the last date and time for acceptance and payment for the Provisional Allotments.

(III) 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 this RSF (in addition to Parts I (A) and II of this RSF) and forwarding this RSF, together with a SEPARATE remittance in RM 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 made 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** for the full amount payable for the Excess Rights Shares applied for, to be received by the Share Registrar at the address above not later than 5.00 p.m. on 16 November 2015 (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). Any excess or insufficient payment and other than in the manner stated in this RSF may be rejected at the absolute discretion of the Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

No acknowledgement will be issued by the Company or the Share Registrar for the receipt of the Excess Rights Shares application or the application monies in respect thereof. 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 shall be credited into your CDS Account and a 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. 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 successful Excess Rights Shares 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. 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 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, the Board reserves the right to allot any 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 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 any of or to accept the Excess Rights Shares application, in full or in part, without assigning any reason thereof.

(IV) 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.

In selling/transferring all or part of your entitlement to the Provisional Allotments, you need not deliver any document, including this RSF, to your stockbroker(s). You are however, advised to ensure that there is sufficient Provisional Allotments standing to the credit of your CDS Account(s) for settlement of the sale/transfer. Purchaser(s) of the Provisional Allotments may obtain a copy of the Abridged Prospectus and this RSF from all Malaysian stockbroking companies, Bursa Securities' website (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 (A) and II of this RSF and forwarding this RSF together with the appropriate remittance for the full amount payable for the balance of the Rights Shares accepted to the Share Registrar in accordance with the instructions as set out in Note (ii) of this RSF.

(V) GENERAL INSTRUCTIONS

(a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
(b) Rights Shares with Warrants and Bonus Shares subscribed by the entitled shareholders and/or their renouncee(s) (if applicable) will be credited into their respective CDS accounts as shown in the Record of Depositors.
(c) Any interest or other benefit accruing on or arising from or in connection with any remittance shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
(d) The contract arising from the acceptance of the Provisional Allotments and the Excess Rights Shares applied by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the Courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
(e) The Company reserves the right not to accept or to accept any acceptance and/or application (if applicable) if the instructions stated hereinabove are not strictly adhered to.
(f) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on this RSF.